

**Acct 3322, T-Th, 7:30 am**  
**Intermediate Accounting II – Spring 2016**

**Professor:** Rick Francis, Ph.D.  
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**Office Hours:** Tues & Thursday: 4.30 pm – 5:30 pm

**Office:** COBA 215

**COURSE OBJECTIVE:** Your engagement in the course should enable you to achieve the following:

Expected Results	What we will do (activities)	How we measure the results
<ul style="list-style-type: none"> <li>• Apply liability and equity related reporting standards.</li> <li>• Answer questions such as why pension reporting requires so many estimates.</li> <li>• Determine how the measurement of liabilities affects the financial reports, and affects debt covenants and investor perceptions.</li> </ul>	<ul style="list-style-type: none"> <li>• In-class, group-based tasks which require students to critically examine facts, and apply the relevant reporting standards.</li> </ul>	<ul style="list-style-type: none"> <li>• Compact, group/individual exams for the relevant topics provide a quantitative measure of student competence.</li> </ul>

**TEXT:** Spiceland, Sepe, Nelson and Thomas, 8<sup>th</sup> edition. Page references for the daily assignments are for the 8<sup>th</sup> edition, and may differ from older editions (i.e., 7<sup>th</sup> edition, etc.).

**CLASS PROTOCOL:** *This course requires active learning. There is no lecture!* Students will receive solutions from the instructor for the daily exercises prior to each class meeting. Proficiency with the exercises AND familiarity with the chapter page references before class allows students to effectively interact with their group members during class. Each class session typically includes two sequential activities:

- 1) the first sixty (60) minutes (approximately) of each class represent opportunities students to use their texts, notes and feedback from group members, etc. to enhance their pre-class understandings of the concepts. The professor circulates throughout the classroom during this period to facilitate the learning process. Note that student questions such as “how do you do this” indicate that the student is unprepared for the class session. *There are no tools available to the instructor that will prepare the unprepared student for the ensuing tests.* Students must work within the groups assigned by the instructor at the beginning of the semester, or they will receive a score of zero for the corresponding daily mini test.
- 2) students use the final twenty (20) minutes (approximately) to complete an individual mini-test without any use of texts, notes, computer, phone, group members, etc. Each student works independently, and submits the answers using his or her individual scantron and test document. The test assesses the student’s understanding of the daily topics introduced in the pre-class assignments (i.e., the solutions as well as the chapter page number assignments).

**COURSE GRADES:** Your accumulation of points earned from the following activities will determine your final grade for the course:

	<u>Cumulative Points</u>	<u>%</u>
Intra-term mini-tests (28 attempts @ 100 pts each)	2,500 pts (max accum)	91.0
Final Exam (1 @ 240 pts each, comprehensive)	<u>250 pts</u>	<u>9.0</u>
Total	2,750 pts	100.0

The professor assigns letter grades as follows (% of total points possible, i.e., 2,750):

A’s	90% – 100%	(2,475 – 2,750 pts)
B’s	80% – 89.99%	(2,200 – 2,474 pts)
C’s	70% – 79.99%	(1,925 – 2,199 pts)
D’s	60% – 69.99%	(1,650 – 1,924 pts)
F’s	< 60%	( 0 – 1,649 pts)

Students must monitor their scores as posted on Blackboard, and promptly notify the professor via email (i.e., [rnfrancis@utep.edu](mailto:rnfrancis@utep.edu)) of any discrepancies that you discover.

Individual mini-tests: These tests are **individual performances** (i.e., not group performances), which forbid ANY between-student communication. The tests may occur using a multiple choice and true/false format, open-ended problems, short-answer and other formats. All students must be *proactive* toward the intentional or unintentional disclosure of their answers to other students. This requires *all students to position their test documents on the table such that neighboring students may NOT view any calculations or final answers. Specifically, students must center their test documents between their shoulders, and against the bottom edge of the table. Students must turn their test documents face down if they remove their arms from the tabletop. All student scantrons MUST remain under the student's test document such that neighboring students are unable to see any marked answers. Any act which reveals a student's answers to neighboring students in any form is an act of academic misconduct and will result in a score of zero for the current test.* Please realize that the professor reserves the right to seat, re-seat and dismiss students and visitors to achieve the educational objectives of the course.

Mini-test solutions: Students are generally able to view the test solutions immediately after submitting their test materials to the professor. Immediate feedback allows students to close the learning loop and finalize their understanding of the topics. Any student who views the test solutions, and then attempts to convey the solutions to another student or group of students whose test submission(s) is (are) incomplete (including students in a different section of the course) is automatically subject to any and all consequences of academic misconduct, including a zero on the current day's mini test. *Any student's inability to protect the integrity and confidentiality of the test solutions will result in the professor deferring or withdrawing the availability of the solutions until the test submission is complete for all students.*

- a) Once students submit their mini-tests to the professor, they must NOT return to any area in the classroom where other students continue to work with the test. This requires the student to gather his or her belongings, along with the test materials, before viewing the test solution. Failure to comply with this requirement results in a score of zero for the mini-test, and a report of academic misconduct to the Office of Student Life.
- b) Each student must properly submit both the scantron and ALL exam/test documents to the professor upon the timely completion of the exam/test. Proper submission includes, but is not limited to: the use of a pencil to complete the scantron, the legible appearance of the student's first and last names on the scantron, a flat scantron such that is suitable for machine grading (examples of unsuitable scantrons include those with folds, crumples or creases, those with food or drink stains, those with curls on the edges, and others which are likely to fail when introduced to the scantron machine), and the prompt submission of the scantron and exam when the professor ends the examination period. **Failure to properly submit ALL exam/test documents in a timely manner results in a zero for the current mini-test.** For example, a student who completes the exam but has no scantron will receive a zero for the examination. Other examples where the student will earn a score of zero include (but are not limited to) the student's submission of a scantron with an illegible or missing student name, the student's submission of a scantron which fails to lie flat on a tabletop such that 95% or more of the scantron's flat surface is in direct contact with a tabletop, a student's return to the exam area after submitting his or her test materials, an unsuitable scantron in general (e.g., a generic scantron), and the failure to submit all test materials upon the professor's request to do so.

Students must bring their own calculators and **pencils** for use with the mini-tests and scantrons. Cell phones are unacceptable substitutes for calculators.

**Students will need original, brand-name Form 882E scantrons.** Use of generic scantrons will likely result in a lower recorded score due to a machine-reading anomaly. Any recorded score that results from the use of a generic scantron is not subject to review other than a pure input error. Hence, if the machine incorrectly generates a test score with the use of a generic scantron, the machine-generated score is final.

**Students receive scores of zero when they fail to store cell phones out of immediate reach during the examination period (no exceptions).**

Extra credit: NONE.

Final exam: **Thursday, May 12, 7:00 am.** The final exam is comprehensive, and is an individual test (i.e., not a group test).

Absences: The scoring scheme mentioned earlier allows students to earn the maximum points for the course with as many as **three (3)** absences. Thus, the following incidents (including family and friends) ***do not qualify the student for any unique treatment or consideration:*** doctor appointments, lawyer appointments, court appearances, traffic accidents with or without bodily injury, illnesses (including but not limited to colds, flus, allergies, pink eye, ear aches, tonsillitis, toothaches, cuts, scrapes, bruises, hangnails, etc.), surgeries, pregnancies, funerals, dermatological issues, job interviews, club meetings, professional organizational meetings, hair style or haircut appointments, accidents resulting in sprains, strains, tears, broken bones, shaving accidents, etc. *This list of incidents is not exhaustive, as there are countless other possible incidents.* There are no make-up exams/tests. An unexcused absence from an exam will earn a score of zero.

Attendance: University policy requires students to attend all classes and arrive on time. Students must carry their UTEP ID with them at all times on campus (see Section II, Chapter 7 of the university handbook of operating procedures).

INTERNET ACCESS: Blackboard is an important tool, and you **MUST** gain internet access to the **Blackboard** link at [www.utep.edu](http://www.utep.edu). The professor will post grades, etc. on the course's Blackboard website. Use the computer labs on campus if necessary. **Note that the professor welcomes e-mail communication with students to enhance the learning experience.**

ACADEMIC MISCONDUCT: In the classroom and in all other academic activities, students are expected to uphold the highest standards of academic integrity. Any student who commits an act of scholastic dishonesty is subject to discipline. Scholastic dishonesty includes, but is not limited to cheating, plagiarism, collusion submission for credit of any work or materials that are attributable in whole or in part to another person, taking an examination for another person, any act designed to give unfair advantage to a student or the attempt to commit such acts. Proven violations of the detailed regulations, as printed in the *Handbook of Operating Procedures* (HOP) available in the Office of the Dean of Students, may result in sanctions ranging from disciplinary probation, to failing grades on the work in questions, to failing grades in the course, to suspension or dismissal, among others.

Drop Date: The grade of "W" is available to all students until **April 1, 2016**. **DO NOT ASSUME THE PROFESSOR WILL DROP YOU AUTOMATICALLY IF YOU STOP ATTENDING BEFORE THE April 1, 2016 DEADLINE.** It is YOUR responsibility to drop the class if it is your desire to do so. After the University drop deadline, a grade of "W" can be assigned only under exceptional circumstances and only with the approval of the professor and academic dean. Such students must petition for the "W" grade in writing and provide necessary supporting documentation. Exceptions to the **April 1, 2016** deadline will be rare and determined under exceptional conditions as noted in the University catalogue. All other students dropping after the deadline must be dropped with the grade earned as of the end of the semester. Statements on Faculty and Student Responsibilities are available on the College of Business website at: <http://business.utep.edu/About/responsibilities.aspx>.

ACCOMMODATIONS POLICY FOR THE UNIVERSITY OF TEXAS at EL PASO: If you have or suspect a disability and need accommodations, you should contact **Center for Accommodations and Support Services (CASS)** at **747-5148**. You may also email the office at [cass@utep.edu](mailto:cass@utep.edu) or visit the office in the **Union Building East, Room 106**. For additional information, please visit the CASS website at <http://sa.utep.edu/cass/>.

**Intermediate II - Daily Plan - T/TH**

**Spring 2016**

<b>Week</b>	<b>Date</b>	<b>Topics</b>		<b>Week</b>	<b>Date</b>	<b>Topics</b>	
1	1/19	Review syllabus, class protocol, other		9	3/15	Ch 16	Income Taxes
1	1/21	Group formation, activity/test w/syllabus		9	3/17	Ch 16	Income Taxes
2	1/26	Ch 13	Current Liabs and Contingencies	10	3/22	Ch 17	Pensions
2	1/28	Ch 13	Current Liabs and Contingencies	10	3/24	Ch 17	Pensions
3	2/2	Ch 13	Current Liabs and Contingencies	11	3/29	Ch 17	Pensions
3	2/4	Ch 14	Long-Term Liabilities	11	3/31	Ch 17	Pensions
4	2/9	Ch 14	Long-Term Liabilities	12	4/5	Ch 18	Stockholders' Equity
4	2/11	Ch 14	Long-Term Liabilities	12	4/7	Ch 18	Stockholders' Equity
5	2/16	Ch 14	Long-Term Liabilities	13	4/12	Ch 18	Stockholders' Equity
5	2/18	Ch 15	Leases	13	4/14	Ch 19	Share-Based Compensation
6	2/23	Ch 15	Leases	14	4/19	Ch 19	EPS
6	2/25	Ch 15	Leases	14	4/21	Ch 19	EPS
7	3/1	Ch 15	Leases	15	4/26	Ch 19	EPS
7	3/3	Ch 16	Income Taxes	15	4/28	Ch 21	Statement of Cash Flows
8	3/8	<b>Spring Break!</b>		16	5/3	Ch 21	Statement of Cash Flows
8	3/10	<b>Spring Break!</b>		16	5/5	Ch 21	Statement of Cash Flows
					<b>5/12</b>	<b>Final Exam @ 7:00 am</b>	

**Intermediate II – Spring 2016**  
**Assignments for each class session**  
**(subject to adjustment as necessary for actual coverage and instructor judgment)**

1/19 – Introduction, class protocol.

1/21 – Group formation, activity/test for syllabus.

1/26 – Ch 13, definitions for liability/current liability, accrued interest (excl noninterest bearing notes), customer advances, refundable /nonrefundable deposits (pp. 732-737, 740-741).

1/28 – Ch 13, 3<sup>rd</sup> party collections, employee withholdings (excl rates), employer payroll taxes (excl rates), CMLTD, callable obligations, S-T obligations expected to be refinanced (pp. 742-744, 761-762).

2/2 – Ch 13, Loss contingencies, unasserted claims and gain contingencies, warranties including the expected cash flow approach (pp. 746-756).

2/4 – Ch 14, Valuation at issuance, creation of discount and premiums (pp. 790-797, excl effective interest).

2/9 – Ch 14, Premium issuance and amortization with effective interest (pp. 794-796, 799-800).

2/11 – Ch 14, Discount issuance and amortization with effective interest (pp. 794-796, 799-800).

2/16 – Ch 14, Early retirement, convertible debt issuance/conversion, fair value option (pp. 811-815, 819-820).

2/18 – Ch 15, Basics of leasing, why, mechanics, payment computation (pp. 853-856, 863 excl JEs).

2/23 – Ch 15, Lessee accounting, classification criteria for Type A and Type B leases (pp. 917-920, 922, Grant Thornton document).

2/25 – Ch 15, Interest and amortization for Type A leases (pp. 920-921).

3/1 – Ch 15, Interest and amortization for Type B leases (pp. 922-925).

3/3 – Ch 16, Book vs. taxable income (pp. 934-935).

**3/8 – Spring Break!**

**3/10 – Spring Break!**

3/15 – Ch 16, Temporary and permanent differences between taxable and book income (pp. 934-941, 947-950).

3/17 – Ch 16, Differing enacted tax rates, multiple temporary differences between taxable and book income (pp. 941-945, 951-955).

3/22 – Ch 17, Pension overview, risk bearers with defined benefit vs. defined contribution plans, plan asset and plan liability components, and funded status (pp. 998-1002, 1004, 1009-1011).

3/24 – Ch 17, Changes in the PBO: service cost, interest cost, prior service cost, actuarial gains/losses, benefit payments (pp. 1003-1009).

**Intermediate II – Spring 2016**  
**Assignments for each class session**  
**(subject to adjustment as necessary for actual coverage and instructor judgment)**

- 3/29 – Ch 17, Changes in plan assets: EROPA, contributions, benefit payments (pp. 1009-1011).
- 3/31 – Ch 17, JEs for pension expense, contributions and benefit payments (pp. 1011-1022).
- 4/5 – Ch 18, Components of SHE incl preferred stock, paid-in vs. earned capital, accumulated other comprehensive income, share issuance, par value (pp. 1068-1071, 1074-1079).
- 4/7 – Ch 18, Share repurchase, treasury stock (pp. 1083-1087).
- 4/12 – Ch 18, Cash, stock dividends, stock splits, splits in the form of stock dividends (pp. 1089-1094).
- 4/14 – Ch 19, Share based compensation, expense recognition, forfeitures, exercise (pp. 1130-1134).
- 4/19 – Ch 19, Basic EPS, weighted average number of common shares outstanding (pp. 1141-1145).
- 4/21 – Ch 19, Diluted EPS, options, convertible debt (pp. 1146-1149).
- 4/26 – Ch 19, Diluted EPS, convertible preferred, anti-dilution and multiple convertibles (pp. 1150-1154 ).
- 4/28 – Ch 21, Statement of cash flows: why, mechanics, classification (pp. 1243-1248, 1250-1252).
- 5/3 – Ch 21, Statement of cash flows, CFO via indirect method (pp. 1249-1250, 1278-1280).
- 5/5 – Ch 21, Statement of cash flows, CFO via indirect method (pp. 1249-1250, 1278-1280).
- 5/12 – Final Exam @ 7:00 am.