

School of Accounting and Finance
AFM 391 - Intermediate Financial Accounting 2
Course Outline – Fall Term 2015

Instructor:	Prof. Robert Ducharme	Prof. Duane Kennedy
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Office Hours:	3:15-3:50 MW or 8:20 MW by appt	2:30-3:30 MW or by appt.

Class Information

Section	Time	Location	Instructor
001	8:30-9:50 TTh	HH 2107	Prof. Kennedy
002	10:00-11:20 TTh	HH 2107	Prof. Kennedy
003	2:30-3:50 TTh	AL 124	Prof. Kennedy
004	4:00-5:20 TTh	AL 124	Prof. Kennedy
005	7:00-8:20 MW	HH 1104	Prof. Ducharme

Required Class Materials:¹

Kieso, D. E., J. J. Weygandt, T. D. Warfield, N. M. Young, I. M. Wiecek, and B. J. McConomy. *Intermediate Accounting*, 10th Canadian Edition, Volume Two, 2013. ISBN 978-1-118-30085-5. (Textbook standalone without WileyPlus - \$114.95 at UW Book Store)

or

Kieso, D. E., J. J. Weygandt, T. D. Warfield, N. M. Young, I. M. Wiecek, and B. J. McConomy. *Intermediate Accounting*, 10th Canadian Edition, Volume Two, with WileyPlus, 2013. ISBN 978-1-118-67370-6. (Textbook with WileyPlus - \$129.95 at UW Book Store)

or

WileyPLUS for Kieso, D. E., J. J. Weygandt, T. D. Warfield, N. M. Young, I. M. Wiecek, and B. J. McConomy. *Intermediate Accounting*, 10th Canadian Edition, Volume Two, 2013. ISBN 978-1-118-51953-0. (WileyPlus standalone - \$69.50 at UW Book Store)

CPA Canada Standards and Guidance Collection (including International Financial Reporting Standards) (Available on the library webpage under “Research Databases (Journal Articles) – Accounting: [CPA Canada Standards and Guidance Collection \(CPACHB\)](#)”)

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

- Course outline
- Periodic announcements regarding course details
- Electronic copies of lecture notes

¹ See page 4 for an alternative method to access WileyPlus homework assignments.

- Midterm solutions and practice exams/solutions

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. 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 Financial 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 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 during 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 Goals

Programs delivered by the School of Accounting and Finance (SAF) are designed to provide students with the competencies, professionalism and practical experience that they need to excel in their chosen careers. With this in mind, SAF programs (and courses within the programs) are created to deliver appropriate knowledge, skills and competencies.

This course will cover knowledge and skills from the following categories:

1. Functional Competencies – technical knowledge in the area of Financial Accounting
2. Thinking & Problem Solving Skills
3. Communication Skills

4. Ethical Conduct, and
5. Learning How to Learn.

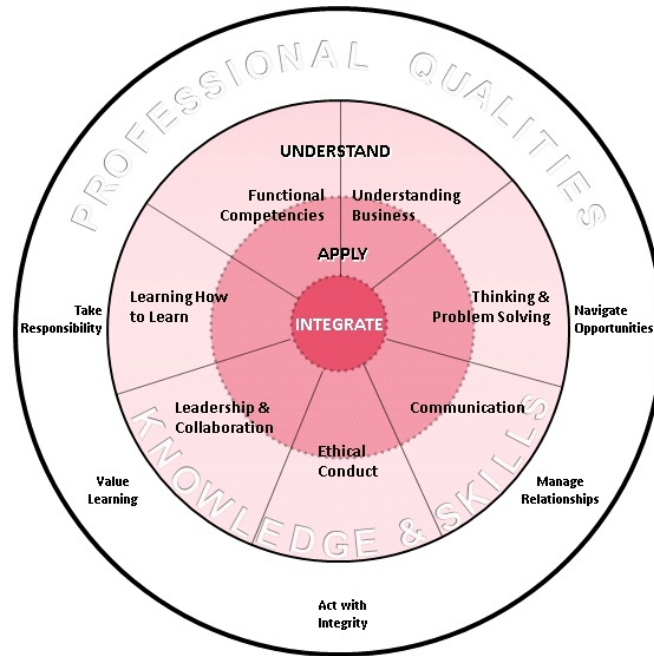


Diagram of the professional qualities of a School of Accounting and Finance student

Course Evaluation:

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
WileyPLUS Homework Assignments	10%		10%
Participation	5%		5%
Midterm Examination	30%		10%
Final Examination	55%		75%
Total	<u>100%</u>		<u>100%</u>

All course components must be the exclusive work of the individual student.

Examinations:

There is a midterm examination and a final examination for this course. A mid-term examination of 90 minutes duration is scheduled for Friday, October 30, from 4:30 to 6:00 p.m. This examination will include all material covered prior to the date of the examination. The location for the midterm examination will be announced later. **Note that students must write this examination 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 appropriate photo identification, the examination will not be graded and a mark of 0 will be assigned.

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 assigned date. The due dates will be announced on LEARN 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.

The WileyPlus homework assignments can be accessed from selected computer labs at no charge. Other features of WileyPlus are not available when using this access method. The computer labs are: HH 2103 (Bloomberg lab), PAS 1080, PAS 1098, PAS 1099, PAS 1237, MC 3006, MC 3008, MC 3009, MC 3010.

Information and the URL needed to register for the WileyPLUS website are provided in the LEARN course site. Students are required to register for WileyPLUS within the first week of the semester. **Students are required to ensure that their WileyPLUS account profile has the correct identification information (UW registered first name, last name, and student id number) in order to receive credit for the assignments, otherwise a grade of zero will be assigned for the WileyPLUS component.** 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 assignment #0 will **not** be weighted in the course grade, it is helpful for students to learn the WileyPLUS homework tools.

Participation:

The purpose of participation grades is to encourage you to be prepared for class discussion each day, having read the relevant chapter of the text and attempted the assigned problems. You will be evaluated based on the **quality** of your participation. Students will be randomly called on to participate and their participation will be graded. If a student is absent when called upon, his or her participation grade for that class will be zero. You also will receive credit for voluntary contributions that enhance the **quality** of the classroom discussion.

Since we will be using seating charts to evaluate class participation, please make sure that you attend the section that you are registered in and sit in the same seat throughout the term. **Please bring your name card to every class.**

Course Policies:

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. Re-grades will be based on the fact that the grading key was applied consistently during grading process, and during re-grades. Items not on the marking key will not be considered during the re-grades since the bulk of the examinations already have been graded. 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.

School of Accounting & Finance Policies:

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.

UW's policy regarding documentation to support requests for accommodation due to illness can be found at http://www.registrar.uwaterloo.ca/students/accom_illness.html. To support requests for accommodation due to illness, students should seek medical treatment and then provide a completed University of Waterloo Verification of Illness Form **within 2 working days of the missed assessment**. This form is normally the only acceptable medical documentation and is available on line at <http://info.uwaterloo.ca/infoheal/StudentMedicalClinic/VIF Online.pdf>. For other requests for accommodations, such as death of a family member, appropriate documentation should be provided within a reasonable time period. Students who miss the final exam also must provide the Faculty of Arts Incomplete Grade Agreement Form which is available on line at https://uwaterloo.ca/arts/sites/ca.arts/files/uploads/files/inc_grade_agreement_form_-_revised_july_2015.pdf.

The supporting documentation should be provided to the SAF Undergraduate Coordinator, Carol Treitz at HH 3156 (if the Undergraduate Coordinator is not available, the documentation should be provided to the staff member in the Program Office). Students must also complete and submit the *SAF Request for Exam Accommodation Form* (mid-term or final exams) in addition to the supporting documentation noted above. This form can be obtained from the SAF Undergraduate Coordinator at HH 3156. 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 85% 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.

Recording of Lecturers:

The SAF recognizes that recording (e.g., audio, video) a class for the purpose of private study may be a useful learning tool. Any student wanting to record (in whole or part) a lecture is required to seek the consent of the instructor before doing so and the instructor may, at her/his discretion, decline. Where recording is required as part of disability accommodation, the instructor is to be advised through provision of the appropriate AccessAbility Services paperwork. In the event that consent is given by an instructor, unless otherwise stated in writing, the consent for recording is strictly limited to the purpose of private/personal study and for no other reason (e.g., loaning the recording or reproducing a copy for another student, contesting grading, posting in whole or part online, etc.). Any failure to abide by these requirements is a violation of the university's academic integrity requirements and is subject to proceedings under Policy 71, Student Discipline.

Textbooks and Intellectual Property Rights:

The content in textbooks and other course materials is subject to copyright protection, regardless of the format (i.e. hardcopy, binder version or e-text). Printing a copy of a text or creating a pdf copy of a text may infringe the legal rights of the copyright owner and could result in penalties determined in a court of law. It is important that as a user of copyright material, you follow University guidelines for copying for situations where copying is acceptable (see https://uwaterloo.ca/copyright-guidelines/sites/ca.copyright-guidelines/files/uploads/files/check_before_you_copy.pdf). For further details, refer to the preamble of Policy 73, Intellectual Property Rights for affirmation of the University's recognition of intellectual property rights. Consult your professor if you have any questions in this regard.

University Policies:

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.

Academic Integrity Office (UW): www.uwaterloo.ca/academicintegrity/.

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.

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 professor, 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.

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 Offenses and Implications:

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.

Violation of Standards by Another Student:

Allowing another student to obtain course marks by deceit contributes to a general lowering of the ethical standards of the University and contributes to deception of potential employers and other academic institutions. Thus, you have an obligation to take some action when you know another student is violating the course's academic integrity standards. This is a difficult personal trial to face, but it is an important part of your ethical obligation as a student. If you know that another student is violating the standards, it is your responsibility to inform the student's instructor. This requirement closely parallels those found in the standards of conduct of all of the professional accounting bodies in Canada (see, for example, Chartered Professional Accountants of Ontario, *Rules of Professional Conduct*, section 211).

Note for Students with Disabilities:

The AccessAbility Office, located in Needles Hall, Room 1401, 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 AccessAbility Office at the beginning of each academic term.

Course Schedule: (September 14 to December 4, 2015)

Week Beginning	Readings	Topic	Sample Classroom Problems	WileyPLUS Assignment
Sept. 14	K13 ASPE 1000, 1510, 3110, 3280, 3290 IAS 1, 37	Introduction to AFM 391 Non-financial and current liabilities	BE13-18, BE13-21, E13-24, P13-2	Assignment 0 Assignment 1
Sept. 21	K14 ASPE 3856 IAS 32, (39 or IFRS 9 (2014))	Long-term financial liabilities	BE14-5, E14-23, E14-24	Assignment 2
Sept. 28	K15 ASPE 3240, 3251, 3856 IAS 1	Shareholders' equity	E15-3, E15-6, E15-10	Assignment 3
Oct. 5	K16 ASPE 3856, 3870 IAS 32, 39 or IFRS 9 (2014)	Complex financial instruments	E16-2, E16-16, P16-8	Assignment 4
Oct. 12	K17 IAS 33	Earnings per share	E17-7, E17-11, E17-15, E17-17	Assignment 5
Oct. 19	K18 ASPE 3465 IAS 12	Income taxes	E18-4, E18-10, E18-11, E18-13, E18-21	Assignment 6
Oct. 26	K19 ASPE 3461 IAS 19	Pensions	E19-1, E19-15, E19-23	Assignment 7
Friday Oct. 30		Midterm exam 4:30 – 6:00 p.m. Covers chapters 13-18		
Nov. 2	K20 ASPE 3065 IAS 17	Leases	E20-3, E20-4, E20-16, E20-19, E20-20	Assignment 8
Nov. 9	K21 ASPE 1506 IAS 8	Accounting changes & error analysis	BE21-8, E21-1, E21-11	Assignment 9
Nov. 16	K22 ASPE 1540 IAS 7	Statement of cash flows	E22-7, E22-12, E22-18	Assignment 10
Nov. 23	K23 ASPE 3820, 3840 IAS 10, 24	Other measurement and disclosure issues	E23-2, E23-3	Assignment 11
Nov. 30		Wrap-up		

Notes:

- Readings from the Kieso et al. textbook DO NOT include the appendices unless specifically stated in LEARN.
- The schedule is approximate – some topics will take more than one week (e.g., pensions) and some less (e.g., accounting changes). The starting dates for discussion of each chapter will be announced in LEARN.
- Additional cases and in-class exercises may be assigned throughout the semester via LEARN.
- Classes are held on Saturday, November 21. Monday schedule will be followed to make up for the Thanksgiving holiday.
- **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 LEARN.**

Legend:

- K – Kieso et al. chapters
- ASPE – Accounting Standards for Private Enterprises (CPA Canada Handbook - Accounting, Part II)
- IAS – International Accounting Standards
- IFRS – International Financial Reporting Standard