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**College of Business Administration**

**Department of Accounting**

**Course Syllabus**

**Acct 201 – Intermediate Financial Accounting I**

**Dr. Khaled Abdulsalam**

*Fall 2023/2024*

# **Lecture time and location**

**Acct 201/51**: 135, 02:00 pm, C1 1001

# **Contact Information**

**Location**: Department of Accounting – 4th Floor

**Email**: [Khaled.abdulsalam@ku.edu.kw](mailto:Khaled.abdulsalam@ku.edu.kw)

**Office hours**: Tuesday at 12:00 pm, S-04 1039, or by appointment.

# **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 Objectives**

* Understand the objective of financial reporting and explain the need for high-quality standards to implement that objective.
* Identify the major policy-setting bodies and their role in the standard-setting process and explain the meaning of IFRS.
* Describe the usefulness of conceptual framework for financial reporting and the efforts to construct the conceptual framework.
* Understand basic accounting terminology and describe steps in the accounting information system.
* 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.
* 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.
* Identify accounting topics and accounting applications when the time value of money is relevant.
* Identify items considered cash and cash equivalents, and indicate how to report cash and related items.
* Define receivables and explain accounting issues related to recognition, derecognition and valuation of receivable.
* 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.
* Understand and apply the “Lower-of-cost-or-Net Realizable Value when companies value inventories at net realizable value.
* Describe the methods of estimating inventory either “Gross Profit Percentage” or Retail Inventory” method.

# **Class Materials**

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

***Or***

**Required Text:** *Kieso, Weygandt and Warfield, Intermediate Accounting: IFRS Edition,* ***3rd Edition****; John Wiley & Sons, Inc.*

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# **Homework**

Homework 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)

# **Course Requirement Policies**

***You are responsible for knowing these policies***

***“I didn’t know” is not an excuse***

* + **Classroom Conduct**

Using your phone (or any electronic device) and talking in class is distracting and disrespectful to your fellow colleagues and professor.

* + - Inappropriate and disruptive classroom behavior might lead to your dismissal from class.
  + **Attendance**

Please arrive on time, attendance will be taken after ***five minutes.***

Every Student in this course must abide by the Kuwait University policy of attendance (published in the Student Guide, chapter 3, section 13). A copy of the student guide can be accessed on: <http://www.kuniv.edu/cs/groups/ku/documents/ku_content/kuw055940.pdf>

* + **Participation**

It is very important that students are prepared for each class period. The quality of our classroom discussions in large part depends on you and your preparation for class.

* + **Cheating and Plagiarism**

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 study guide can be accessed online on:

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

* + **Make-up Exams: :** Make-up Exams will be given for missed exams with a University approved excused absence only.
  + **Communication:** Class announcements will be posted on ***Teams****.* All students are expected to use the official email platform to contact the instructor (*Teams Chat is not permitted as a communication venue*).
  + **Disability:** Any student who has a need for special accommodation should contact me privately to discuss the specific situation NO later than the first week. You should contact the Dean of Students Affairs Office for proper documentation to maintain an individualized service plan of accommodation

# **Student Evaluation**

The grades for this class are distributed as follows:

|  |  |
| --- | --- |
| Grade | Activity |
| 10 | Assignments and Participation |
| 10 | Quizzes |
| 40 | 2 Midterm Exams |
| 40 | Final Exam –  **January 7th , 2023 @ 11:00 – 13:00** |
| **100** | **Total** |

***NOTE****: The weight of the scores may change.*

# **Grade distribution**

|  |  |
| --- | --- |
| Range | Grade |
| >= 95 | **A** |
| 90-94 | **A-** |
| 87-89 | **B+** |
| 83-86 | **B** |
| 80-82 | **B-** |
| 77-79 | **C+** |
| 73-76 | **C** |
| 70-72 | **C-** |
| 65-69 | **D+** |
| 60-64 | **D** |
| <= 59 | **F** |

# **Tentative Class Outline**

|  |  |  |  |
| --- | --- | --- | --- |
| **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 |
| 3-4 | 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 |
| 5-6 | 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 |
| 7-8 | 5 | **Statement of Financial Position and Statement of Cash Flows**  **Section 1: Statement of Financial Position** ……………………………….   * Usefulness of Statement of Financial Position ……………………. * Limitations on 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 |
| 9-10 | 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 |
| 11-12 | 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**   * De-recognition of Receivables ……………………………………. * Presentation and Analysis ………………………………………… | 296-298  299-308  308-312  315-319  320-322 |
| 13-14 | 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   **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 |
| 14 | 9 | **Inventories: Additional Valuation Issues**  Lower-of-Cost-or-Net Realizable Value (LCNRV) …….. ……………...  The Gross Profit Method of Estimating Inventory ……………………… | 400-404  409-412 |

\* This tentative schedule is subject to changes.

**CBA Competency Goals**

1. **Analytical Competency**: A CBA graduate will be able to use analytical skills to solve business problems and make a well-supported business decision.

***Students Learning Objectives****:*

* Use appropriate analytical techniques to solve a given business problem.
* Critically evaluate multiple solutions to a business problem.
* Make well-supported business decisions.

1. **Communication Competency**: A CBA graduate will be able to communicate effectively in a wide variety of business settings.

***Students Learning Objectives****:*

* Deliver clear, concise, and audience-centered presentations.
* Write clear, concise, and audience-centered business documents.

1. **Information Technology Competency**: A CBA graduate will be able to utilize Information Technology for the completion of business tasks.

***Students Learning Objectives****:*

* Use data-processing tools to analyze or solve business problems.

1. **Ethical Competency**: A CBA graduate will be able to recognize ethical issues present in business environment, analyze the tradeoffs between different ethical perspectives, and make a well-supported ethical decision.

***Students Learning Objectives****:*

* Identify the ethical dimensions of a business decisions.
* Recognize and analyze the tradeoffs created by application of competing ethical perspectives.
* Formulate and defend a well-supported recommendation for the resolution of an ethical issue.

1. **General Business Knowledge**: A CBA graduate will be able to demonstrate a basic understanding of the main business disciplines’ concepts and theories.

***Students Learning Objectives****:*

* Acquire a fundamental understanding of knowledge from the main business disciplines (e.g., finance, accounting, marketing, and management information systems, among others).