WILMINGTON UNIVERSITY  
COLLEGE OF BUSINESS  
BASIC COURSE INFORMATION

COURSE TITLE: Intermediate Accounting II  
COURSE NUMBER: BAC 202

I. RATIONALE:

Accountants need to understand, prepare, and use financial information. Intermediate Accounting prepares students for advanced study, professional examinations, and a successful and ethical pursuit of a career in accounting or business.

II. MAJOR INSTRUCTIONAL GOALS:

GOAL A: The student will understand current and contingent liabilities and describe the methods used to account for them.

Learning Outcomes: The student will
A-1 Describe the nature, type, and valuation of current liabilities.
A-2 Explain how to classify short-term debt expected to be refinanced.
A-3 Identify types of employee-related liabilities.
A-4 Explain how to account for and disclose gain and loss contingencies.
A-5 Explain the accounting for different types of loss contingencies.
A-6 Indicate how current liabilities and contingencies are reported and the required disclosures.

GOAL B: The student will understand the procedures associated with issuing long-term debt: the valuation of bond issues, and application of the effective interest method of amortization.

Learning Outcomes: The student will
B-1 Describe the procedures associated with issuing long-term debt.
B-2 Identify various types of bond issues.
B-3 Account for the issuance of bonds at issuance
B-4 Apply the methods of bond discount and premium amortization using straight-line and effective interest.
B-5 Describe the accounting procedures for the extinguishment of debt.
B-6 Explain the accounting procedures for long-term notes payable.
B-7 Explain how long-term debt is reported and the required disclosures.

GOAL C: The students will know to account for the issuance, re-acquisition, and dividends on shares of stock.

Learning Outcomes: The student will
C-1 Discuss the characteristics of the corporate form of organization.
C-2 Explain the key components of stockholders’ equity.
C-3 Account for the issuance of stock
C-4 Understand the policies and account for dividends.

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C-5 Account for small and large stock dividends and splits
C-6 Explain how stockholders’ equity is reported and the required disclosures.

**GOAL D:** The student will account for dilutive securities and earnings per share.

Learning Outcomes: The student will
D-1 Account for the issuance, conversion, and retirement of convertible securities
D-2 Account for convertible preferred stock
D-3 Account for stock warrants and stock warrants issued with other securities.
D-4 Compute earnings per share in a simple capital structure.
D-5 Compute earnings per share in a complex capital structure.

**GOAL E:** The student will account for investments in and debt and equity securities.

Learning Outcomes: The student will
E-1 Identify the three categories of debt securities and describe the accounting and reporting treatment for each category.
E-2 Understand the procedures for discount and premium amortization on bond investments.
E-3 Identify the categories of equity securities and describe the accounting and reporting treatment for each category.
E-4 Apply the equity method of accounting and compare it to the fair value method for equity securities.
E-5 Describe the disclosure requirements for investments in debt and equity securities.

**GOAL F:** The student will apply the revenue recognition principle at point of sale, and for long-term contracts using the percentage-of-completion and completed contract methods.

Learning Outcomes: The student will
F-1 Apply the revenue recognition principle.
F-2 Describe accounting issues involved with revenue recognition at point of sale.
F-3 Apply the percentage-of-completion method for long-term contracts.
F-4 Apply the completed-contract method for long-term contracts.
F-5 Identify the proper accounting for losses on long-term contracts.
F-6 Describe the installment method of accounting.

**GOAL G:** The student will understand the various temporary and permanent differences between financial income and taxable income, and be able to calculate and record deferred tax assets.

Learning Outcomes: The student will
G-1 Identify differences between pretax financial income and taxable income.
G-2 Describe a temporary difference that results in future taxable amounts.
G-3 Describe a temporary difference that results in future deductible amounts.
G-4 Explain the purpose of a deferred tax asset valuation allowance.
G-5 Describe the presentation of income tax expense in the income statement.
G-6 Describe various temporary and permanent differences.
G-7 Apply accounting procedures for a loss carryback and a loss carryforward.
G-8 Describe the presentation of deferred income taxes in financial statements.

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GOAL H: The student will understand the types of pension plans and their characteristics.

Learning Outcomes: The student will
H-1 Distinguish between accounting for the employer’s pension plan and accounting for the pension fund
H-2 Identify types of pension plans and their characteristics.
H-3 Identify the components of pension expense.

GOAL I: The student will understand the criteria and procedures for accounting for leases.

Learning Outcomes: The student will
I-1 Explain the nature, economic substance, and advantages of lease transactions
I-2 Describe the accounting criteria and procedures for capitalizing leases by the lessee.
I-3 Contrast the operating and capitalization methods of recording leases.
I-4 Describe the disclosure requirements for leases.

GOAL J: The student will understand the various types of accounting changes, and analyze the effect of errors.

Learning Outcomes: The student will
J-1 Identify the types of accounting changes.
J-2 Describe the accounting for changes in accounting principles.
J-3 Understand how to account for cumulative-effect accounting changes.
J-4 Understand how to account for retroactive accounting changes.
J-5 Describe the accounting for changes in estimates.
J-6 Describe the accounting for correction of errors.
J-7 Analyze the effect of errors.

GOAL K: The student will be able to prepare the Statement of Cash Flows.

Learning Outcomes: The student will
K-1 Describe the purpose of the Statement of Cash Flows.
K-2 Identify the major classifications of cash flows.
K-3 Differentiate between net income and net cash flows from operating activities.
K-4 Determine net cash flows from investing and financing activities.
K-5 Prepare a Statement of Cash Flows using the indirect method.

GOAL L: The student will understand full disclosure in financial reporting.

Learning Outcomes: The student will
L-1 Review the full disclosure principle and describe problems of implementation.
L-2 Explain the use of notes in financial statement preparation.
L-3 Describe the disclosure requirements for major segments of a business.
L-4 Describe the disclosure problems associated with interim reporting.
L-5 Identify the major disclosures found in the auditor’s report.
L-6 Understand management’s responsibilities for financials.
L-7 Identify issues related to financial forecasts and projections.
L-8 Describe the profession’s response to fraudulent financial reporting.