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| aacsb-logo | **Kuwait University**  **College of Business Administration**  **Accounting Department** | **Macintosh HD:Users:Abeer:Desktop:KU NEW LOGO .png** |

Intermediate Accounting (1)

**(Accounting 201)**

**Fall 2021**

**Dr. Abdulrahman Alrefai**

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Course Description:

Accounting 201 is the first post-introductory financial accounting course dealing with the first part of intermediate accounting topics. This course is designed to provide students with an intensive coverage of the development of financial accounting theory and practice. The primary emphasis will be on the accounting cycle, financial statements disclosure, and the discussion of how accounting is intrinsically linked to operating activities (revenue, receivables, cash, cost of goods sold and inventory).

**Course Learning Objective**

1. Understand the objectiveof financial reporting and explain the need for high-quality standards to implement that objective.
2. Identify the major policy-setting bodies and their role in the standard-setting process and explain the meaning of IFRS.
3. Describe the usefulness of conceptual framework for financial reporting and the efforts to construct the conceptual framework.
4. Understand basic accounting terminology and describe steps in the accounting information system.
5. Explain the usefulness and limitations of income statement, the content and format of the income statement and describe how to prepare an income statement and retained earnings statement and accounting issues related to accounting changes.
6. Understand the usefulness and limitations of statement of financial position and statement of cash flows. Identify the major classifications of the statement of financial and explain how to prepare a classified statement of financial position and statement of cash flows, and related disclosures.
7. Identify accounting topics and accounting applications when the time value of money is relevant.
8. Identify items considered cash and cash equivalents, and indicate how to report cash and related items.
9. Define receivables and explain accounting issues related to recognition, derecognition and valuation of receivable.
10. Understand major classifications of inventory and identify the differences between perpetual and periodic inventory systems related to recognition and valuation of inventory at cost. Describe and compare the methods used to price inventories.
11. Understand and apply the “Lower-of-cost-or-Net Realizable Value when companies value inventories at net realizable value.
12. Describe the methods of estimating inventory either “Gross Profit Percentage” or Retail Inventory” method.

# CLO Mapping to CBA Skill Based Competency Goals[[1]](#footnote-2)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| CLO | Competency Goal | | | | |
| Analytical | Communication | Information Technology | Business Ethics |
| 1 | R |  |  | R |
| 2 | R |  |  | R |
| 3 | I |  |  | I |
| 4 | R A |  |  |  |
| 5 | R A |  |  |  |
| 6 | R A |  |  |  |
| 7 | I |  |  |  |
| 8 | I |  |  |  |
| 9 | R A |  |  |  |
| 10 | R A |  |  |  |
| 11 | R A |  |  |  |
| 12 | I |  |  |  |

# Type of Emphases:

* **(I)ntroduce:** Students will be introduced to the skill and their grasp of it assessed in the course.
* **(A)pply:** The course will not cover the skill. Students should have a high-level grasp of the skill and are required to apply it in the course.
* **(R)einforce:** Students should have an introductory-level grasp of the skill and the course will improve their mastery to a higher level.

**Text Book:**

Kieso, Weygandt and Warfield, Intermediate Accounting: IFRS Edition, 4th Edition; John Wiley & Sons, Inc.

**Office Hours:**

**12:00pm – 12:50pm (S-T-Th) or by appointment**

**Homework:**

Hmework will be posted on the **Wiley Plus** website.

Wiley Plus is a web-based assignment and assessment solution required for this course. Wiley Plus is designed to assist you with your coursework based on your needs. As outlined in this syllabus, assignments will make up a significant portion of your overall course grade.

You need to register using the Access Code provided with your Textbook. Wiley Plus access codes are packaged with a new textbook in the bookstore, at no additional cost.

To register in Wiley Plus, please visit

[**https://www.wileyplus.com**](https://www.wileyplus.com)

**Values**

* *Respect* for: Each other & Time
* *Professional*: Work & Behavior
* Voicing opinion

*“A Place Where You Become Smarter Over Time*

*Through*

*Self-Learning & Learning From Each Other”*

**Course Policies**

1. **Exams**

Students are expected to take exams at scheduled times in the syllabus. Possible exceptions include serious illness, family emergency, or a legitimate conflict with recognized University activities. There are no makeup exams! **Exams’ times will be assigned throughout the semester.**

1. **Attendance and lateness**

In the event of absences, it is the student responsibility to obtain missed class lecture notes, handouts, and assignment from another student. Students are expected to attend class on time. Every student in this course must abide by the Kuwait University Policy on Attendance (published in the Student Guide, Chapter 3, Section 13). A copy of the student guide can be accessed online on:

<http://www.kuniv.edu/cs/groups/ku/documents/ku_content/kuw055940.pdf>

1. **Academic dishonesty**

If you choose to cheat on assignments or examinations, university regulations related to that matter will be implemented. Every student in this course must abide by the Kuwait University Policy on Cheating and Plagiarism (published in the Student Guide, Chapter 3, Section 2). A copy of the student guide can be accessed online on:

http://www.kuniv.edu/cs/groups/ku/documents/ku\_content/kuw055940.pdf

1. **Classroom behavior**

Inappropriate and disruptive classroom behavior might lead to your dismissal from class. **Examples** of unacceptable behavior include, but are not limited to: social chatting with other students, allowing mobile phones to ring, sending and reading SMS messages, inappropriate behavior toward the instructor or classmates.

1. **Communication**

All announcements and communications will be through **Teams**. It’s your responsibility to check the class’ board for any updates and your personal chat messages.

**Student Evaluation:**

**Note:** Acc. 201 has a unified course outline for all sections. The final examination is a unified comprehensive exam. Your course grade will be determined as follows:

* **10% Homework Assignments**
* **50% Short Exam (after every chapter)**
* **40% Final Exam (All Chapters 27-1-2022 11am – 1pm)**

**Grades**

**A 95**

**A- 90**

**B+ 87**

**B 83**

**B- 80**

**C+ 77**

**C 73**

**C- 70**

**D+ 65**

**D 60**

Tentative Course Study Plan

|  |  |  |  |
| --- | --- | --- | --- |
| **Week** | **Ch.** | Topics | Pages |
| 1 | 1 | Financial Reporting and Accounting StandardsGlobal Market ……………………………………………………………..Objective of Financial Reporting …………………………………………Standard-Setting Organizations …………………………………………. -International Organization of Securities Commission (IOSCO)  - International accounting Standards Board (IASB) ………………… | 4-6 7-8  8  9  10-18 |
| 2 | 2 | **Conceptual framework for Financial Reporting**  **Conceptual Framework** …………………………………………………..  **First Level**: Basic Objective ………………………………………………  **Second Level**: Fundamental Concepts ……………………………………  Qualitative Characteristics of Accounting Information  Basic elements  **Third Level**: Recognition, Measurement, and Disclosure Concepts ………  **Summary of the Structure** ……………………………………………… | 26-28  30  31-37  38-47  48 |
| 2-3 | 3 | **The Accounting Information System**  **Accounting Information System** …………………………………………..  **The Accounting Cycle** ……………………………………………………..  **Financial Statements for a Merchandising Company** …………………..  **Cash-Basis Accounting Vs. Accrual-Basis Accounting** …………………. | 64-85  71-95  96-99  101-104 |
| 3-4 | 4 | **Income Statement and Related Information**  **Income Statement** …………………………………………………………  **(Usefulness, Limitations, Quality of Earnings)**  **Format of the Income Statement** ………………………………………...  **Reporting Within the Income Statement** …………………………………  **Other Reporting Issues**   * Accounting Changes and Errors …………………………………… * Retained Earnings Statement ………………………………………. * Comprehensive Income …………………………………………… * Statement of Changes in Equity …………………………………… | 136-137  138-142  143-152  153-154  155  156-157  158-159 |
| 5-6 | 5 | **Statement of Financial Position and Statement of Cash Flows**  **Section 1: Statement of Financial Position** ……………………………….   * Usefulness of Statement of Financial Position ……………………. * Limitations o Statement of Financial Position …………………….. * Classifications in the Statement of Financial Position ……………..   **Section 2: Statement of Cash Flows**   * Purpose of the Statement of Cash Flows ………………………… * Content and Format of the Statement of Cash Flows …………….. * Usefulness of the Statement of Cash Flows ………………………..   **Section 3: Additional Information**   * Notes to the Financial Statements ………………………………… * Techniques of Disclosure … ……………………………………… * Using Ratios to Analyze Performance……………………………… | 182  182  182  183-195  196  197-201  201-204    204-207  207-209  213-214 |
| 7-8 | 6 | **Accounting and the Time Value of Money**  **Basic Time Value Concepts ……………………………………………..**  **Single-Sum Problems ………………………………………………………**  **Annuities …………………………………………………………………..**  **Deferred Annuities ………………………………………………………..** | 239-245  246-251  251-262  262-267 |
| 9-10 | 7 | **Cash and Receivables**  **Cash**   * (What is Cash?, Reporting Cash, Summary of Cash-Related Items)   **Account Receivable**   * (Recognition, and Valuation) ………………………………………   **Notes Receivable**   * (Recognition, and Valuation) ………………………………………   **Special Issues Related to Receivables**   * Fair value Option …………………………………………………. * De-recognition of Receivables ……………………………………. * Presentation and Analysis ………………………………………… | 296-298  299-308  308-312  314  315-319  320-322 |
| 11 | 8 | **Valuation of Inventories: A Cost-Basis Approach**  **Inventory Issues …………………………………………………………**   * Classification * Inventory Cost Flow * Basic Issues in Inventory Valuation   **Physical Goods Included in Inventory ……………………………………**   * Goods in Transit * Consigned Goods * Special Sales Agreements * Effect of Inventory Errors   **Costs Included in Inventory ……………………………………………..**   * Product Costs * Period Costs * Treatment of Purchase discounts   **Which Cost Flow Assumptions to Adopt? .................................................**   * Specific identification * Average Cost * First-In, First-Out (FIFO) * Summary and Analysis | 358-362  362-366  367-369  369-375 |
| 13 | 9 | **Inventories: Additional Valuation Issues**  **Lower-of-Cost-or-Net Realizable Value (LCNRV) ……….. …………….**  **The Gross Profit Method of Estimating Inventory ………………………** | 400-404  409-412 |

1. CBA Competency Goals can be found at the end of this document [↑](#footnote-ref-2)