

WILMINGTON UNIVERSITY
COLLEGE OF BUSINESS
BASIC COURSE INFORMATION

COURSE TITLE: Intermediate Accounting II
COURSE NUMBER: BAC 202
PRE-REQUISITE(S): BAC 201, Accounting Majors GPA 2.0 in that course

COURSE DESCRIPTION:

This course is an intensive review of the analysis, recording, and reporting of financial transactions affecting liability and equity accounts. Accounting for investments, pension plans, leases, income taxes, and accounting changes are covered, along with an in-depth review of basic financial statement analysis.

MAJOR INSTRUCTIONAL GOALS:

GOAL A:

The student will understand current and contingent liabilities and describe the methods used to account for them.

Learning Objectives: The student will:

- A-1 Describe the nature, type, and valuation of current liabilities.
- A-2 Explain how to classify short-term debt expected to be refinanced.
- A-3 Identify types of employee-related liabilities.
- A-4 Explain how to account for and disclose gain and loss contingencies.
- A-5 Explain the accounting for different types of loss contingencies.
- A-6

- B-1 Describe the procedures associated with issuing long-term debt.
- B-2 Identify various types of bond issues.

- B-3 Account for the issuance of bonds at issuance
- B-4 Apply the methods of bond discount and premium amortization using straight-line and effective interest.
- B-5 Describe the accounting procedures for the extinguishment of debt.
- B-6 Explain the accounting procedures for long-term notes payable.
- B-7 Explain how long-term debt is reported and the required disclosures.

GOAL C:

The students will know to account for the issuance, re-acquisition, and dividends on shares of stock.

Learning Objectives: The student will:

- C-1 Discuss the characteristics of the corporate form of organization.
- C-2 ([S O D L Q W K H N H \ F R P S R Q H Q W V R I V W R F N K R O G H U V ¶
- C-3 Account for the issuance of stock.
- C-4 Understand the policies and account for dividends.
- C-5 Account for small and large stock dividends and splits
- C-6 ([S O D L Q K R Z V W R F N K R O G H U V ¶ H T X L W \ L V U H S R U W H

GOAL D:

The student will account for dilutive securities and earnings per share.

Learning Objectives: The student will:

- D-1 Account for the issuance, conversion, and retirement of convertible securities.
- D-2 Account for convertible preferred stock.
- D-3 Account for stock warrants and stock warrants issued with other securities.
- D-4 Compute earnings per share in a simple capital structure.
- D-5 Compute earnings per share in a complex capital structure.

GOAL E:

The student will account for investments in and debt and equity securities.

Learning Objectives: The student will:

- E-1 Identify the three categories of debt securities and describe the accounting and reporting treatment for each category.
- E-2 Understand the procedures for discount and premium amortization on bond investments.
- E-3 Identify the categories of equity securities and describe the accounting and reporting treatment for each category.
- E-4 Apply the equity method of accounting and compare it to the fair value method for equity securities.
- E-5 Describe the disclosure requirements for investments in debt and equity securities.

GOAL F:

The student will apply the revenue recognition principle at point of sale, and for long-term contracts using the percentage-of-completion and completed contract methods.

Learning Objectives: The student will:

- F-1 Apply the revenue recognition principle.
- F-2 Describe accounting issues involved with revenue recognition at point of sale.
- F-3 Apply the percentage-of-completion method for long-term contracts.
- F-4 Apply the completed-contract method for long-term contracts.
- F-5 Identify the proper accounting for losses on long-term contracts.
- F-6 Describe the installment method of accounting.

GOAL G:

The student will understand the various temporary and permanent differences between financial income and taxable income, and be able to calculate and record deferred tax assets.

Learning Objectives: The student will:

- G-1 Identify differences between pretax financial income and taxable income.
- G-2 Describe a temporary difference that results in future taxable amounts.
- G-3 Describe a temporary difference that results in future deductible amounts.
- G-4 Explain the purpose of a deferred tax asset valuation allowance.
- G-5 Describe the presentation of income tax expense in the income statement.
- G-6 Describe various temporary and permanent differences.

