



# ACCT2102 Intermediate Financial Accounting I

## Course Outline

Second Semester, 2016/2017  
Faculty of Business and Economics  
School of Business  
The University of Hong Kong

### I. LECTURER AND TUTOR

**Lecturer:** Dr. RAHMAN, Nafis (Subclass G, H, and I)

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**Office Hours:** Tuesday from 10:30 am to 12:00 pm;  
Tuesday from 1:30 pm to 3:00pm;  
Tuesday from 4:30pm to 5:30pm

**Tutor:** Mr. Sam Sit

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**Office Hours:** By appointment

### II. COURSE DESCRIPTION

This course is the first of a series of two intermediate financial accounting subjects. It builds on the foundation laid in the introductory accounting course to better equip students with the required techniques in preparing and interpreting financial statements. It reviews the fundamental financial accounting concepts and focuses on the detailed recording and reporting of important items relating to the asset side of the balance sheet. It also examines the conceptual framework of accounting and financial statement presentation. This course provides the prerequisite knowledge that will prepare students for advanced accounting courses.

### III. COURSE INFORMATION

This is a compulsory course to all 2<sup>nd</sup> year students in the BBA (A&F) programme. It is also open to non-BBA(A&F) students as an elective course.

#### Prerequisite:

- Students should have passed the Introduction to Accounting course (BUSI1002 or ACCT1101)

#### Textbook and Reading Materials:

- **TEXTBOOK:** *Intermediate Accounting (IFRS Edition)*. Authors: J. Spiceland; J. Sepe; M. Nelson; P. Tan; B. Low and K.Y. Low. Publisher: McGraw-Hill.
- LECTURE NOTES can be downloaded from the Moodle. You are responsible for downloading and printing them in advance for each lecture. For the information about the Moodle system, please see the link: <http://www.itservices.hku.hk/lms/moodle/v2/>.
- REFERENCE: IFRS: <http://www.ifrs.org/IFRSs/IFRSs.htm> and HKAS: [http://app1.hkicpa.org.hk/ebook/HKSA\\_Members\\_Handbook\\_Master/volumeII/contentpage.pdf](http://app1.hkicpa.org.hk/ebook/HKSA_Members_Handbook_Master/volumeII/contentpage.pdf)

### IV. COURSE OBJECTIVES

1. Provide students with the fundamental concepts and techniques in preparing and interpreting corporate financial reports.
2. Enable students to integrate and apply their knowledge in decision-making scenarios.
3. Prepare students for their understanding and evaluating of ethical issues in accounting regime.
4. Inculcate students' professionalism.

### V. COURSE LEARNING OUTCOMES

Upon completion of this course, students will be able to:

- CLO1. Explain and discuss the conceptual framework of financial reporting.
- CLO2. Apply the techniques and methods in the preparation and presentation of financial statements in accordance with prescribed accounting standards.
- CLO3. Apply their acquired knowledge of theories in assessing the financial position of business entities.
- CLO4. Identify and discuss ethical issues in accounting.
- CLO5. Develop their professionalism by presenting their accounting knowledge in case analysis and by participating in discussions during lectures, tutorials and group meetings.

## VI. ALIGNMENTS OF PROGRAM AND COURSE LEARNING OUTCOMES

Program Los	Course LOs
1. Acquisition and internalization of knowledge of program discipline	CLO 1 & 2
2. Application and integration of knowledge	CLO 3 & 4
3. Inculcating professionalism and leadership	CLO 4 & 5
4. Developing global outlook	CLO 4 & 5
5. Mastering communication skills	CLO 5

## VII. TEACHING AND LEARNING ACTIVITIES (TLAs)

*TLA1. Situation: Interactive lectures* (Major focus: CLOs 1, 2, 3, 4 & 5).

- Lectures: basic knowledge of financial reporting is presented with PowerPoint slides.
- In-class exercises: basic concepts and techniques are illustrated using examples. Students work through in-class exercises along with the lecturer. These exercises help students to follow the lectures closely.
- In-class discussions: students are encouraged to raise questions, participate in discussions and share opinions with their peers. These discussions motivate students to think more about certain debatable accounting topics.

*TLA2. Situation: Tutorials* (Major focus: CLOs 2 & 5).

Practice questions and selective assignments are covered.

- Weekly tutorial assignments: students are required to complete assigned homework before each tutorial session on an individual basis. These assignments provide students with an opportunity to practice their learning outcomes and therefore enable students to better understand the accounting concepts and techniques as taught in class.
- In-class interactive activities: students are required to actively participate in the in-class exercises and discussions.

*TLA3. Situation: Group project and outside-classroom activities* (Major focus: CLOs 3, 4 & 5).

- Group project (in-class presentation and peer group assessment): students are required to form groups to analyze and present small cases. The students will be required to present a case as well as assess the presentation of another student group. The assigned cases have a broad coverage, including the application of accounting knowledge to real-life situations, the analysis of

controversial issues of accounting standard-setting, and the discussion of ethical issues. The lecturer will give more details of the project during the academic semester. These exercises help students to improve their communications skills, leadership skills, and critical thinking abilities.

- Lecturer and tutor consultations: the lecturer (tutor) will offer the consulting time of 3 (4) hours per week in order to address students’ questions relating to the course content.

### VIII. ASSESSMENT TASKS/ACTIVITIES (ATs)

Attendance, assignments and in-class participation	10%
Mid-term test	30%
Group project (in-class presentation & student assessment)	15%
<u>Final examination</u>	<u>45%</u>
Total	100%

#### AT1. Attendance, assignments and in-class participation (10%)

Students are expected to attend *ALL* lectures and tutorials. Quietly sitting in the lectures/tutorials does not help too much, but of course absenteeism from class will negatively affect performance evaluation. Students are also required to submit course assignments on time. Participation and assignments are evaluated by the lecturer and tutor on an individual basis.

#### Grading Criteria

CLO	A+ A A-	B+ B B-	C+ C C-	D+ D	F
CLOs <b>1, 2, 3, 4 and 5.</b>	Extremely well prepared for class discussion, very active in sharing views and present for at least 90% of classes	Partially prepared for class discussion, active in sharing views and present for at least 80% of classes	Not well prepared for class discussion, limited active in sharing views and present for at least 70% of classes	Not well prepared for class discussion, no sharing of views and present for at least 60% of classes	Never prepared for class discussion, no sharing of views and experience, and present for less than 50% of classes

#### AT2. Mid-Term Test (30%)

With the exception of extremely special cases, **NO MAKEUP TEST** will be arranged if students are absent from the exam without lecturer’s permission. The test is a part of continuous assessment which encourages students to digest the accounting knowledge on a timely basis.

### Grading Criteria

CLO	A+ A A-	B+ B B-	C+ C C-	D+ D	F
CLOs <b>1, 2, and 3.</b>	Provided accurate solutions to all problems, gave detailed and insightful responses to essay questions and scored correctly on more than 90% of the multiple choice questions	Provided accurate solutions to some problems, gave detailed responses to some essay questions and scored correctly on less than 90% of the multiple choice questions	Provided accurate solutions to a few problems, gave limited responses to some essay questions and scored correctly on less than 80% of the multiple choice questions	Provided inaccurate solutions to a few problems, gave unclear responses to most essay questions and scored correctly on less than 70% of the multiple choice questions	Skipped some problems or provided inaccurate solutions to most problems, gave poor responses to most essay questions and scored correctly on less than 60% of the multiple choice questions

### AT3. Group project (15%)

Case analysis will be prepared on a group basis (**five to seven members** in each group). Students should form groups in the same sub-class. Each group is required to make a presentation on one of the cases selected from the textbook or other sources. The specific dates for the case presentations will be finalized right before the first class meeting. The students will also be required to assess the presentation performance of another group. The objective is to push students to apply their knowledge to real-life situations and improve their communication and critical thinking skills.

Focus: CLOs **3, 4 and 5.**

### Grading Criteria

Grade	<b>Depth and breadth of coverage, critical elements, structure, language and conventions</b>
A+,A, A-	<p>The presentation was highly successful in communicating the essential elements of the topic to the audience. The student assessment of the other group's presentation was completely unbiased.</p> <p>Concepts were thoroughly explained and clarified (both in the presentation and the assessment).</p> <p>The presentation and the student assessment demonstrated deep understanding and comprehension of the topic.</p> <p>There was clear evidence of independent thoughts on the topic.</p> <p>The topic was covered in a highly professional and organized manner.</p>

	<p>The presenter displayed excellent verbal skills and delivered a very interesting, coherent presentation at an appropriate level for the audience.</p> <p>The student assessment of other group's work provided insightful and constructive criticism, and drew parallels with similar situations from the real world examples to augment or refute the case recommendation of the other group.</p>
B+, B, B-	<p>The presentation was successful in communicating the essential elements of the topic to the audience. The student assessment of the other group's presentation was unbiased.</p> <p>Most concepts were well explained and clarified (both in presentation and assessment).</p> <p>The presentation and the student assessment demonstrated sound understanding and comprehension of most aspects of the topic.</p> <p>The topic was covered in a professional and organized manner.</p> <p>The presenter displayed good verbal skills and delivered an interesting, coherent presentation at an appropriate level for the audience.</p> <p>The student assessment of other group's work provided constructive criticism, and drew parallels with situations from the real world examples to augment or refute the case recommendation of the other group.</p>
C+, C, C-	<p>The presentation adequately communicated most of the essential elements of the topic to the audience. The student assessment of the other group's presentation was fair.</p> <p>Most concepts were adequately explained (both in presentation and assessment).</p> <p>The presentation and the student assessment demonstrated good understanding and comprehension of most aspects of the topic.</p> <p>The topic was covered in an organized manner.</p> <p>The presenter displayed adequate verbal skills and delivered a coherent presentation at an appropriate level for the audience.</p> <p>The student assessment of other group's work provided constructive criticism, and drew parallels with situations from the text book or hypothetical examples to augment or refute the case recommendation of the other group.</p>
D+, D	<p>The presentation covered the main aspects of the topic at a basic level. The student assessment of the other group showed some bias.</p> <p>The presentation and the student assessment demonstrated basic understanding and comprehension of most of the topic.</p> <p>The topic was covered in a basic manner.</p>

	<p>The presenter displayed minimal standards of verbal communication and a coherent presentation.</p> <p>The student assessment of other group's work provided constructive criticism at a rudimentary level, but could not relate the case to any other scenario.</p>
F Fail	<p>The presentation was poorly addressed and/or concepts were inadequately explained. The student assessment of the other group was completely biased and not well reasoned.</p> <p>The presentation and the student assessment did not demonstrate sufficient understanding and comprehension of the topic.</p> <p>The topic was not covered at an acceptable level and was poorly organized.</p> <p>The presentation revealed inadequate verbal skills.</p> <p>The student assessment of other group's work did not provide constructive criticism and could not relate the case to any other scenario.</p>

#### AT4. Final Exam (45%)

The final examination will be held in the normal exam period. It is a closed-book comprehensive examination which covers all the chapters on the course syllabus. The objective of the final exam is to further enhance students' understanding of the basic concepts and theories and develop their ability to apply the knowledge in business situations.

#### Grading Criteria

CLO	A+ A A-	B+ B B-	C+ C C-	D+ D	F
CLOs <b>1, 2, 3, 4 and 5.</b>	Provided accurate solutions to all problems, gave detailed and insightful responses to essay questions and scored correctly on more than 90% of the multiple choice questions	Provided accurate solutions to some problems, gave detailed responses to some essay questions and scored correctly on less than 90% (but more than 80%) of the multiple choice questions	Provided accurate solutions to a few problems, gave limited responses to some essay questions and scored correctly on less than 80% (but more than 70%) of the multiple choice questions	Provided inaccurate solutions to a few problems, gave unclear responses to most essay questions and scored correctly on less than 70% (but more than 60%) of the multiple choice questions	Skipped some problems or provided inaccurate solutions to most problems, gave poor responses to most essay questions and scored correctly on less than 60% of the multiple choice questions

## IX. Study Load

Course Teaching and Learning Activities	Expected contact hours	Study Load (% of study)
T&L1. Interactive lectures	33	27.5%
T&L2. Tutorials	11	9.17%
T&L3. Homework and group project (presentation and assessment)	26	21.67%
T&L4. Self-study	50	41.67%
Total	120	100%

### ACADEMIC CONDUCT

- Plagiarism and copying of copyright materials are serious offences and may lead to disciplinary actions. You should read the chapters on “Plagiarism” and “Copyright” in the Undergraduate/Postgraduate Handbook for details. You are strongly advised to read the booklet entitled “What is Plagiarism?” which was distributed to you upon your admission into the University, a copy of which can be found at <http://www.hku.hk/plagiarism>. A booklet entitled “Plagiarism and How to Avoid it” is also available from the Main Library.
- You are required to attend all the classes on time. In case you cannot attend a class you should inform the instructor beforehand.

## COVERAGE OF THE LECTURES

The following chapters will be covered. More details will be provided in the class.

<u>Chapter</u>	<u>Topic</u>	<u>Coverage (page no.)</u>
Ch. 1	Conceptual framework	19 – 32 (Part B)
Ch. 3	Financial disclosures	121 – 129 (Part B)
Ch. 4	Income from continuing operations and earnings quality	168 – 178
	Discontinued operation	180 – 184
	Comprehensive income	188 – 191
	Statement cash flows (Indirect method for operating activities)	193 – 201
Ch. 21	Cash flows from operating activities	1198 – 1204
	Cash flows from investing and financing activities	1205 – 1209
	Prepare comprehensive cash flow statements (Direct method for operating activities)	1210 – 1230
	Prepare comprehensive cash flow statements (Indirect method for operating activities)	1231 – 1237
Ch. 5	Revenue recognition at or after delivery (excluding profit deferral method and consignment sales)	224 – 233
	Revenue recognition before delivery	239 – 253
Ch. 6	Time value of money (covered by tutorial sessions)	314 – 333
Ch. 10	Costs to be capitalized (excluding asset obligation retirements)	518 – 526
	Self-constructed assets	538 – 543
Ch. 11	Amortization of intangible assets	582 – 585
	Subsequent changes in fair value	591 – 594
	Impairment of long-lived assets	602 – 612
Ch. 12	Securities held to maturity, trading securities, available-for-sale securities (excluding loan and receivables, impairment of investments)	642 – 662 (excluding 660-661)
	Equity method securities	668 – 675
Ch. 13	Contingencies	725 – 742