

University of Waterloo - School of Accounting and Finance
AFM 391 - Intermediate Financial Accounting II
Course Outline – Fall Term 2011

Instructor:	Prof. Changling Chen	Prof. Duane Kennedy
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Office Hours:	2:30-3:30 TTh or by appt.	2:30-3:30 TTh or by appt.

Class Information

Section	Time	Location	Instructor
001	8:30-9:50 TTh	HH 1108	Prof. Kennedy
002	11:30-12:50 TTh	HH 1108	Prof. Chen
003	1:00-2:20 TTh	HH 1108	Prof. Chen

Required Class Materials:

Kieso, D. E., J. J. Weygandt, T. D. Warfield, N. M. Young, and I. M. Wiecek. *Intermediate Accounting*, 9th Canadian Edition, Volume Two, 2010. ISBN 978-0-470-16101-2.

WileyPLUS Premium with electronic eText

Class Section Name	Class Section URL
AFM391 001 - Kennedy	http://edugen.wileyplus.com/edugen/class/cls226153/
▶ AFM391 002 - Chen	http://edugen.wileyplus.com/edugen/class/cls226154/
AFM391 003 - Chen	http://edugen.wileyplus.com/edugen/class/cls226155/

CICA Handbook and International Financial Reporting Standards (Available on the library webpage under “Research Databases – [CICA Products](#)”)

The following materials will be provided on UW-ACE (most materials will be posted under “Lessons” in weekly folders):

- Course outline
- Periodic announcements regarding course details
- Electronic copies of Powerpoint slides
- Solutions to assigned problems
- Midterm solutions and practice exams/solutions
- Additional cases and in-class exercises that are not listed in the course schedule

It is the responsibility of the student to check for updated material and download them for class.

Course Description and Objectives:

AFM 391 is the second course on intermediate financial reporting, following AFM 291. While AFM 291 focused on accounting for assets and revenue, AFM 391 examines the measurement and disclosure of liabilities and shareholders equity. Additional topics include complex financial instruments, earnings per share, income taxes, pensions, leases, accounting changes and errors, and cash flow statements. With the

transition to IFRS for public enterprises on January 1, 2011, accounting standards in Canada underwent significant changes and will continue to evolve. The objectives of this course are to develop students' knowledge of both the foundational principles and the emerging practices related to these topics, and to improve students' professional judgment in applying accounting standards related to these topics. In addition, this course emphasizes the continued development of skills and attitudes necessary for the success of accounting professionals, such as the skills of "learning how to learn", critical thinking and problem solving skills, communication skills, and professional and ethical conduct.

Prerequisite: AFM 291 - Intermediate Accounting I

Class Structure:

Class sessions will be a combination of lecture, problem solving, and class discussion. Adequate preparation before class, regular class attendance, active participation during class, and conscientious practice after class are critical to your learning. As such, we expect you to complete the assigned readings and problems before class and participate actively in class discussions and in-class exercises. To facilitate in-class interaction, please bring your name card (which will be provided to you at the beginning of the semester) and place it on your desk in each class.

You can help us create a positive and collaborative learning atmosphere during class sessions. For example, you can do the following:

- volunteer your answers to problems discussed in class
- offer relevant input that advances class discussion
- ask questions that further our understanding of course material
- clarify points that others may not understand
- assist fellow students in in-class exercises

Please also respect your fellow classmates and your instructor by being punctual and ensure that cell phones/PDAs/computers etc. do not disrupt the class.

Course Grading:

The final course grade is based on your demonstrated capability in dealing with and understanding the course content. There are two grading schemes as illustrated in the following. The final grade will be the greater of the two.

	Scheme 1		Scheme 2
Midterm Examination Lower mark	25%		10%
Midterm Examination Higher mark	25%	OR	25%
Final Examination	40%		55%
WileyPLUS Homework Assignments	<u>10%</u>		<u>10%</u>
Total	<u>100%</u>		<u>100%</u>

Examinations:

There are two midterm examinations and a final examination for this course. A mid-term examination of 90 minutes duration is scheduled for Thursday, October 6, from 4:30 to 6:00 p.m. This examination will include all material covered prior to the date of the examination. The second mid-term examination is

scheduled for Friday, November 4, from 4:30 to 6:00 p.m. This examination will include all material covered subsequent to the first midterm examination and prior to the date of the second midterm examination. The locations for the midterm examinations will be announced later. **Note that students must write these examinations in the assigned location.** The final examination will be two and one-half hours duration and will be scheduled by the Registrar's Office during the Fall term examination period (December 8 to 22). The final examination is comprehensive, covering material throughout the course.

The format of each exam will be a combination of multiple choice questions, problems and discussion questions. The examinations will test students' understanding of all assigned materials, including materials in class discussions. Please note that the examinations will cover all assigned materials and will not be restricted to the materials explicitly discussed in class. A sample examination will be made available before each exam to aid you in preparing for the examination.

Students must bring their Watcard to the midterm and final examinations. If a student writes an examination without the appropriate photo identification, the examination will not be graded and a mark of 0 will be assigned.

Missed Examinations:

An examination missed without adequate documentation will result in a grade of zero for the exam. No make up midterm examination will be given under any circumstances. Please note that it is university policy that student travel plans are not considered acceptable grounds for granting alternative midterm or final exam times (<http://www.registrar.uwaterloo.ca/exams/finalexams.html>). Student travel plans are also not considered acceptable grounds for missing an exam.

To support requests for accommodation due to illness, students should seek medical treatment and provide supporting documentation to the SAF Undergraduate Coordinator, Carol Treitz at HH 3156 (if the Undergraduate Coordinator is not available the documentation should be provided to the receptionist in the Program Office), **within 2 working days of the missed examination.** A completed University of Waterloo Verification of Illness Form should be provided to support requests for accommodation due to illness. This form is normally the only acceptable medical documentation and is available on line at www.healthservices.uwaterloo.ca/Health_Services/verification.html. For other approved accommodations, such as death of a family member, appropriate documentation should be provided within a reasonable time period.

All students who are requesting accommodation for a missed exam (term or final) must also complete and submit the SAF Request for Exam Accommodation form, in addition to the supporting documentation noted above. This form can be obtained from Carol Treitz, the School's Undergraduate Coordinator. All forms must include student name, ID number, course number of missed examination, and instructor's name.

The SAF Undergraduate Coordinator will complete the bottom section of the SAF Request for Exam Accommodation form, and provide a copy to the instructor. The Coordinator will maintain a record of missed exams by student (name, ID #), so that unusual situations can be identified and addressed.

The instructor must be notified in advance of pre-scheduled absences, such as a varsity sports competition. If you miss a midterm examination and provide either of the two documents mentioned above, the weight of the missed midterm exam will be shifted to the final exam (i.e., the final exam will count for 65% of your final course grade).

A student who has a legitimate reason for missing a School of Accounting and Finance (AFM) final exam will normally write the final exam when scheduled by the Registrar's Office during the next offering of

the course, and will be given a grade of INC until that time. The foregoing is contingent on there being a satisfactory basis for the absence with appropriate supporting evidence. Those missing a final exam without a legitimate reason will receive a 0 on the final exam.

Grade appeals:

Requests for re-grading the midterm examination must be made in writing within one week after the examination has been returned. To ensure a consistent and fair treatment of all re-grade requests, later requests will not be accepted. Your written request must indicate your reasons for believing that a question was improperly graded. Appeals will only be considered where the total marks involved are 5% or more of the total available marks on the midterm, because marks below the 5% cut-off do not materially affect the overall final course grade.

The instructor reserves the right to re-grade the entire examination. Final exam grade appeal procedures are consistent with overall University policy.

WileyPLUS Homework Assignments

Adequate preparation for class is important to improve your learning in the course. The purpose of the WileyPLUS homework assignments is to encourage you to prepare for class and practice the material discussed in class. There are 11 homework assignments. Each assignment is due no later than 11PM on the day that it is assigned. The due dates will be announced on UW-ACE and in WileyPLUS. You may complete the assignments early. Late assignments will receive a grade of zero. The best 10 out of 11 WileyPLUS homework assignments will count for 10% of your final course grade. WileyPLUS assignment grades can be found on the WileyPLUS website.

Information and the URLs needed to register for the WileyPLUS website are provided in the UW-ACE course website. Students are required to register into their own WileyPLUS section within the first week of the semester. Students are responsible to be familiar with the WileyPLUS tools in order to finish WileyPLUS assignments online. Students can find a WileyPLUS assignment #0 when logged on the WileyPLUS website. Although this assignment will not be weighted in the course grade, it is helpful for students to learn the WileyPLUS homework tools.

Release of Grades

Grades will be released through the course site on UW-ACE. Please note that University of Waterloo Policy 19 states that, “final examination and final course grades shall not be posted before the final examination period ends.”

Student Access to Final Examination Papers

“Faculty of Arts policy provides that students who wish to review their final examination papers informally may do so without instituting a formal appeal procedure. Such review will take place under supervised access only, and will be arranged in a way that is mutually convenient for the instructor and the student. ”

Use of Computer Resources:

All students are provided with Waterloo Nexus accounts which provide access to the World Wide Web. Financial reporting standards are available through the Library by clicking on Resources for Research, the Research Databases, then Accounting, and finally [CICA products](#).

Students are reminded that UW computing facilities exist to support the research, instructional and administrative needs of the University. Misuse of these facilities may lead to disciplinary action. The Arts Computing Office provides guidelines on the appropriate use of computing facilities (see http://arts.uwaterloo.ca/ACO/aco_account_usage_policy.html).

Academic Integrity:

For this course, all examinations and assignments must be the exclusive work of the individual student. The written group case assignment must be the exclusive work of the students in the group. Any instances of academic offence will be dealt with in the strictest manner allowed by the university. Students majoring in accounting programs at UW should be aware that, due to the highly structured nature of the study plans and the fact that many AFM courses are offered on a limited basis, a penalty imposed as a result of an academic offence could result in a significant delay of the student's degree completion and convocation dates - particularly if the penalty involves a suspension.

Academic Integrity: In order to maintain a culture of academic integrity, members of the University of Waterloo community are expected to promote honesty, trust, fairness, respect and responsibility.

Discipline: A student is expected to know what constitutes academic integrity, to avoid committing academic offences, and to take responsibility for his/her actions. A student who is unsure whether an action constitutes an offence, or who needs help in learning how to avoid offences (e.g., plagiarism, cheating) or about "rules" for group work/collaboration should seek guidance from the course instructor, academic advisor, or the Undergraduate Associate Dean. When misconduct has been found to have occurred, disciplinary penalties will be imposed under Policy 71 – Student Discipline. For information on categories of offences and types of penalties, students should refer to Policy 71 - Student Discipline, www.adm.uwaterloo.ca/infosec/Policies/policy71.htm.

Grievance: A student who believes that a decision affecting some aspect of his/her university life has been unfair or unreasonable may have grounds for initiating a grievance. Read Policy 70 - Student Petitions and Grievances, Section 4, www.adm.uwaterloo.ca/infosec/Policies/policy70.htm.

Appeals: A student may appeal the finding and/or penalty in a decision made under Policy 70 - Student Petitions and Grievances (other than regarding a petition) or Policy 71 - Student Discipline if a ground for an appeal can be established. Read Policy 72 - Student Appeals, www.adm.uwaterloo.ca/infosec/Policies/policy72.htm.

Academic Integrity Website (Arts): http://arts.uwaterloo.ca/arts/ugrad/academic_responsibility.html

Academic Integrity Website (University): www.uwaterloo.ca/academicintegrity/

Note for Students with Disabilities:

The Office for Persons with Disabilities (OPD), located in Needles Hall, Room 1132, collaborates with all academic departments to arrange appropriate accommodations for students with disabilities without compromising the academic integrity of the curriculum. If you require academic accommodations to lessen the impact of your disability, please register with the OPD at the beginning of each academic term.

COURSE SCHEDULE: (September 12 to December 5, 2011)

Week	Date	Readings	Topic	Sample Classroom Problems	WileyPLUS Assignment
1	T Sept 13 Th Sept 15	K13 CICA 1000, 1510, 3110, 3280, 3290 IAS 1, 37	Introduction to AFM 391 Non-financial and current liabilities	P13-2, BE13-17, BE13-20, E13-22	Assignment #0 Assignment 1
2	T Sept 20 Th Sept 22	K14 CICA 3856 IAS 32, (39 or IFRS 9 (2010))	Long-term financial liabilities	BE14-3, E14-22, E14-23	Assignment 2
3	T Sept 27 Th Sept 29	K15 CICA 3240, 3251, 3856 IAS 1	Shareholders' equity	E15-3, E15-9, E15-12	Assignment 3
4/1 st	T Oct 4	K16 CICA 3856, 3870 IAS 32, 39 or IFRS 9 (2010)	Complex financial instruments	E16-2, P16-7, E16-16	Assignment 4
4/2 nd	Th Oct 6		No classes Midterm exam 4:30 – 6:00 p.m. Covers chapters 13, 14, & 15		
5/1 st	T Oct 11	K16 (continued)	Complex financial instruments (continued)		
5/2 nd 6/1 st	Th Oct 13 T Oct 18	K17 IAS 33	Earnings per share	E17-4, E17-3, E17-11, E17-17, E17-15	Assignment 5
6/2 nd 7/1 st	Th Oct 20 T Oct 25	K18 CICA 3465 IAS 12	Income taxes Income taxes	E18-1, E18-3, E18-6, E18-7, E18-22	Assignment 6
7/2 nd 8/1 st 8/2 nd	Th Oct 27 T Nov 1 Th Nov 3	K19 CICA 3461 IAS 19	Pensions Pensions Pensions	E19-1, E19-7, E19-9	Assignment 7
8	F Nov 4		Midterm exam 4:30 – 6:00 p.m. Covers chapters 16, 17, 18, & 19		
9	T Nov 8 Th Nov 10	K20 CICA 3065 IAS 17	Leases	E20-9, E20-5, E20-6, E20-14, E20-16	Assignment 8

10	T Nov 15 Th Nov 17	K21 CICA 1506 IAS 8	Accounting changes & error analysis	BE21-5, E21-8, E21-15	Assignment 9
11	T Nov 22 Th Nov 24	K22 CICA 1540 IAS 7	Statement of cash flows	E22-3, E22-13, E22-14	Assignment 10
12	T Nov 29 Th Dec 1	K23 CICA 3820, 3840 IAS 10, 24	Other measurement and disclosure issues	E23-2, E23-3	Assignment 11

NOTES:

- Readings from the Kieso et al. textbook DO NOT include the appendices unless specifically stated.
- The schedule is approximate – some topics will take more time and some less. Adjustments will be made as necessary throughout the semester.
- Additional cases and in-class exercises may be assigned throughout the semester via UW-ACE/lecture notes.
- **Students should prepare the classroom problems before the class and the in-class examples are not restricted to the listed problems.**
- **Due dates for WileyPLUS assignments will be announced on UW-ACE.**

LEGEND:

- K – Kieso et al. chapters;
- CICA – CICA Handbook Sections;
- IAS – International Accounting Standards;
- IFRS – International Financial Reporting Standard