

ACCT 204: INTERMEDIATE ACCOUNTING II

Citrus College Course Outline of Record

| Heading | Value |
|-------------------------|--------------------------------|
| Effective Term: | Fall 2022 |
| Credits: | 3 |
| Total Contact Hours: | 54 |
| Lecture Hours : | 54 |
| Lab Hours: | 0 |
| Hours Arranged: | 0 |
| Outside of Class Hours: | 108 |
| Prerequisite: | ACCT 203 or equivalent course. |
| Transferable to CSU: | Yes |
| Transferable to UC: | No |
| Grading Method: | Standard Letter, Pass/No Pass |

Catalog Course Description

This intermediate financial accounting course is the second course of a two-part series. The course continues to further explore additional financial accounting topics introduced in financial accounting. The course provides an in-depth review and analysis of accounting issues and standards related to long-term liabilities, contributed capital, retained earnings, revenue recognition, income taxes, leases, cash flow, post-retirement benefits, and accounting changes and errors. This course is designed for individuals who desire to enter the accounting or a finance related profession and those interested in furthering their knowledge and understanding of financial accounting. 54 lecture hours.

Course Objectives

- Explain the nature of intangible assets and demonstrate how it is measured, reported and analyzed to assess the financial condition of a company.
- Explain the nature of investments and demonstrate how it is measured, reported and analyzed to assess the financial condition of a company
- Differentiate between debt and equity securities, classify investments as trading, available for sale or hold to maturity securities, and differentiate realized and unrealized gains/losses.
- Explain the nature of long-term receivables and demonstrate how it is measured, reported and analyzed to assess the financial condition of a company.
- Explain the nature of long-term liabilities and demonstrate how it is measured, reported and analyzed to assess the financial condition of a company.
- Explain the nature of contributed capital and demonstrate how it is measured, reported and analyzed and differentiate between contributed and earned capital, and additional paid-in-capital.
- Explain the nature of retained earnings and demonstrate how it is measured, reported and analyzed.
- Analyze the change in value of retained earnings and identify the reason for changes in the account value.
- Demonstrate how to determine the value of treasury stock.

- Explain the nature of earnings-per-share and demonstrate how it is measured, reported and analyzed to assess financial condition of a company.
- Explain the nature of leases and demonstrate how it is measured, reported and analyzed to assess financial condition of a company.
- 12. Explain the nature of post-retirement benefits and demonstrate how it is measured, reported and analyzed to assess financial condition of a company.
- 13. Differentiate between a defined benefit and define contribution plan and identify the key components that determine a post retirement liability.
- 14. Explain the nature of deferred income taxes and demonstrate how it is measured, reported and analyzed to assess financial condition of a company.
- 15. Describe the difference between temporary and permanent tax differences and deferred tax assets and deferred tax liabilities.
- 16. Explain the content, form, and purpose of the statement of cash flows and how it is used to satisfy the information needs of investors, creditors, and other users.
- 17. Prepare the statement of cash flows under both the direct and indirect methods.
- 18. Distinguish between operating, investing and financing activities and identify transactions that are reported as non cash investing or financing activities
- 19. Compute cash flow per share and free cash flow.

Major Course Content

1. Intangibles
2. Investments and Long-Term Receivables
3. Bonds and Long-Term Notes Payable
4. Contributed Capital
5. Retained Earnings and Earnings Per Share
6. Accounting for Income Taxes
7. Accounting for Post-Retirement Benefits
8. Accounting for Leases
9. The Statement of Cash Flows
10. Accounting for Changes and Errors

Suggested Reading Other Than Required Textbook

Journal of Accountancy

Examples of Required Writing Assignments

Russell International, a publicly traded company, reacquired 500,000 shares of its common stock during July 2019 at a cost of \$25 per share. The current market price of the stock was \$20 per share when the 500,000 shares were reacquired. The shares that were reacquired had been owned by a group of minority shareholders who had been dissatisfied with Russell's earnings trend, stock price, and dividends paid. In fact, these minority shareholders had been so disgruntled that they had filed a suit against Russell's directors during 2018. The minority shareholders' suit claimed damages of \$3 million because of the board's failure to fulfill its fiduciary responsibility to maximize shareholders' value. In August 2019, the minority shareholders' suit was dropped, with neither Russell nor its directors having to offer or pay a settlement.

Russell accounts for its treasury stock transactions using the cost method.

Directions: Research the related generally accepted accounting principles and explain how Russell should account for the treasury stock transaction. Cite your reference and applicable paragraph numbers. (Chapter 15: C15-13)

Examples of Outside Assignments

Analyzing Coca-Cola's Contributed Capital Obtain The Coca-Cola Company's 2017 annual report either using the "Investor Relations" portion of its web site (do a Web search for Coca Cola investor relations) or go to <http://www.sec.gov> and click "Search for company filings" under "Filings and Forms (EDGAR)". (Chapter 15: C15-11)

1. How many shares of preferred stock were authorized and issued at the end of 2017? 2. How many shares of common stock were authorized and issued at the end of 2017? What is the par value per share? 3. What does the company call its additional paid-in capital? What was the amount at the end of 2017? 4. How many shares of treasury stock did the company hold at the end of 2017? What was the average cost per share? 5. How many shares of treasury stock did the company reacquire during 2017? What was the average cost per share? 6. Briefly describe the company's 2014 Equity Plan. What was the weighted average fair value of the share options the company granted in 2017? How much was the company's total stock-based compensation expense for 2017, and where was it reported?

Instruction Type(s)

Lecture, Online Education Lecture