DePaul University  
School of Accountancy and MIS  
ACC 543 - Online

Accountancy 543-240  
Financial Accounting Theory & Practice II  
School of Accountancy & MIS  
Winter Quarter 2015  
Office Hours: Tuesday & Thursday 10:00 – 3:30  
or by appointment  
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Required Text:  
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BRV ISBN- 13 978-1-118-15964-4

Prerequisite:  
- Graduate standing and ACC 541 (or equivalent)  
- A basic knowledge of discounted present value. (For a review of this subject, see chapter 6)

ACC 543 in its online version is not a self-paced course. ACC 543 requires a substantial time commitment each week throughout the quarter. Experience in the study of Accountancy has shown that to successfully master the course content, the student must read each chapter of the text a minimum of 4 times, and preferably even more often.

Technical Requirements  
This course will be conducted entirely online. As a result, students must make certain that you have the necessary technical resources needed to access the course content and complete class activities. The following items are needed:  
- Frequent access to a computer that connects to the Internet  
- Working email account that you check regularly (and that is updated in Campus Connect)  
- Access to a software suite such as Microsoft Office (Word, Excel, Power Point). If you do not have Microsoft Office, you can download a free, open source alternative such as Open Office (www.openoffice.org) that will give you the same basic functionality  
- Conduct the System Check online at https://d2l.depaul.edu.

Online Course Community  
Because this is an online course we will include activities which will help the class get to know one another as well as the instructor. Each student will be required to update their Desire2Learn profile and answer discussion board questions as a means of introducing themselves to the instructor and fellow classmates. Include on the discussion board pertinent information such as professional experience and undergraduate academic background. Personal information is welcome too, so, feel free to include information regarding family/friends/pets etc., as well as a photo.

Five percent of the course grade will be assigned your online introduction.

Students are strongly encouraged to use the discussion board to post and request help from each other and the instructor. Students can expect that the instructor will respond to their inquiries within 24 hours during the week.
Course Objectives
The Learning Objectives of ACC 543 are outlined on pages 5 through 7. Examination questions will be based on the assigned objectives.

Assignments
Your success in this course requires your careful attention to, and use of, the course outline and assignment sheet that accompanies this syllabus. It is your guide through the material in your textbook. Systematic preparation for each class is an absolute must for success.

Exercises: The assigned exercises are applications of the concepts and techniques covered by the assigned learning objectives. These exercises indicate the basic knowledge you are expected to have in this course. Solutions are provided for you to check your answers the day after the exercises are due.

Problems: Assigned problems must be prepared, but since they focus on the understanding of accounting concepts and on the interpretation and use of financial statements, you will not be expected to have mastered them at the same level as the exercises. However, it is expected that you will have made a serious attempt to solve them and that you are thoroughly familiar with the facts of the case.

All of the homework assignments (see attached) must be completed. Failure to complete the homework assignments will result in the loss of one letter grade. Homework from Chapters 15-18 should be turned in on the day of the mid-term exam. Homework from Chapters 19-24 should be turned in on the date of the final exam.

Professional Research: FASB Codification

1. Cascade Company (Page 1026) Due January 28
2. Revenue Recognition Issues (IFRS 18-9) a through e (Page 1114) Due February 11
3. Kleckner Corporation (page 1180-81) Due February 25

To access FASB Codification go to: http://aaahq.org/ascLogin.cfm
Username: AAA51184
Password: 3upX7UM

Examinations and Quizzes
Following most modules there will be a short quiz to be completed online. The quizzes will count for 20% of the course grade.

The midterm exam will be scheduled on February 7th. This exam will count for 30% of the course grade. The final exam will be scheduled for March 20th. The final exam will be weighted at 35% of the course grade.

Remote Proctor Now Requirements
Please note that this course uses Software Secure’s Remote Proctor Now to ensure the integrity of the midterm and final exams. The midterm and final exams will not be available to students unless the Remote Proctor Now system is used. Remote Proctor Now works with a web-camera and microphone either built-in or attached to the computer. These devices identify the student and capture video and audio throughout the exam and upload it to SSI’s secure servers. This video will be used for the purpose of establishing if any suspicious activity occurred during the test. There is a
student demo available here: http://www.screencast.com/t/dJM4WtTRI. It is recommended that you view this video.

All exam videos can/will be reviewed by me. If cheating is confirmed, the student will be referred to the Policy on Academic Dishonesty in the Student Handbook. You will take a very short practice exam in Week 3 of the course to make sure there are no connectivity or other problems in using Remote proctor.

You will need a camera on your computer. There is a cost for using the Remote Proctor Now - $15 per exam (practice exams are free). Please read the instructions within DL2.

**Grading**

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<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Online Introduction</td>
<td>5%</td>
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<tr>
<td>Quizzes</td>
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<tr>
<td>FASB Codification</td>
<td>15%</td>
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<td>Mid Term Exam</td>
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<td>35%</td>
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**Academic Integrity**

Work done for this course must adhere to the University Academic Integrity Policy, which you can review in the Student Handbook or by visiting Academic Integrity at DePaul University.

**Incompletes:** Incompletes are given only to individuals who cannot take the final examination at its regularly scheduled time due to an unforeseen difficulty such as an accident, illness, or death in the family. Incompletes are not given to individuals who fall behind in their assignments and class attendance due to work or other reasons. In the latter case, a withdrawal is the appropriate action.

**Other Policies:** Commerce students are expected to maintain the high ethical standards that are representative of the best in the profession they have chosen to enter. Assignments should be handed in on the due dates and examinations at the time and date indicated. In general, failure to turn in an assignment when due or take an examination when assigned will result in a score of zero. Cases of academic dishonesty are viewed as a serious violation of professional ethics and will result in a failing grade.
<table>
<thead>
<tr>
<th>Module</th>
<th>Date; Week Beginning</th>
<th>Chapters</th>
<th>Homework Assignments</th>
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</table>
| 1      | Jan. 5               | 15       | EX 15-14, EX 15-17, EX 15-23  
                               |          |                      | P 15-6, IFRS 15-8 |
| 2      | Jan. 12              | 16       | EX 16-5, EX 16-12, EX 16-23  
                               |          |                      | P 16-7, IFRS 16-13 |
| 3      | Jan. 19              | 17       | EX 17-6, EX 17-12, EX 17-17  
                               |          |                      | P 17-16, IFRS 17-14 |
| 4      | Jan. 26              | 18       | EX 18-9, EX 18-12, EX 18-20, P 18-14, IFRS 18-8 |

**MIDTERM EXAM: Saturday, February 7**

<table>
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<th>Module</th>
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<th>Chapters</th>
<th>Homework Assignments</th>
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<tbody>
<tr>
<td>5</td>
<td>Feb. 9</td>
<td>19</td>
<td>EX 19-4, EX 19-10, EX 19-25, P 19-6, IFRS 19-11</td>
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</table>
| 6      | Feb. 16              | 20       | EX 20-8, EX 20-18, EX 20-21  
                               |          |                      | P 20-6, IFRS 20-10 |
| 7      | Feb. 23              | 21       | EX 21-11, EX 21-14, EX 21-16  
                               |          |                      | P 21-9, IFRS 21-11 |
| 8      | Mar. 2               | 22       | EX 22-4, EX 22-7, EX 22-23  
                               |          |                      | P 22-1, IFRS 22-6 |
| 9      | Mar. 9               | 23 & 24  | *EX 23-6, EX 23-11, EX 23-15  
                               |          |                      | P 23-5, IFRS 23-6 |
                               |          |          | EX 24-2, EX 24-3, P 24-2, IFRS 24-9 |

**FINAL EXAM: Friday, March 20**

*In chapter 23 we will cover the indirect method only, skip learning objective 7 (pages 1428-1434 and page 1439). In chapter 23 we will not cover the use of a worksheet, skip learning objective 9 (pages 1443-1451)*
Chapter 15 Stockholders’ Equity

1. Discuss the characteristics of the corporate form of organization.
2. Identify the key components of stockholders’ equity.
3. Explain the accounting procedures for issuing shares of stock.
4. Describe the accounting for treasury stock.
5. Explain the accounting for and reporting of preferred stock.
6. Describe the policies used in distributing dividends.
7. Identify the various forms of dividend distributions.
8. Explain the accounting for small and large stock dividends, and for stock splits.
9. Indicate how to present and analyze stockholders’ equity.

Chapter 16 Dilutive Securities and Earnings Per Share

1. Describe the accounting for the issuance, conversion, and retirement of convertible securities.
2. Explain the accounting for convertible preferred stock.
3. Contrast the accounting for stock warrants and for stock warrants issued with other securities.
4. Describe the accounting for stock compensation plans.
5. Discuss the controversy involving stock compensation plans.
6. Compute earnings per share in a simple capital structure.
7. Compute earnings per share in a complex capital structure.
8. Explain the accounting for stock-appreciation rights plans.

Chapter 17 Investments

1. Identify the three categories of debt securities and describe the accounting and reporting treatment for each category.
2. Understand the procedures for discount and premium amortization on bond investments.
3. Identify the categories of equity securities and describe the accounting and reporting treatment for each category.
4. Explain the equity method of accounting and compare it to the fair value method for equity securities.
5. Describe the accounting for the fair value option and for impairments of debt and equity investments.
6. Describe the reporting of reclassification adjustments and the accounting for transfers between categories.
7. Describe the uses of and accounting for derivatives.
8. Explain how to account for a fair value hedge.
9. Explain how to account for cash flow hedge.
10. Identify special reporting issues related to derivative financial instruments that cause unique accounting problems.
Chapter 18 Revenue Recognition

1. Understand revenue recognition issues.
2. Identify the five steps in the revenue recognition process.
3. Identify the contract with customers.
4. Identify the separate performance obligations in the contract.
5. Determine the transaction price.
6. Allocate the transaction price to the separate performance obligations.
7. Recognize revenue when the company satisfies its performance obligation.
8. Identify other revenue recognition issues.
9. Describe presentation and disclosure regarding revenue.
10. Apply the percentage-of-completion method for long-term contracts.
11. Apply the completed-contract method for long-term contracts.
12. Identify the proper accounting for losses on long-term contracts.
13. Explain revenue recognition for franchises and consignment sales.

Chapter 19 Accounting for Income Taxes

1. Identify differences between pretax financial income and taxable income.
2. Describe a temporary difference that results in future taxable amounts.
3. Describe a temporary difference that results in future deductible amounts.
4. Explain the purpose of a deferred tax asset valuation allowance.
5. Describe the presentation of income tax expense in the income statement.
6. Describe various temporary and permanent differences.
7. Explain the effect of various tax rates and tax rate changes on deferred income taxes.
8. Apply accounting procedures for a loss carryback and a loss carry forward.
9. Describe the presentation of deferred income taxes in financial statements.
10. Indicate the basic principles of the asset-liability method.

Chapter 20 Accounting for Pensions and Postretirement Benefits

1. Distinguish between accounting for the employer’s pension plan and accounting for the pension fund.
2. Identify types of pension plans and their characteristics.
3. Explain alternative measures for valuing the pension obligation.
4. List the components of pension expense.
5. Use a work sheet for employer’s pension plan entries.
6. Describe the amortization of prior service costs.
7. Explain the accounting for unexpected gains and losses.
8. Explain the corridor approach to amortizing gains and losses.
9. Describe the requirements for reporting pension plans in financial statements.
10. Identify the differences between pensions and postretirement healthcare benefits.
Chapter 21 Accounting for Leases

1. Explain the nature, economic substance, and advantages of lease transactions.
2. Describe the accounting criteria and procedures for capitalizing leases by the lessee.
3. Contrast the operating and capitalization methods of recording leases.
4. Explain the advantages and economics of leasing to lessors and identify the classifications of leasing for the lessor.
5. Describe the lessor’s accounting for direct-financing leases.
6. Identify special features of lease arrangements that cause unique accounting problems.
7. Describe the effect of residual values, guaranteed and unguaranteed, on lease accounting.
8. Describe the lessor’s accounting for sales-type leases.
9. List the disclosure requirements for leases.
10. Understand and apply lease accounting concepts to various lease arrangements.
11. Describe the lessee’s accounting for sale-leaseback transactions.

Chapter 22 Accounting Changes and Error Analysis

1. Identify the types of accounting changes.
2. Describe the accounting for changes in accounting principles.
3. Understand how to account for retrospective accounting changes.
4. Understand how to account for impracticable changes.
5. Describe the accounting for changes in estimates.
6. Identify changes in a reporting entity.
7. Describe the accounting for correction of errors.
8. Identify economic motives for changing accounting methods.
9. Analyze the effect of errors.
10. Make the computations and prepare the entries necessary to record a change from or to the equity method of accounting.

Chapter 23 Statement of Cash Flows

1. Describe the purpose of the statement of cash flows.
2. Identify the major classifications of cash flows.
3. Differentiate between net income and net cash flow from operating activities.
4. Contrast the direct and indirect methods of calculating net cash flows from operating activities.
5. Determine net cash flows from investing and financing activities.
6. Prepare a statement of cash flows.
7. Discuss special problems in preparing a statement of cash flows.

Chapter 24 Full Disclosure in Financial Reporting

1. Review the full disclosure principle and describe implementation problems.
2. Explain the use of notes in financial statement preparation.
3. Discuss the disclosure requirements for major business segments.
4. Describe the accounting problems associated with interim reporting.
5. Identify the major disclosures in the auditor’s report.
6. Understand management’s responsibilities for financials.
7. Identify issues related to financial forecasts and projections.
8. Describe the profession’s response to fraudulent financial reporting.
Additional Information

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Associate Professor
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E-mail: jahern@depaul.edu

Office Hours: By Appointment

**Introductions:** Please introduce yourself if we see each other in the office (or in the hallways). This practice will help me get to know you better or remember your name.

**Services:** I am, of course, available to talk about matters related to the course in which you are enrolled. However, even if you do not need this service, I hope that you will stop by the office at least once during the quarter, if only to say hello and tell me how things are going. In addition, I am happy to talk to you about the following matters:

- **Advising:** I am not an expert in all of our programs, but I am willing to talk to you about your program and to try to find out answers for you or point you in the direction of someone who can.

- **Counseling:** If you have broader questions about programs, jobs, careers, your professional direction, and related concerns, I will try to help. In this connection, I will be pleased to review with you a draft of your resume with a view to improving the presentation of your credentials.

- **School, College, or University Relations:** If there is any way you feel that I can help make your life in the MBA program easier, please let me know. I cannot promise results, but I am willing to talk with the appropriate person in the University and find out what the story is.

**Future Contacts:** Once you are my student you are always my student. All of the above policies apply to you throughout your career at DePaul. Always feel free to contact me during the years to come if you feel I can be of some help.