Intermediate Accounting I  
Fall 2006

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Office Hours: 9:00-9:30 TTh, 9:15-10:15 MW and other hours by appointment  
Office: Buckman 332

Course Description: Accounting theory, from both the theoretical and practical viewpoints. This course covers the foundation of accounting theory, the accounting and reporting process, and the impact of the recent pronouncements from FASB, AICPA, AAA, and SEC. This is the first course in the intermediate accounting sequence. Prerequisites: Economics 101-102.

Course Objective: Students will comprehend generally accepted accounting principles and the theory underlying those principles. They will be able to apply specific financial accounting techniques to problems similar to real-world business situations.


Grade Determination:  
Problems/Quizzes/Participation 10  
Three tests 65  
Final exam 25  
100

Tests: Three major tests and a final exam will be given. Each test will consist of multiple choice, discussion questions and problems. In addition to solving problems, you should be able to explain the theory behind problem solutions. The final exam will be comprehensive. No make-up tests or final exam will be given except for emergencies, as determined by the professor.

Problems: Problems will be assigned throughout the semester to emphasize course material. Students should complete the problems according to the syllabus and be prepared to discuss them in class. Assignments will be collected periodically and graded for effort and form. Late homework will not be accepted, but you may turn it in early.

Quizzes: Quizzes will be used to make certain that students are keeping up with the assigned topics. Generally, these will be announced, but, occasionally, unannounced quizzes may be given. No makeup quizzes will be given, but you may drop two quiz grades.

Attendance and participation: Class attendance is absolutely necessary. Each student is allowed three absences, including absences for athletic events and school functions. Three points reduction in the final grade may be assessed for each absence in excess of...
three. Note that homework and quizzes may only be turned in during class. However, athletes and students with excused absences may turn in assignments before class.

**Honor Code:** The Rhodes Honor Code is expected to be followed in all aspects of the course. All work is to be pledged. You may discuss homework assignments with other students, but using another student’s solutions for homework will be considered a violation of the honor code.

**Classroom Policies:**
In addition to the school policies governing classroom behavior, several other rules are necessary in order to maintain an effective learning environment.

- Bring the textbook, a pencil, and a calculator to class every day.
- Treat fellow students and the professor respectfully.
- Except for group discussions relevant to class topics, please do not talk in class.
- Do not leave the classroom except for an emergency.
- Silence all cell phones.
<table>
<thead>
<tr>
<th>Day</th>
<th>Date</th>
<th>Ch</th>
<th>Topic</th>
<th>Exercises</th>
<th>Problems</th>
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</thead>
<tbody>
<tr>
<td>TH</td>
<td>Aug 24</td>
<td>1</td>
<td><strong>Introduction</strong>-&lt;br&gt;Areas of accounting - Financial, managerial, tax, governmental&lt;br&gt;Accounting equation&lt;br&gt;Debits/credits&lt;br&gt;Revenues, expenses, assets, liabilities, stockholders’ equity, retained earnings&lt;br&gt;Accounting profession –&lt;br&gt;Interview process&lt;br&gt;Accounting regulation&lt;br&gt;Accounting standard-setting process</td>
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<tr>
<td>T</td>
<td>29</td>
<td>2</td>
<td><strong>Overview of Financial Acct.</strong>&lt;br&gt;Transaction analysis&lt;br&gt;Journal entries&lt;br&gt;Adjusting journal entries – accruals, deferrals, estimates&lt;br&gt;Prepaid expenses (assets)&lt;br&gt;Unearned revenue (liabilities)&lt;br&gt;Closing journal entries</td>
<td>1,2,3,4(class)</td>
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<tr>
<td>TH</td>
<td>31</td>
<td>2</td>
<td>Reversing journal entries&lt;br&gt;Trial balances&lt;br&gt;Financial statements</td>
<td>8,9,10,11</td>
<td>2</td>
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<tr>
<td>T</td>
<td>5</td>
<td>2</td>
<td>Cash vs. accrual&lt;br&gt;Special journals</td>
<td>12,14,17,19</td>
<td>3,4</td>
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<tr>
<td>TH</td>
<td>7</td>
<td>3</td>
<td><strong>Balance sheet</strong>&lt;br&gt;Purposes&lt;br&gt;Classifications&lt;br&gt;Handout</td>
<td>1,2,3,4,12</td>
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<tr>
<td>T</td>
<td>12</td>
<td>3</td>
<td>Subsequent events&lt;br&gt;Disclosure notes (footnotes)</td>
<td>5,6,13</td>
<td>5</td>
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<tr>
<td>TH</td>
<td>14</td>
<td>4</td>
<td><strong>Income statement and statement of cash flows</strong>&lt;br&gt;Comprehensive income&lt;br&gt;Single-step income statement&lt;br&gt;Multiple-step income statement&lt;br&gt;Accounting changes</td>
<td>3,4,5,6</td>
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<tr>
<td>T</td>
<td>19</td>
<td>4</td>
<td>Earnings per share&lt;br&gt;Discontinued operations&lt;br&gt;Statement of cash flows - operating activities, investing activities, financing activities</td>
<td>7,8,9</td>
<td>2,3,6,7</td>
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<tr>
<td>TH</td>
<td>21</td>
<td></td>
<td><strong>Test 1 – ch. 1, 2, 3, 4</strong></td>
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| T | 26 | 5 | **Income Measurement**  
Revenue recognition  
Installment method  
Cost recovery method  
Percentage-of-completion method  
Completed contract method | 1,2,4,5,7 |
|---|---|---|---|---|
| TH | 28 | 5 | Software revenue  
Franchise sales | 8,9,10,12  
1,4,5 |
| T | Oct. 3 | 6 | **Time Value of Money**  
Present/future value of one amount  
Present/future value of ordinary annuity, annuity due, deferred annuity | 5,6,7,9,10  
1 |
| TH | 5 | 6 | Present value and bonds, capital leases, and notes payable | 17,18  
2,8,9,1012 |
| T | 10 | 7 | **Cash and Receivables**  
Definition of cash  
Internal control  
Bank reconciliation  
Net and gross methods – receivables | 3,5,6,7,8  
1,2 |
| TH | 12 | 7 | Uncollectible accounts – bad debt expense, allowance Financing with receivables | 10,14,15,16,17  
3,5 |
| T | 17 | | **Fall Break** | |
| TH | 19 | 8 | **Inventories - Measurement**  
Definition and examples of inventory Goods in transit, consignment Perpetual and period inventory methods Net and gross purchase methods Cost-flow assumptions – Specific identification, FIFO, LIFO, weighted average | 1,2,3,6,7  
1,2 |
| T | 24 | 8 | Dollar-value LIFO | 3,5,10, 11 |
| TH | 26 | | **Test 2** | |
| T | 31 | 9 | **Inventories – other issues**  
Lower of cost or market Gross profit method | 7,8,9  
1,2,3 |
| TH | Nov. 2 | 9 | Retail inventory method Change in inventory methods | 5,6,7,11 |
| T | 7 | 10 | **Acquisition / disposition of assets**  
Acquisition costs Intangibles Goodwill Lump-sum acquisitions Non-interest bear notes Issuance of equity securities Donation | 1,2,3,4,7,8,9,10 |
<p>| TH | 9 | 10 | Non-monetary exchange Interest capitalization | 1,2,3,4,5,6,7,8,9 |
| T | 14 | 11 | <strong>Utilization / impairment of assets</strong> | 1,2,3,4,7,8,9 |</p>
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<th>Date</th>
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<th>Topic</th>
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| TH   | 16   | Partial-year depreciation  
Group depreciation  
Depletion of natural resources  
Amortization of intangibles |
| TH   | 21   | Test 3 |
| TH   | 23   | Thanksgiving break |
| T    | 28   | Investments  
Equity securities  
Debt securities  
Classifications  
Adjusting entries |
| TH   | 30   | Equity securities  
Debt securities  
Classifications  
Adjusting entries |
| T    | Dec. 5 | Changing classification  
Troubled debt restructuring  
Equity method |
| T    | 12   | 5:30 Final Exam |