COURSE SYLLABUS

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YEAR COURSE OFFERED:  2015
SEMESTER COURSE OFFERED:  Fall
DEPARTMENT:  Accountancy & Taxation
COURSE NUMBER:  Acct 5368
NAME OF COURSE:  Intermediate Accounting II
NAME OF INSTRUCTOR:  PROFESSOR: Ed Nathan  Telephone: 713-743-4827
                     OFFICE:  370-C Melcher  Email: enathan@uh.edu
Web Page:  http://bauer.uh.edu/enathan/
Office Hours:  Monday & Wednesday 12:50-1:05 and Tuesday 3:45-5:45
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The information contained in this class syllabus is subject to change without notice. Students are expected to be aware of any additional course policies presented by the instructor during the course.
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Learning Objectives
The basic objectives of this course are:
 a) to present and evaluate the theory and application of financial accounting.
 b) to develop competence in the analysis of exchange transactions and internal events in terms of relevant accounting theory.
 c) to develop competence in the application of financial accounting theory procedures, reporting and the evaluation of such applications.

The Mission of the Department of Accountancy and Taxation is to:
 • Prepare accounting graduates for leadership roles in the accounting profession;
 • Conduct research that advances the body of accounting knowledge, and inevitably has implications on accounting practice;
 • Perform service that leads to the efficient and effective practice of accounting.

To achieve its mission, the Department of Accountancy and Taxation strives to:
 • Prepare its undergraduate students for graduate education or productive careers by establishing the foundations for life-long learning;
 • Prepare its master-level students for positions of leadership in the accounting profession;
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• Prepare its doctoral students for successful careers in accounting education and research;
• Develop innovative and effective instructional methods that stimulate accounting learning;
• Provide significant intellectual contributions in basic and applied accounting scholarship;
• Provide significant service and leadership to the accounting profession, the College of Business, the University, and to both professional and academic organizations.

Major Assignments/Exams

EXAMINATIONS: Dates and coverage.

a) Tuesday, September 29, over chapters 15-16, 18-19
b) Tuesday, November 10, over chapters 17, 20-22.

c) Final Exam, Wednesday, December 9, 5:00 - 8:00

d) Last day to drop with a grade of “W” is Friday October 31.

e) No Makeup exams are given without a university excused absence. Call and email me before missing any exams for any reason.

GRADING AND CLASSROOM POLICIES:

a) A high academic level will be maintained. Final grades will be determined using the following factors and weights.

<table>
<thead>
<tr>
<th>Assignment</th>
<th>Percent</th>
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<tbody>
<tr>
<td>First Exam</td>
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<td>Second Exam</td>
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<td>Final Exam</td>
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<tr>
<td>Case Problem due last class</td>
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<tr>
<td>Homework Problems (Wiley Plus Online)</td>
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</table>

b) A = 90% of total possible points and above; 80% ≤ B < 90%; 62 ≤ C < 80%; 52% ≤ D < 62; F = Below 52. Plus and minus grades may also be used to help you.

c) WORK SCHEDULES: DO NOT REGISTER FOR THIS CLASS IF IT CONFLICTS WITH YOUR WORK SCHEDULE. WE WILL NOT ADAPT THE COURSE TO FIT THESE SCHEDULES.

d) POLICY ON INCOMPLETE (I) GRADES
The University of Houston regulations for assigning incomplete grades state: "The grade of I (incomplete) is a conditional and temporary grade given when students are passing a course, but for reasons beyond their control, have not completed a relatively small part of all requirements" (emphasis added). Reasons for a student being unable to complete a course are due to: "Health, Accident, Injury, or Family Tragedy." A student who wants to try to improve
their course grade, or avoid scholastic probation, or avoid loss of scholarship grants, etc., **WILL NOT** be given an incomplete grade.

e) The C. T. Bauer College of Business would like to help students who have disabilities achieve their highest potential. To this end, in order to receive academic accommodations, students must register with the Center for Students with Disabilities (CSD) (telephone 713-743-5400), and present approved accommodation documentation to their instructors in a timely manner. The Center for Students with Disabilities provides a wide variety of academic support services to all currently-enrolled UH students who have any type of mental or physical disability of either a temporary or permanent nature. These services include assistance with course accommodations, adaptive equipment, individualized exam administration, taped textbooks, wheelchair repair, library needs, registration, handicapped parking, accessible housing and transportation, as well as many other needs.

f) **Academic Honesty:** The University of Houston Academic Honesty Policy is strictly enforced by the C. T. Bauer College of Business. No violations of this policy will be tolerated in this course. A discussion of the policy is included in the University of Houston Student Handbook. The Handbook is at [http://www.uh.edu/dos/hdbk/acad/achonpol.html](http://www.uh.edu/dos/hdbk/acad/achonpol.html). Students are expected to be familiar with this policy.

g) The CBA has a policy that requires all of its instructors to be evaluated by their students. The results of these evaluations are important to provide feedback to instructors on how their performance can be improved. In addition, these evaluations are carefully considered in promotion, salary adjustment, and other important decisions. We openly encourage students to provide feedback to the instructors and to the CBA through the evaluation process.

**Required Reading**

**TEXTBOOKS:**


b) Pack of three Scantron computer scoring sheets.

**Recommended Reading**


**List of discussion/lecture topics** – from the required textbook
<table>
<thead>
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<th>DATE</th>
<th>CHAPTER</th>
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<td>E15-7</td>
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<td>E19-21, E19-10, HANDOUT #2</td>
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<td>Oct. 6</td>
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<td>Dec. 1</td>
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**Online Homework deadlines** – All Homework is submitted through the Wiley Plus website. You are given three chances to get your best homework grade for each assignment. Register your access code and access the Wiley Plus site at:  

Homework is graded on a 100 point scale with an additional 10 points added to your homework average for all students still breathing on the last day of class. Due dates for online assignments are at **11:00PM** on the following dates:

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Due Date</th>
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<tr>
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<td>Chapter 16</td>
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<td>Chapter 24</td>
<td>December 3</td>
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<td>Chapter 17a</td>
<td>December 7</td>
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</tbody>
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The Corporate Form of Organization

Three primary forms of business organization

- Proprietorship
- Partnership
- Corporation

Special characteristics of the corporate form:
1. Influence of state corporate law.
2. Use of capital stock or share system.
3. Development of a variety of ownership interests.

Capital Stock or Share System

In the absence of restrictive provisions, each share carries the following rights:
1. To share proportionately in profits and losses.
2. To share proportionately in management (the right to vote for directors).
3. To share proportionately in assets upon liquidation.
4. To share proportionately in any new issues of stock of the same class—called the preemptive right.

Corporate Capital

Issuance of Stock

Shares authorized - Shares sold - Shares issued

Accounting problems:
1. Par value stock.
2. No-par stock.
3. Stock issued in combination with other securities.
4. Stock issued in noncash transactions.
5. Costs of issuing stock.

Stock Issued in Noncash Transactions

The general rule: Companies should record stock issued for services or property other than cash at the
- fair value of the stock issued or
- fair value of the noncash consideration received,
Whatever is more clearly determinable.

Purchase of Treasury Stock

Two acceptable methods:
- Cost method (more widely used).
- Par or Stated value method.

Treasury stock reduces stockholders’ equity.

Sale of Treasury Stock

- Above Cost
- Below Cost
Both increase total assets and stockholders’ equity.
Preferred Stock

Features often associated with preferred stock.

1. Preference as to dividends.
2. Preference as to assets in the event of liquidation.
3. Convertible into common stock.
4. Callable at the option of the corporation.
5. Nonvoting.

15-36 LO 5 Explain the accounting for and reporting of preferred stock.

Preferred Stock

Features of Preferred Stock

- Cumulative
- Participating
- Convertible
- Callable
- Redeemable

A corporation may attach whatever preferences or restrictions, as long as it does not violate its state incorporation law.

The accounting for preferred stock at issuance is similar to that for common stock.

15-37 LO 5 Explain the accounting for and reporting of preferred stock.

Dividend Policy

Types of Dividends

1. Cash dividends.
2. Property dividends.
3. Liquidating dividends.
4. Stock dividends.

All dividends, except for stock dividends, reduce the total stockholders' equity in the corporation.

15-40 LO 7 Identify the various forms of dividend distributions.

Dividend Policy

Stock Dividends

- Issuance by a company of its own stock to stockholders on a pro rata basis, without receiving any consideration.
- When stock dividend is less than 20–25 percent of the common shares outstanding, company transfers fair market value from retained earnings (small stock dividend).

15-49 LO 8 Explain the accounting for small and large stock dividends, and for stock splits.

Dividend Policy

Stock Split

- To reduce the market value of stock.
- No entry recorded for a stock split.
- Decrease par value and increased number of shares.

15-52 LO 8 Explain the accounting for small and large stock dividends, and for stock splits.

Dividend Policy

Stock Split and Stock Dividend Differentiated

- Large Stock Dividend - 20–25 percent of the number of shares previously outstanding.
  - Same effect on market price as a stock split.
  - Par value transferred from retained earnings to contributed capital.