

## **VIII**      **COURSE SYLLABI**

### **B. ACCOUNTING**

- ACCT 2311: Fundamentals of Financial Accounting
- ACCT 2321: Fundamentals of Managerial Accounting
- ACCT 3311: Intermediate Accounting I
- ACCT 3312: Introduction to Accounting Information Systems
- ACCT 3321: Intermediate Accounting II
- ACCT 4311: Auditing and Assurance Services
- ACCT 4312: Advanced Accounting
- ACCT 4313: Accounting for Governmental and Not-For-Profit  
Organizations
- ACCT 4314: International Accounting
- ACCT 4321: Accounting for Managerial Planning and Control

**Course Title: ACCT 2311: Fundamentals of Financial Accounting**

**Semester Credit Hours: 3 (3,0)**

**I. Course Overview**

This course is an introduction to the concepts, purposes, problems, methodology, and terminology of financial accounting. Emphasis is placed on using accounting information for decision making.

**II. Competencies Addressed**

In this course, students gain a basic understanding of the financial accounting system that forms a basis for the additional courses required of business and accounting majors.

- The course provides a basis for a professional competence in accounting, including an awareness of accounting globally
- Critical thinking and problem solving are developed as students analyze assigned questions, exercises and problems
- Oral, written and listening skills are developed as students are encouraged to participate in class, to do written homework assignments and to interact with other classmates
- Teamwork is promoted as students learn to analyze financial statements as part of a group
- Modern information technology is utilized, with the Internet employed as a learning resource; and spreadsheets are used as a tool in classroom preparation, homework assignments and the preparation of a financial statement analysis project.

**III. Detailed Course Description**

The course is designed to teach the concepts and procedures underlying the measurement and reporting of financial information prepared for users external to the enterprise (that is, to owners, creditors, government, and the investor). Students learn how to analyze and interpret financial statements (income statement, balance sheet, statement of changes in stockholders' equity, and statement of cash flows). They are introduced to the concepts and principles underlying the measurements used in accounting to prepare the financial statements. Students learn how to analyze and record transactions which are the basic input into the accounting system. This course is central to the education of any student aspiring to a career as a professional accountant. In addition, this course provides valuable training for students whose career goals are in finance or other fields that are dependent on financial accounting and reporting as an important source of data.

#### **IV. Requirements Fulfilled**

This course is required for all students in the College of Business Administration.

#### **V. Required Prerequisites**

This course does not have a prerequisite.

#### **VI. Learning Outcomes**

- To understand the nature of financial accounting.
- To know the basic concepts of financial accounting.
- To introduce students to the basics of financial statement analysis.
- To expose students to the “real world” implications of accounting information.
- To improve written and oral communication skills.
- To facilitate the ability of students work in groups.

#### **VII. Assessment Strategy**

Student performance is assessed through examination, short quizzes and a financial statement analysis group project. The final grade is assessed as follows:

- |   |     |
|---|-----|
| • Mid-term exam 1   | 20% |
| • Mid-term exam 2   | 20% |
| • Final comprehensive exam  | 30% |
| • Financial statement analysis project, quizzes, work product notebook, and optional class participation grade (at the instructor’s discretion) | 30% |

Students are encouraged to build a notebook compiling their work product for each accounting course. The notebook should include all class notes, handouts, and solutions to problems. This information should be compiled from the first day of class.

The course Fundamentals of Financial Accounting teaches students how to work individually and in small groups. The comprehensive final examination encourages students to integrate what they have learned during the semester. The assessment process helps the student to build skills and understanding necessary for the capstone course in the discipline.

## VIII. Course Format

This course is composed of lectures, homework assignments, and a group project. The course is conducted in a manner that encourages class participation by the students. Students are expected to attend all classes, read the assigned material before class, and complete the homework assignment prior to coming to class each day. Students are expected to spend an average of two hours per week outside of class for each hour of lecture.

**Classroom Hours** (3 hours per week)

**Class:** 3

**Lab:** 0

## IX. Topics to Be Covered

- A. Financial statements and business decisions
  1. Understanding a basic business entity
  2. The four basic financial statements
  3. The role of generally accepted accounting principles (GAAP) in determining the content of financial statements
  4. The roles of managers and auditors in the accounting communication process
  5. The importance of ethics, reputation, and legal liability in accounting
- B. Investing and financing decisions and the balance sheet
  1. The objectives of financial reporting, the elements of the balance sheet, and the related key accounting assumptions and principles
  2. Identifying the elements of a business transaction, as well as common balance sheet account titles used in business
  3. Simple business transactions and the accounting model
  4. The impact of business transactions on the balance sheet (using journal entries and T-accounts)
  5. A simple balance sheet
  6. The financial leverage ratio
  7. How investing and financing transactions are reported on the statement of cash flows
- C. Operating decisions and the income statement
  1. A typical business operating cycle
  2. Time period assumptions and the income statement
  3. The accrual basis of accounting
  4. Transaction analysis
  5. Unadjusted financial statements
  6. Total asset turnover
- D. Adjustments, financial statements, and the quality of earnings
  1. Purpose of a trial balance
  2. Adjusting entries
  3. Preparing a complete set of financial statements
  4. Net profit margin
  5. Closing entries

- E. Communicating and interpreting accounting information
  - 1. Key personnel in the accounting communication process
  - 2. The steps in the accounting communications process
  - 3. Various financial statement and disclosure formats
  - 4. Return on equity
- F. Reporting and interpreting sales revenue, receivables and cash
  - 1. Accounting for sales revenue
  - 2. Measuring and reporting receivables
  - 3. Reporting and safeguarding cash
- G. Reporting and interpreting cost of goods sold and inventory
  - 1. The nature of inventory and cost of goods sold
  - 2. Inventory costing methods
  - 3. Evaluating inventory management
  - 4. Control of inventory
- H. Reporting and interpreting property, plant, and equipment, natural resources, and intangibles
  - 1. Acquisition and maintenance of plant and equipment
  - 2. Use, impairment, and disposal of plant and equipment
  - 3. Natural resources and intangible assets
- I. Reporting and interpreting liabilities
  - 1. Liabilities defined and classified
  - 2. Current liabilities
  - 3. Long-term liabilities
  - 4. Present and future value concepts
- J. Reporting and interpreting bonds
  - 1. Bonds payable
  - 2. Reporting bond transactions
  - 3. Times interest earned ratio
  - 4. Amortizing bonds
  - 5. Early bond retirement
  - 6. Bond sinking funds
  - 7. Bond investments held to maturity
- K. Reporting and interpreting owners' equity
  - 1. Common stock transactions
  - 2. Repurchase of stock
  - 3. Dividends on common stock
  - 4. Stock splits
  - 5. Preferred stock
  - 6. Restrictions on retained earnings
- L. Reporting and interpreting investments in other corporations
  - 1. Types of investments and accounting methods
  - 2. Debt held to maturity — the amortized cost method
  - 3. Passive stock investments — the market value method
  - 4. Investments for significant influence — the equity method
  - 5. Controlling interests — mergers and acquisitions

- M. Statement of cash flows
  - 1. Classifications of the statement of cash flows
  - 2. Reporting and interpreting cash flows from operating activities
  - 3. Reporting and interpreting cash flows from investing activities
  - 4. Reporting and interpreting cash flows from financing activities
  - 5. Additional cash flow disclosures
- N. Analyzing financial statements
  - 1. How analysts use the financial statements
  - 2. Ratio and percentage analysis
  - 3. Tests of profitability
  - 4. Tests of liquidity
  - 5. Tests of solvency
  - 6. Market tests
  - 7. Interpreting ratios and other analytical considerations

**X. Laboratory Exercises**

This course does not require a separate lab.

**XI. Technology Component**

Students are expected to have a computer account on the BLACKBOARD or similar service to communicate via e-mail and should sign up for the online discussion group for the class. Students use their personal laptop computers to complete assignments. They are also expected to become familiar with the use of the Internet.

**XII. Special Projects / Activities**

Students are required to complete a financial statement analysis project as part of a group (usually two students per group). They should obtain a copy of the current annual report for a publicly-held firm. This could be downloaded from a company's Web site. Other sources of information for the company might include articles about the company found in magazines, newspapers, or on the Internet. Based upon this information, students are required to make a decision of whether or not to invest in this company's stock based upon their interpretation of the company's long-term prospects. For an in-depth example of a Financial Statement Analysis Project, see <http://www2.uta.edu/martintaylor/Data/FSAP.doc>.

### **XIII. Textbooks and Teaching Aids**

#### A. Required Textbook

Libby, Robert, Libby, Patricia A., and Short, Daniel G. *Financial Accounting*, 4<sup>th</sup> Edition. Boston, Massachusetts: McGraw Hill Irwin, 2004.  
ISBN: 0072473509

#### B. Alternative Textbooks

Weygandt, Jerry J., Kieso, Donald E., and Kimmel, Paul D. *Financial Accounting*, 4<sup>th</sup> Edition, Wiley, 2003.  
ISBN: 0-471-07241-9

#### C. Supplemental Print Materials

Robert Libby, et al. *Study Guide for use with Financial Accounting*, 4<sup>th</sup> Edition, op. cit.  
ISBN: 0072473673

#### D. Supplemental Online Materials

Live tutoring, Q&A, and Archive through NetTutor:  
<http://www.mhhe.com/libby4e>

**Course Title: ACCT 2321: Fundamentals of Managerial Accounting**

**Semester Credit Hours:** 3 (3,0)

**I. Course Overview**

This course provides an introduction to the concepts, purposes, problems, methodology, and terminology of managerial accounting. It demonstrates accounting's role in providing information for decision making and planning, assisting managers in the activities of the enterprise, and motivating managers and employees towards organizational goals.

**II. Competencies Addressed**

Students gain a basic understanding of managerial accounting that forms a basis for the additional courses required of business and accounting majors.

- This is one of the courses that provide a basis for a professional competence in accounting, including an awareness of accounting globally.
- Critical thinking and problem solving are developed as students analyze assigned questions, exercises and problems.
- Oral, written and listening skills are developed as students are encouraged to participate in class, to complete written homework assignments and to interact with other classmates.
- Teamwork is promoted as students participate in collaborative learning problems and cases in managerial accounting selected to foster cooperative learning, teamwork and group discussion.
- Modern information technology is utilized, with the Internet employed is used as a learning resource. Students use spreadsheets and/or computer graphics in preparing case analyses and PowerPoint slides in making classroom presentations.

**III. Detailed Course Description**

The course is designed to teach the concepts and procedures underlying the measurement and reporting of managerial information prepared for users internal to the enterprise who direct and control its operations. It is intended to demonstrate how managerial accounting adds value to the organization in providing information for decision making and planning, by assisting managers in directing and controlling the activities of the enterprise, and by motivating managers and other employees towards organizational goals.

The course also focuses on the concept of responsibility accounting and the measurement of performance of managers and segments of the business. A number of managerial accounting tools are covered including basic cost concepts, cost-volume-profit analysis, activity-based costing, budgeting profit-planning and control, the use of standard costs to determine product cost and performance evaluation, using cost accounting information in make or buy decisions, capital budgeting including present value analysis in project evaluation, and transfer pricing.

#### **IV. Requirements Fulfilled**

This course is required for all students in the College of Business Administration.

#### **V. Required Prerequisites**

ACCT 2311: Fundamentals of Financial Accounting

#### **VI. Learning Outcomes**

- To understand the nature of managerial accounting.
- To know the basic concepts of managerial accounting.
- To introduce students to the basics of managerial cost analysis.
- To expose students to the “real world” implications of managerial accounting information.
- To improve written and oral communication skills.
- To facilitate the ability of students work in groups.

#### **VII. Assessment Strategy**

Student performance is assessed through examination, short quizzes and a group case project(s). The final grade is assessed as follows:

- |   |                                      |
|---|--------------------------------------|
| • Mid-term exam 1   | 20%                                  |
| • Mid-term exam 2   | 20%                                  |
| • Final comprehensive exam  | 30%                                  |
| • Group case analysis project(s),<br>quizzes, work product notebook,<br>and optional class participation<br>grade | 30% (at the instructor’s discretion) |

Students are encouraged to build a notebook compiling their work product for each accounting course. The notebook should include all class notes, handouts, and solutions to problems. This information should be compiled from the first day of class.

The course teaches students how to work individually and in small groups. The comprehensive final examination encourages students to integrate what they have learned during the semester. The assessment process helps the student to build skills and understanding necessary for the capstone course in the discipline.

### **VIII. Course Format**

This course is composed of lectures, homework assignments, and group projects. The course is conducted in a manner that encourages class participation by the students. Students are expected to attend all classes, read the assigned material before class, and complete the homework assignment prior to coming to class each day. They are expected to spend an average of two hours per week outside of class for each hour of lecture.

**Classroom Hours** (3 hours per week)

**Class:** 3

**Lab:** 0

### **IX. Topics to Be Covered**

- A. Managerial accounting and the business environment
  - 1. Comparison of financial and managerial accounting
  - 2. The role of management accountants in an organization
  - 3. Basic concepts in a changing business environment
  - 4. Professional ethics
- B. Cost terms, concepts, and classifications
  - 1. The three basic manufacturing cost categories.
  - 2. Product costs versus period costs
  - 3. Cost classifications on financial statements
  - 4. Variable and fixed costs
  - 5. Differential, opportunity and sunk costs
- C. Systems design: job-order costing
  - 1. Process versus job-order costing
  - 2. Documents used in job-order costing
  - 3. Overhead costs
  - 4. The flow of costs
  - 5. Solving problems associated with overhead applications
- D. Systems design: process costing
  - 1. Process cost flows
  - 2. Equivalent units of production
  - 3. Production report – the weighted-average method
- E. Analysis and use of cost behavior
  - 1. Cost behavior: fixed and variable costs
  - 2. Mixed costs
  - 3. The contribution format
- F. Cost-volume-profit relationships
  - 1. Basics of CPV analysis
  - 2. Break-even analysis
  - 3. Choosing a cost structure
  - 4. Structuring sales commissions
  - 5. Sales mix
  - 6. CPV analysis assumptions

- G. Variable costing as a tool for management
  - 1. Variable and absorption costing
  - 2. How variable and absorption costing affect net income
  - 3. The effect of changes in production on net operating income
- H. Activity-based costing as an aid to decision making
  - 1. Treatment of costs under ABC
  - 2. Designing an ABC system
  - 3. Comparison of traditional and ABC product costs
  - 4. Targeting process improvements
  - 5. ABC and external reports
  - 6. The limitations of ABC
- I. Profit planning
  - 1. Basic framework of budgeting
  - 2. Preparing the master budget
  - 3. The budgeted income statement and balance sheet
  - 4. International aspects of budgeting
- J. Standard costs and the balanced scorecard
  - 1. Setting standard costs
  - 2. A variance analysis model
    - a. direct materials variances
    - b. direct labor variances
    - c. manufacturing overhead variances
  - 3. Performance reports
  - 4. Management by exception
  - 5. International uses of standard costs
  - 6. The balanced scorecard
- K. Flexible budgets and overhead analysis
  - 1. Flexible budgets
  - 2. Variable overhead variances
  - 3. Overhead rates and fixed overhead analysis
- L. Segment reporting and decentralization
  - 1. Decentralization in an organization
  - 2. Segment reporting and profitability analysis
  - 3. Problems associated with proper cost assignment
  - 4. Rate of return on investment
  - 5. Measuring performance with the use of residual income
  - 6. Transfer pricing
- M. Relevant costs for decision making
  - 1. Cost concepts
  - 2. Adding and dropping a product
  - 3. Make or buy analysis
  - 4. Special orders
  - 5. Constrained resources
  - 6. Joint products
  - 7. Activity based costing and relevant costs

- N. Capital budgeting decisions
  - 1. Investment analysis
  - 2. Net present value method
  - 3. The internal rate of return method
  - 4. Uncertain cash flows
  - 5. Ranking investment projects
  - 6. Other approaches to capital budgeting
    - a. the payback method
    - b. simple rate of return method

**X. Laboratory Exercises**

This course does not require a separate lab.

**XI. Technology Component**

Students are expected to have a computer account on the BLACKBOARD or similar service to communicate via e-mail and should sign up for the online discussion group for the class. They are also expected to be familiar with the use of the Internet. Collaborative learning problems and cases require the student to use word processing programs, spreadsheets and other information/computer technologies. Students use their personal laptop computers to complete assignments.

**XII. Special Projects / Activities**

During the semester students are assigned to a group. Each group is given one or two cases and prepared a formal write up and class presentation. The learning process requires students to demonstrate their knowledge of some of the latest computer/information technology (spreadsheets, computer graphics, PowerPoint presentations) in the preparation and presentation of the cases.

### **XIII. Textbooks and Teaching Aids**

#### **A. Required Textbook**

Garrison, Ray H. and Noreen, Eric W., *Managerial Accounting*, 10th edition, Boston, Mass: McGraw-Hill Irwin, 2003  
ISBN: 0072528125

#### **B. Alternative Textbooks**

Weygandt, Jerry, Kieso, Don, and Kimmel, Paul, *Managerial Accounting: Tools for Business Decision-Making*, 2<sup>nd</sup> Edition. Wiley, 2002.  
ISBN: 0-471-41365-8

#### **C. Supplemental Print Materials**

1. Workbook/Study Guide  
ISBN: 0072531789
2. Ready Notes provide exhibits in a workbook format for note taking  
ISBN: 0072538368
3. Working Papers: a study aid with forms to help students organize their solutions to homework problems

#### **D. Supplemental Online Materials**

Online Learning Center: a collection of Web resources including alternate problems and solutions, an on-line tutorial, and links to professional resources at <http://www.mhhe.com/garrison10e>

**Course Title: ACCT 3311: Intermediate Accounting I**

**Semester Credit Hours:** 3 (3,0)

**I. Course Overview**

This is the first of a two-semester sequence on intermediate accounting. Students become familiar with the environment of accounting, development of accounting standards, and basic accounting theory.

**II. PMU Competencies and Learning Outcomes**

Students gain an in-depth understanding of the financial accounting system that forms a basis for the additional courses required of business and accounting majors.

- This course provides a basis for a professional competence in accounting, including an awareness of accounting globally
- Critical thinking and problem solving are developed as students analyze assigned questions, exercises and problems
- Oral, written and listening skills are developed as students are encouraged to participate in class, to do written homework assignments and to interact with other classmates
- Teamwork is promoted as students are encouraged to work in groups.
- Students build competencies in modern information technologies. The Internet is employed as a learning resource, and spreadsheets are used as a tool in classroom preparation and homework assignments. Students become familiar with electronic references such as FARS, EDGAR, and Lexis/Nexis.

**III. Detailed Course Description**

The intermediate accounting courses are designed to teach the concepts and procedures underlying the measurement and reporting of financial information.

Intermediate Accounting I focuses on the environment of accounting, development of standards, basic theory, financial statements, worksheets, annuities and present value, receivables, inventories, liabilities, plant assets, depreciation and depletion, and accounting for intangible assets.

This course is central to the education of any student aspiring to a career as a professional accountant. In addition, this course provides valuable training for students whose career goals are in finance or other fields that are dependent on financial accounting and reporting as an important source of data.

#### **IV. Requirements Fulfilled**

This is a required course for all accounting majors.

#### **V. Required Prerequisites**

ACCT 2321: Fundamentals of Managerial Accounting

#### **VI. Learning Outcomes**

- To understand the nature of financial accounting
- To know the basic concepts and procedures underlying the measurement and reporting of financial information
- To enable students to critically evaluate financial statements
- To develop in students the ability to research and solve unstructured problems in financial accounting.
- To improve written and oral communication skills.
- To facilitate the ability of students to work in groups

#### **VII. Assessment Strategy**

Student performance is assessed through examination, short quizzes and a Case Study. The final grade is assessed as follows:

- |  |                                      |
|--|--------------------------------------|
| • Mid-term exam 1  | 20%                                  |
| • Mid-term exam 2  | 20%                                  |
| • Final comprehensive exam   | 30%                                  |
| • Case study, quizzes, work product notebook, and optional class participation grade | 30% (at the instructor's discretion) |

Students are encouraged to build a notebook compiling their work product for each accounting course. The notebook should include all class notes, handouts, and solutions to problems. This information should be compiled from the first day of class.

In Intermediate Accounting I, students work individually and in small groups. The comprehensive final examination encourages students to integrate what they have learned during the semester. The assessment process helps the student to build skills and understanding necessary for the capstone course in the discipline.

## VIII. Course Format

This course is composed of lectures, homework assignments, and a case study. The course is conducted in a manner that encourages class participation by the students. Students are expected to attend all classes, read the assigned material before class, and complete the homework assignment prior to coming to class each day. They are expected to spend an average of two hours per week outside of class for each hour of lecture. Students are encouraged to work in groups. They should first study each chapter independently and then follow up with a group discussion.

**Classroom Hours** (3 hours per week)

**Class:** 3

**Lab:** 0

## IX. Topics to Be Covered

- A. Financial Accounting and Accounting Standards
  - 1. The major financial statements
  - 2. Accounting and the efficient use of scarce resources
  - 3. Challenges facing accounting
  - 4. Objectives of financial reporting
  - 5. The need for accounting standards
  - 6. The major policy-setting bodies
  - 7. GAAP
  - 8. Impact of user groups on standards setting
  - 9. Ethics
- B. The Conceptual Framework
  - 1. The need for a conceptual framework
  - 2. The efforts to construct a conceptual framework
  - 3. Objectives of financial reporting
  - 4. The characteristics of accounting information
  - 5. The basic elements of financial statements
  - 6. The basic assumptions of accounting
  - 7. The application of the principles of accounting
  - 8. Constraints upon reporting accounting information
- C. The Accounting Information Systems
  - 1. Basic accounting terminology
  - 2. Double entry rules
  - 3. The accounting cycle
  - 4. Journals, ledgers and the trial balance
  - 5. Adjusting entries
  - 6. Closing entries
  - 7. Adjusting inventory accounts
  - 8. The work sheet
- D. The Income Statement
  - 1. Uses and limitations of the income statement
  - 2. Single-step and multi-step income statements
  - 3. Reporting irregular items
  - 4. Intraperiod tax allocation
  - 5. Reporting earnings per share
  - 6. The retained earnings statement
  - 7. Reporting other income

- E. The Balance Sheet and Statement of Cash Flows Systems
  - 1. Uses and limitations of the balance sheet
  - 2. Major classifications of the balance sheet
  - 3. Report and account formats in the preparation of the balance sheet
  - 4. Information requiring supplemental disclosure
  - 5. Disclosure techniques for the balance sheet
  - 6. Purpose, content and usefulness of the statement of cash flows
- F. Accounting and the Time Value of Money
  - 1. Relevant time value accounting topics
  - 2. Simple and compound interest
  - 3. Compound interest tables
  - 4. Solving interest problems
  - 5. Future and present value
  - 6. Annuities
  - 7. Deferred annuities and bonds
  - 8. Cash flow approach to present value measurement
- G. Cash and Receivables
  - 1. Definition of cash
  - 2. How cash is reported
  - 3. Receivables
  - 4. Accounting issues related to accounts receivable
  - 5. Accounting issues related to notes receivable
  - 6. Disposition of accounts and notes receivable
  - 7. Reporting and analyzing receivables
- H. A Cost Basis Approach to the Valuation of Inventories
  - 1. The major classifications of inventories
  - 2. Perpetual and periodic inventory systems
  - 3. Inventory errors and the financial statements
  - 4. Inventory cost
  - 5. Flow assumptions in accounting for inventory
  - 6. Selecting an inventory method
- I. Additional Valuation Issues Relating to Inventories
  - 1. The lower of cost or market rule
  - 2. Net realizable value
  - 3. Relative sales value method
  - 4. Purchase commitments
  - 5. Gross profit method
  - 6. Retail inventory method
  - 7. Reporting and analyzing inventory
- J. The Acquisition and Disposition of Property, Plant and Equipment
  - 1. Major characteristics of property, plant and equipment
  - 2. Initial valuation
  - 3. Self-constructed assets
  - 4. Interest capitalization
  - 5. Acquiring and valuing plant assets
  - 6. Costs after acquisition
  - 7. Disposal of property, plant and equipment

- K. Depreciation, Impairments and Depletion
  - 1. Characteristics of depreciation
  - 2. Activity, straight-line, and increasing charge methods of depreciation
  - 3. Special depreciation methods
  - 4. Asset impairment
  - 5. Depletion of natural resources
  - 6. Reporting property, plant and equipment
- L. Intangible Assets
  - 1. Characteristics of intangible assets
  - 2. Initial valuation of intangible assets
  - 3. Amortizing intangible assets
  - 4. Types of intangible assets
  - 5. Goodwill
  - 6. Intangible asset impairment
  - 7. Research and development costs
  - 8. The presentation of intangible assets
- M. Current Liabilities and Contingencies
  - 1. Nature, type and valuation of current liabilities
  - 2. Short-term debt
  - 3. Employee-related liabilities
  - 4. Gain and loss contingencies
  - 5. Accounting for loss contingencies
  - 6. Presenting and analyzing current liabilities and contingencies
- N. Long Term Liabilities
  - 1. Long-term debt
  - 2. Bonds
  - 3. Bond discount and premium amortization
  - 4. Extinguishment of debt
  - 5. Long-term notes payable
  - 6. Off-balance sheet financing
  - 7. Presenting and analyzing long-term debt

**X. Laboratory Exercises**

This course does not require a separate lab.

**XI. Technology Component**

Students are expected to have a computer account on the BLACKBOARD or similar service to communicate via e-mail and should sign up for the online discussion group for the class. They are also expected to be familiar with the use of the Internet for accounting research. Students should have the capability to use electronic references such as FARS, EDGAR, and Lexis/Nexis. Students use their personal laptop computers to complete assignments.

## **XII. Special Projects/Activities**

Students are required to complete an in-depth case study project on a publicly held company. They download a full set of current financial statements (including footnote disclosures) from a company's Web site. A case-study packet is provided. Students must answer all questions in the packet that are applicable to the company.

## **XIII. Textbooks and Teaching Aids**

### **A. Required Textbook**

Kieso, Donald E., Weygandt, Jerry J. and Warfield, Terry D.,  
*Fundamentals of Intermediate Accounting*, 11th edition, John Wiley &  
Sons, Inc., 2003  
ISBN: 0-471-07203-6

### **B. Alternative Textbooks**

Revsine, Lawrence, Collins, Daniel W., and Johnson, W. Bruce,  
*Financial Reporting and Analysis*, 3<sup>rd</sup> Edition. Prentice Hall, 2005.  
ISBN: 0-13-143021-1

### **C. Supplemental Print Materials**

None.

### **D. Supplemental Online Materials**

1. *Wiley eLearning Courseware for Intermediate Accounting*, 2003  
<http://www.wileycom/college/kieso>  
ISBN 0471477702
2. Student Companion Site for Kieso, Weygandt, Warfield:  
Intermediate Accounting, 11th edition

**Course Title: ACCT 3312: Introduction to Accounting Information Systems**

**Semester Credit Hours:** 3 (3,0)

**I. Course Overview**

This course presents analysis and design of business processes. It includes coverage of control concepts, audit trails, and the uses of information technology. It emphasizes the role of accounting in collecting, storing, and communicating information for management planning and control.

**II. PMU Competencies and Learning Outcomes**

Students gain a basic understanding accounting information systems that forms a basis for the additional courses required of accounting majors.

- This course provides a basis for a professional competence in accounting information systems, including an awareness of accounting information systems globally.
- Critical thinking and problem solving are developed as students analyze assigned questions, exercises and problems.
- Oral, written and listening skills are developed as students are encouraged to participate in class, to do written homework assignments and to interact with other classmates.
- Teamwork is promoted as students learn to work as part of a group during their team field project.
- Students build competencies in modern information technologies. The Internet is employed as a learning resource, and spreadsheets are used as a tool in classroom preparation and homework assignments.

**III. Detailed Course Description**

This course is a comprehensive study of technology, accounting systems, controls, operations, organizations and strategy. Students explore the accountant's role in the development of accounting information systems. They develop skills in documenting systems as well as the ability to analyze and report on internal control systems. The basic information functions of several accounting applications are covered, including the revenue cycle, the expenditure cycle, and the production cycle. Students develop familiarity with a general ledger software package and are able to set up an accounting system using the software.

**IV. Requirements Fulfilled**

This is a required course for all accounting majors.

## **V. Required Prerequisites**

- ACCT 2321: Fundamentals of Managerial Accounting
- Familiarity with Microsoft Office as covered in the PMU Preparation Year Program.

## **VI. Learning Outcomes**

In this course, students will:

- Understand the role of accountants and accounting information systems in organizations.
- Be familiar with the typical business processes in organizations.
- Know how information technology and the Internet can be used to improve organizational efficiency and effectiveness.
- Be able to design and create databases for accounting systems.
- Be able to evaluate an organization's internal control and provide proper suggestions for improvement.
- Have improved their team-building and communication skills.
- Be able to use this knowledge as a foundation for life-long learning with technology and systems.

## **VII. Assessment Strategy**

Student performance is assessed through examination, short quizzes, and group and individual class projects. The final grade is assessed as follows:

- |                               |                                      |
|-------------------------------|--------------------------------------|
| • Mid-term exam 1             | 20%                                  |
| • Mid-term exam 2             | 20%                                  |
| • Final comprehensive exam    | 30%                                  |
| • Projects, cases and quizzes | 30% (at the instructor's discretion) |

Students are encouraged to build a notebook compiling their work product for each accounting course. The notebook should include all class notes, handouts, and solutions to problems. This information should be compiled from the first day of class.

In this course, students work individually and in small groups. The comprehensive final examination encourages students to integrate what they have learned during the semester. The assessment process helps the student to build skills and understanding necessary for the capstone course in the discipline.

## VIII. Course Format

This course is composed of lectures, homework assignments, and group and individual class projects. The course is conducted in a manner that encourages class participation by the students. Students are expected to attend all classes, read the assigned material before class, and complete the homework assignment prior to coming to class each day. They are expected to spend an average of two hours per week outside of class for each hour of lecture. Students are encouraged to work in groups. They should first study each chapter independently and then follow up with a group discussion.

**Classroom Hours** (3 hours per week)

**Class:** 3

**Lab:** 0

## IX. Topics to Be Covered

- A. An Overview of Accounting Information Systems
  - 1. Basic functions of an AIS
  - 2. Design and management of an AIS
  - 3. The role of an AIS in business
  - 4. AIS and corporate strategy
- B. The Business Process
  - 1. Functions of an AIS
  - 2. Transaction processing: documents and procedures
  - 3. Information for decision making
  - 4. Internal control
- C. AIS and e-Business
  - 1. Effects of e-business on business processes
  - 2. Increasing success and decreasing risks in e-business
  - 3. E-business infrastructure
- D. Relational Databases
  - 1. Database versus file based systems
  - 2. Attributes of a relational database and how it organizes information
  - 3. Logical and physical views of a database
  - 4. Constructing data storage tables
- E. Data Modeling and Database Design
  - 1. Database design process
  - 2. The REA data model
  - 3. Entity-relationship diagram
  - 4. The REA diagram in a relational database
  - 5. Integrated REA diagrams
- F. Systems Development and Documentation
  - 1. Data flow diagrams
  - 2. Flowcharts
- G. Control and Accounting Information Systems
  - 1. AIS security
  - 2. Control concepts in a business organization

3. The control environment
  4. Control activities
  5. Risk assessment
  6. Cost-benefit analysis
- H. Computer-Based Information Systems Control
1. Reliability
  2. Availability
  3. Security
  4. Maintainability
  5. Integrity
- I. Computer Fraud and Security
1. The fraud process
  2. Conditions that increase risk of fraud
  3. Techniques of computer fraud
  4. Detecting and preventing computer fraud
- J. AIS Applications: The Revenue Cycle
1. Revenue cycle business activities
  2. Revenue cycle information processing
  3. Control procedures in the revenue cycle
  4. Revenue cycle information needs and data model
- K. AIS Applications: The Expenditure Cycle
1. Expenditure cycle business activities
  2. Expenditure cycle information processing
  3. Control procedures in the expenditure cycle
  4. Expenditure cycle information needs and data model
- L. AIS Applications: The Production Cycle
1. Production cycle business activities
  2. Production cycle information processing
  3. Control procedures in the production cycle
  4. Production cycle information needs and data model
- M. AIS Applications: HR Management and Payroll Cycle
1. Payroll cycle business activities
  2. Payroll cycle information processing
  3. Control procedures in the payroll cycle
  4. The role of human resources management in the payroll cycle
  5. Payroll cycle key decisions, information needs and data model
- N. General Ledger and Reporting System
1. General ledger and reporting activities
  2. Control procedures for general ledger and reporting activities
  3. Integrated REA data model
  4. Using information in decision making
  5. Impact of IT developments on internal and external reporting

## **X. Laboratory Exercises**

This course does not require a separate lab.

## **XI. Technology Component**

Students are expected to have a computer account on the BLACKBOARD or similar service to communicate via e-mail and should sign up for the online discussion group for the class. They are also expected to be familiar with the use of the Internet. Collaborative learning problems and cases require the student to use word processing programs, spreadsheets and other information/computer technologies.

Students learn to use the database Access as well as computerized accounting packages. They use their personal laptop computers to complete assignments.

## **XII. Special Projects/Activities**

During the semester students complete three individual projects:

- A General Ledger project intended to give practical experience with accounting software and the flow of information through the accounting system.
- An Access database project intended to give the student hands-on experience with the use of Access and an understanding of how to create a database and extract information from it.
- An Internal Control project in which students evaluate and write a report on the control strengths and weaknesses based on a description of the problems that occur in a case company

### **XIII. Textbooks and Teaching Aids**

#### **A. Required Textbook**

Romney, Marshall B. and Steinbart, Paul John, *Accounting Information Systems*, 9th edition, Prentice Hall, 2003  
ISBN: 0130909033

#### **B. Alternative Textbooks**

Bodnar, George H., and Hopwood, William S., *Accounting Information Systems*, 9<sup>th</sup> Edition. Prentice Hall, 2004.  
ISBN: 0-13-008205-8

#### **C. Supplemental Print Materials**

1. Smith, Katherine T., Smith, L. Murphy, and Smith, Lawrence C., Jr., Lawrence C., Jr., *Microsoft Excel for Accounting: Auditing and Accounting Information Systems*, Prentice Hall, 2003  
ISBN: 013008552-9
2. Martin, Merle and Larn, Monica, *Accounting Information Systems Cases*, Prentice Hall, 2003  
ISBN: 0130352896

#### **D. Supplemental Online Materials**

Buckless, Frank A. and Ingraham, Laura R., *CAST: An Integrated Auditing and AIS Simulation*, Prentice Hall, 2003. Text, CD-ROM and accompanying Web site.  
ISBN: 013045186X

**Course Title: ACCT 3321: Intermediate Accounting II**

**Semester Credit Hours:** 3 (3,0)

**I. Course Overview**

This course examines the financial accounting process, problems encountered in the preparation of financial statements, and concepts and principles used to resolve these problems. It is the second of a two-semester sequence on intermediate accounting.

**II. PMU Competencies and Learning Outcomes**

In this course, students gain an in-depth understanding of the financial accounting system that forms a basis for the additional courses required of business and accounting majors.

- This course provides a basis for a professional competence in accounting, including an awareness of accounting globally
- Critical thinking and problem solving are developed as students analyze assigned questions, exercises and problems
- Oral, written and listening skills are developed as students are encouraged to participate in class, to do written homework assignments and to interact with other classmates. The course has a significant writing component which should help to improve writing skills.
- Teamwork is promoted as students learn to study in groups.
- Students build competencies in modern information technologies. The Internet is employed as a learning resource, and spreadsheets are used as a tool in classroom preparation and homework assignments. Students become familiar with electronic references such as FARS, EDGAR, and Lexis/Nexis.

**III. Detailed Course Description**

The intermediate accounting courses are designed to teach the concepts and procedures underlying the measurement and reporting of financial information.

Intermediate Accounting II focuses on specific accounting topics such as stockholders' equity, earnings per share, investments in bonds and stocks, the equity method, revenue recognition problems, accounting changes, error analysis, income taxes, leases, and cash flows. This course is central to the education of any student aspiring to a career as a professional accountant. In addition, this course provides valuable training for students whose career goals are in finance or other fields that are dependent on financial accounting and reporting as an important source of data.

#### **IV. Requirements Fulfilled**

This is a required course for all accounting majors.

#### **V. Required Prerequisites**

ACCT 3311: Intermediate Accounting I

#### **VI. Learning Outcomes**

- To understand the nature of financial accounting
- To know the basic concepts and procedures underlying the measurement and reporting of financial information
- To enable students to critically evaluate financial statements
- To develop in students the ability to research and solve unstructured problems in financial accounting.
- To improve written and oral communication skills.
- To facilitate the ability of students to work in groups

#### **VII. Assessment Strategy**

Student performance is assessed through examination, short quizzes. The final grade is assessed as follows:

- |  |                                      |
|--|--------------------------------------|
| • Mid-term exam 1  | 20%                                  |
| • Mid-term exam 2  | 20%                                  |
| • Final comprehensive exam   | 30%                                  |
| • Four writing assignments, quizzes, work product notebook, and optional class participation grade | 30% (at the instructor's discretion) |

Students are encouraged to build a notebook compiling their work product for each accounting course. The notebook should include all class notes, handouts, and solutions to problems. This information should be compiled from the first day of class.

In Intermediate Accounting II, students work individually and in small groups. The comprehensive final examination encourages students to integrate what they have learned during the semester. The assessment process helps the student to build skills and understanding necessary for the capstone course in the discipline.

## VIII. Course Format

This course is composed of lectures, homework assignments, and writing assignments. The course is conducted in a manner that encourages class participation by the students. Students are expected to attend all classes, read the assigned material before class, and complete the homework assignment prior to coming to class each day. They are expected to spend an average of two hours per week outside of class for each hour of lecture. Students are encouraged to work in groups. They should first study each chapter independently and then follow up with a group discussion.

**Classroom Hours** (3 hours per week)

**Class:** 3

**Lab:** 0

## IX. Topics to Be Covered

### A. Stockholders' Equity

1. The corporate form of organization
2. Characteristics of stockholders' equity
3. Issuing shares of stock
4. Accounting for treasury stock
5. Accounting for preferred stock
6. Distributing dividends
7. Stock dividends and stock splits
8. Presenting and analyzing stockholders' equity

### B. Dilutive Securities and Earnings Per Share

1. Issuance, conversion and retirement of convertible securities
2. Convertible preferred stock
3. Stock warrants
4. Stock compensation and GAAP
5. Computing earnings per share

### C. Investments

1. Debt securities
2. Discount and premium amortization on bond investments
3. Equity securities
4. Equity and fair value method of accounting for equity securities
5. Disclosure requirements for investments in debt and equity securities
6. Impairments of equity and debt investments
7. Transferring investment securities

### D. Revenue Recognition

1. The revenue recognition principle
2. Revenue recognition at the point of sale
3. Percentage-of-completion method for long-term contracts
4. Completed contract method for long-term contracts
5. Accounting for losses on long-term contracts
6. The installment-sales method
7. The cost recovery method

- E. Accounting for Income Taxes
  - 1. Pretax financial income and taxable income
  - 2. Future taxable amounts
  - 3. Future deductible amounts
  - 4. Deferred tax asset valuation allowance
  - 5. Presentation of income tax on the income statement
  - 6. Deferred income taxes and tax rate changes
  - 7. Loss carryback and loss carryforward
  - 8. Deferred income taxes in the financial statements
  - 9. The asset-liability method
- F. Accounting for Pensions and Postretirement Benefits
  - 1. Pension fund and employer's pension plan
  - 2. Types of pension plans
  - 3. Other methods for valuing pension obligation
  - 4. Pension expense
  - 5. Employer's pension plan worksheet
  - 6. Amortization of unrecognized prior service costs
  - 7. Recognizing unexpected gains and losses
  - 8. The corridor approach
  - 9. Recognition of minimum liability
  - 10. Reporting requirements for pension plans in the financial statements
- G. Accounting for Leases
  - 1. Lease transactions
  - 2. Capitalizing leases
  - 3. Recording leases
  - 4. Classifications of leases
  - 5. Direct-financing leases
  - 6. Residual values
  - 7. Sales-type leases
  - 8. Disclosure requirements for leases
- H. Accounting Changes and Error Analysis
  - 1. Types of accounting changes
  - 2. Accounting for changes in accounting principles
  - 3. Cumulative-effect accounting changes
  - 4. Retroactive accounting changes
  - 5. Changes in estimates
  - 6. Changes in a reporting entity
  - 7. Accounting for correction of errors
  - 8. Economic motives for changing accounting methods
  - 9. Effects of errors
- I. Statement of Cash Flows
  - 1. Purpose of the statement of cash flows
  - 2. Major classifications of cash flows
  - 3. Net income and net cash flows from operating activities
  - 4. Direct and indirect methods for calculating cash flow

5. Net cash flows from investing and financing
  6. Preparing a statement of cash flows
  7. Sources of information for a statement of cash flows
  8. Special problems in preparing a statement of cash flows
  9. Use of a worksheet in preparing a statement of cash flows
- J. Full Disclosure in Financial Reporting
1. The full disclosure principle and associate problems
  2. The use of notes in the preparation of financial statements
  3. Disclosure requirements for major segments of a business
  4. Problems associated with interim reporting
  5. Disclosures in the auditor's report
  6. Management's responsibilities for financials
  7. Financial forecasts and projections
  8. Response of the profession to fraudulent financial reporting

**X. Laboratory Exercises**

This course does not require a separate lab.

**XI. Technology Component**

Students are expected to have a computer account on the BLACKBOARD or similar service to communicate via e-mail and should sign up for the online discussion group for the class. They are also expected to be familiar with the use of the Internet for accounting research. Students should have the capability to use electronic references such as FARS, EDGAR, and Lexis/Nexis. Students use their personal laptop computers to complete assignments.

**XII. Special Projects/Activities**

Four writing assignments are closely related to the class discussion that takes place on the day the assignment is due. The assignments are in the form of a case or a situation analysis. They must be typewritten and double spaced.

### **XIII. Textbooks and Teaching Aids**

#### **A. Required Textbook**

Kieso, Donald E., Weygandt, Jerry J. and Warfield, Terry D.,  
*Fundamentals of Intermediate Accounting*, 11th edition, John Wiley &  
Sons, Inc., 2003  
ISBN: 0-471-07203-6

#### **B. Alternative Textbooks**

Revsine, Lawrence, Collins, Daniel W., and Bruce, Johnson, W.,  
*Financial Reporting and Analysis*, 3<sup>rd</sup> Edition. Prentice Hall, 2005.  
ISBN: 0-13-143021-1

#### **C. Supplemental Print Materials**

None.

#### **D. Supplemental Online Materials**

1. *Wiley eLearning Courseware for Intermediate Accounting*, 2003,  
<http://www.wiley.com/college/kieso>  
ISBN 0471477702
2. Student Companion Site for Kieso, Weygandt, Warfield:  
*Intermediate Accounting*, Eleventh Edition

**Course Title: ACCT 4311: Auditing and Assurance Services**

**Semester Credit Hours: 3 (3,0)**

### **I. Course Overview**

This course covers the principles, concepts, and techniques appropriate to the acquisition, evaluation, and documentation of audit evidence. Internal control concepts and financial compliance are emphasized, as well as the following: generally accepted auditing standards and professional responsibilities; the auditor's decision process in obtaining and evaluating sufficient competent evidential matter; information systems; and audit and control techniques.

### **II. PMU Competencies and Learning Outcomes**

In this course students become acquainted with attestation engagements and assurance services. This course provides a basis for a professional competence in auditing, including an awareness of the attest function globally

- Critical thinking and problem solving are developed as students analyze assigned questions, exercises, problems and cases
- Oral, written and listening skills are developed as students are encouraged to participate in class, to do written homework assignments and to interact with other classmates
- Teamwork is promoted as students are encouraged to work as part of a group in their case analysis
- Students build competencies in modern information technologies. The Internet is employed as a learning resource, and spreadsheets are used as a tool in classroom preparation and homework assignments.

### **III. Detailed Course Description**

This course focuses on the role of the auditor and the generally accepted auditing standards and other procedures used to enable him or her to form an opinion about whether financial statements are fairly stated.

The following areas are covered: professional ethics, professional responsibility and legal liability of the auditor; the audit process, including audit responsibilities, objectives and reports; the collection of audit evidence; audit planning and analytical procedures; the evaluation of materiality and risk; the evaluation of internal control and control risk; the development of an overall audit plan and audit program; audit tools such as statistical sampling in tests of controls and substantive tests of transactions; the application of audit procedures to selected parts of the business cycle; fraud auditing; and information systems audit and control.

#### **IV. Requirements Fulfilled**

This is a required course for all accounting majors.

#### **V. Required Prerequisites**

- ACCT 3312 Introduction to Accounting Information Systems
- ACCT 3321 Intermediate Accounting II

#### **VI. Learning Outcomes**

In this course, students will:

- Understand the foundations, concepts and standards underlying auditing practices and techniques
- Understand the practices and procedures used in performing the attest function
- Develop analytical skills, logical thinking abilities, oral presentation skills, and written communication skills
- Develop interpersonal skills including the ability to work effectively with others

#### **VII. Assessment Strategy**

Student performance is assessed through examination, short quizzes, and group and individual class projects. The final grade is assessed as follows:

- |                               |                                      |
|-------------------------------|--------------------------------------|
| • Mid-term exam 1             | 20%                                  |
| • Mid-term exam 2             | 20%                                  |
| • Final comprehensive exam    | 30%                                  |
| • Projects, cases and quizzes | 30% (at the instructor's discretion) |

Students are encouraged to build a notebook compiling their work product for each accounting course. The notebook should include all class notes, handouts, and solutions to problems. This information should be compiled from the first day of class.

Students work individually and in small groups. The comprehensive final examination encourages students to integrate what they have learned during the semester. The assessment process helps the student to build skills and understanding necessary for the capstone course in the discipline.

## VIII. Course Format

This course is composed of lectures, homework assignments, and group and individual class projects. The course is conducted in a manner that encourages class participation by the students. Students are expected to attend all classes, read the assigned material before class, and complete the homework assignment prior to coming to class each day. They are expected to spend an average of two hours per week outside of class for each hour of lecture. Students are encouraged to work in groups. They should first study each chapter independently and then follow up with a group discussion.

**Classroom Hours** (3 hours per week)

**Class:** 3

**Lab:** 0

## IX. Topics to Be Covered

### A. The Auditing Profession

1. The nature of assurance services
2. Auditing and information risk
3. Difference between auditing and accounting
4. Main types of audits
5. Primary types of auditors
6. E-commerce and accounting firm operations
7. Requirements to become a professional accountant
8. Generally accepted auditing standards
9. Quality control standards and practices
10. The role of regulatory agencies

### B. Audit Reports

1. The standard unqualified audit report
2. The unqualified audit report with modified wording
3. Departures from an unqualified audit report
4. Materiality and audit reporting decisions
5. The auditor's decision process for audit reports
6. The influence of e-commerce on audit reporting

### C. Professional Ethics

1. The importance of ethical conduct in the accounting profession
2. Resolving dilemmas using an ethical framework
3. A Code of Professional Conduct
4. The independence rule of conduct and interpretations
5. Enforcement mechanisms for rules of conduct

### D. Legal Liability

1. The legal environment
2. Business failure, audit failure, and audit risk
3. Legal concepts affecting liability
4. Accountants; liability to clients and third parties
5. Civil liability under securities laws
6. Criminal liability
7. Reducing the threat of litigation

- E. Audit Responsibilities and Objectives
  - 1. The objective of an audit of financial statements
  - 2. Management's responsibilities in the preparation of financial statements
  - 3. The auditor's responsibilities for discovery of material misstatements
  - 4. A cycle approach to segmenting the audit
  - 5. Categories of management assertions about financial information
  - 6. Transaction related audit objectives
  - 7. Balance related audit objectives
  - 8. How audit objectives are met
- F. Audit Evidence
  - 1. The nature of audit evidence
  - 2. Audit evidence in an audit program
  - 3. The persuasiveness of audit evidence
  - 4. Types of audit evidence
  - 5. Audit documentation
  - 6. How e-commerce affects audit evidence and audit documentation
- G. Audit Planning and Analysis
  - 1. The importance of audit planning
  - 2. Client acceptance and understanding the client's business
  - 3. Assessing client business risk
  - 4. Analytical procedures
  - 5. Computing common financial ratios
- H. Materiality and Risk
  - 1. Materiality and the audit
  - 2. A preliminary materiality judgment
  - 3. Allocating materiality to segments
  - 4. Audit risk
  - 5. Assessing acceptable and inherent audit risk
  - 6. Assessing the risk of fraud
  - 7. The relationship of risk to audit evidence
  - 8. Materiality, risk and the audit process
- I. Internal Control and Control Risk
  - 1. Client and auditor concerns in internal control
  - 2. Information technology and internal control
  - 3. Components of internal control
  - 4. Understanding internal control
  - 5. Assessing control risk and transaction related audit objectives
  - 6. Designing and performing a test of controls
- J. The Audit Program
  - 1. Audit tests and selecting the appropriate audit test
  - 2. Impact of information technology audit testing
  - 3. Evidence mix
  - 4. Audit program design
  - 5. Transaction related and balance related audit objectives
  - 6. The audit process

- K. Audit of the Sales and Collection Cycle: Controls and Transactions Tests
  - 1. Accounts and classes of transactions in the sales and collection cycle
  - 2. Business functions and related documents and records
  - 3. Tests of controls and substantive tests of transactions
  - 4. Audit tests for sales
  - 5. Audit tests for sales returns and allowances
  - 6. Audit tests for cash receipts
  - 7. Audit tests for uncollectible accounts
- L. The Sales and Collection Cycle: Accounts Receivable
  - 1. Designing tests of details of balances using the audit risk model
  - 2. Confirmation of accounts receivable
  - 3. The evidence planning worksheet
- M. Audit Sampling
  - 1. The concept of representative sampling
  - 2. Statistical vs. non-statistical sampling, and probabilistic vs. non-probabilistic sampling
  - 3. Sample selection methods
  - 4. Audit sampling for the tests of controls and substantive tests of transactions
  - 5. Audit sampling for tests of details of balances
- N. The Acquisition and Payment Cycle: Accounts Payable
  - 1. Accounts and classes of transactions in the acquisition and payment cycle
  - 2. Business functions and related documents and records
  - 3. Tests of controls and substantive tests of transactions
  - 4. Audit tests for accounts payable
- O. Verification of Accounts in the Acquisition and Payment Cycle
  - 1. Other accounts in the acquisition and payment cycle
  - 2. Audit of property, plant and equipment
  - 3. Audit of prepaid expenses
  - 4. Audit of accrued liabilities
  - 5. Audit of income and expense accounts
- P. Audit of the Inventory and Warehousing Cycle
  - 1. Business functions and related documents and records
  - 2. E-commerce and inventory management
  - 3. Components of the audit of inventory and warehousing cycle
  - 4. Audit of cost accounting
  - 5. Analytical procedures
  - 6. Methodology for designing tests of details of balances
  - 7. Physical observation audit tests
  - 8. Audit tests of pricing and compilation
  - 9. Integration of audit tests of the inventory and warehousing cycle

- Q. Audit of Cash Balances
  - 1. Cash in the bank and transaction cycles
  - 2. Types of cash accounts
  - 3. The audit of the general cash accounting
  - 4. Fraud oriented procedures
  - 5. Audit of the imprest payroll bank account
  - 6. Audit of imprest petty cash
- R. Final Steps in the Audit
  - 1. Review for contingent liabilities and commitments
  - 2. Review for subsequent events
  - 3. Final evidence accumulation
  - 4. Evaluation of overall audit
  - 5. Issuance of the audit report
  - 6. Communicating the audit results to the audit committee and management
  - 7. Subsequent discovery of facts

**X. Laboratory Exercises**

This course does not require a separate lab.

**XI. Technology Component**

Students are expected to have a computer account on the BLACKBOARD or similar service to communicate via e-mail and should sign up for the online discussion group for the class. They are also expected to be familiar with the use of the Internet. Collaborative learning problems and cases require the student to use word processing programs, spreadsheets and other information/computer technologies. Students use their personal laptop computers to complete assignments.

**XII. Special Projects/Activities**

During the semester students are required to complete five group cases provided to the students by the instructor at least two weeks before the assignment due date. In addition, at the discretion of the instructor, selected individual case analyses may be required of the students.

### **XIII. Textbooks and Teaching Aids**

#### A. Required Textbook

Arens, Alvin A., Elder, Randal J., and Beasley, Mark S., *Essentials of Auditing and Assurance Services: An Integrated Approach*, New Jersey, Prentice Hall, 2003  
ISBN: 0130463035

#### B. Alternative Textbooks

Louwers, Timothy J., Ramsay, Robert J., Sinason, David, and Strawser, Jerry R., *Auditing and Assurance Services*, 1<sup>st</sup> Edition, McGraw-Hill, 2005.  
ISBN: 0072818352

#### C. Supplemental Print Materials

None.

#### D. Supplemental Online Materials

<http://www.prenhall.com/arens> contains links to the following resources:

- Study guide
- Current news items
- Student resources
- Internet exercises
- Miscellaneous resources

**Course Title: ACCT 4312: Advanced Accounting**

**Semester Credit Hours: 3 (3,0)**

### **I. Course Overview**

This course covers accounting for three major areas: business combinations and consolidations, accounting for partnerships, and accounting for foreign currency transactions

### **II. PMU Competencies and Learning Outcomes**

In this course, students learn basic concepts and complexities involved in accounting areas such as corporate consolidations, multinational activities, and accounting for partnerships.

- The course provides a basis for a professional competence in accounting including an awareness of accounting globally.
- Critical thinking and problem solving are developed as students analyze assigned questions, exercises and problems
- Oral, written and listening skills are developed as students are encouraged to participate in class, to do written homework assignments and to interact with other classmates. The course has a significant writing component which should help to improve writing skills.
- Teamwork is promoted as students learn to study in groups.
- Students build competencies in modern information technologies. The Internet is employed as a learning resource, and spreadsheets are used as a tool in classroom preparation and homework assignments. Students become familiar with electronic references such as FARS, EDGAR, and Lexis/Nexis.

### **III. Detailed Course Description**

The Advanced Accounting course is a continuation of the financial reporting sequence begun in the Intermediate Accounting courses. Advanced Accounting deals with three major areas: business combinations and consolidations, multinational accounting, and partnerships. The study of consolidated financial statements includes business combinations; consolidated statements at date of acquisition and subsequent to acquisition; inter-company transactions, including merchandise, plant assets, notes, bonds, and leases; cash flow, earnings per share, taxation, and unconsolidated investments; and subsidiary equity transactions, including indirect and mutual holdings. Multinational accounting and reporting includes topics such as international accounting standards, derivatives and related accounting issues, foreign currency transactions, and translation of foreign financial statements. The study of partnerships includes the characteristics, formation and accounting for activities, including ownership changes and liquidations.

#### **IV. Requirements Fulfilled**

This is an elective course for accounting majors

#### **V. Required Prerequisites**

ACCT 3321 Intermediate Accounting II

#### **VI. Learning Outcomes**

- To understand the special problems underlying accounting for business consolidations, international operations, and partnerships
- To know the basic concepts and procedures underlying the measurement and reporting of financial information dealing with business consolidations, international operations, and partnerships
- To increase students' knowledge and ability to critically evaluate financial statements
- To continue the development of students' ability to research and solve unstructured problems in financial accounting.
- To improve written and oral communication skills.
- To facilitate the ability of students to work in groups

#### **VII. Assessment Strategy**

Student performance is assessed through examination, short quizzes and writing assignments. The final grade is assessed as follows:

- |   |                                      |
|---|--------------------------------------|
| • Mid-term exam 1   | 20%                                  |
| • Mid-term exam 2   | 20%                                  |
| • Final comprehensive exam  | 30%                                  |
| • Three writing assignments, quizzes, work product notebook, and optional class participation grade | 30% (at the instructor's discretion) |

Students are encouraged to build a notebook compiling their work product for each accounting course. The notebook should include all class notes, handouts, and solutions to problems. This information should be compiled from the first day of class.

In Advanced Accounting, students work individually and in small groups. The comprehensive final examination encourages students to integrate what they have learned during the semester. The assessment process helps the student to build skills and understanding necessary for the capstone course in the discipline.

## VIII. Course Format

This course is composed of lectures, homework assignments, and writing assignments. The course is conducted in a manner that encourages class participation by the students. Students are expected to attend all classes, read the assigned material before class, and complete the homework assignment prior to coming to class each day. They are expected to spend an average of two hours per week outside of class for each hour of lecture. Students are encouraged to work in groups. They should first study each chapter independently and then follow up with a group discussion.

**Classroom Hours** (3 hours per week)

**Class:** 3

**Lab:** 0

## IX. Topics to Be Covered

### Part 1 – Accounting for Mergers and Acquisitions

#### A. Business Combinations

1. Nature of the combination
2. Historical perspective
3. Terminology and types of combinations
4. Takeover premiums
5. Determining price and method of payment
6. Alternative concepts of consolidated financial statements

#### B. Accounting for Business Combinations

1. Method of accounting for business combinations
2. Pro forma statements and disclosure requirements
3. Purchase accounting
4. Financial statement differences between accounting methods
5. Contingent consideration
6. Leveraged buyouts

#### C. Consolidated Statements: Date of Acquisition

1. Subsidiary and control
2. Inclusion requirements for subsidiaries
3. Investments at date of acquisition
4. Consolidated balance sheet and workpapers

#### D. Consolidated Statements: After Acquisition

1. Methods of accounting for investments
2. Consolidated statements after acquisition: cost method
3. Recording investments in subsidiaries: partial or complete equity method
4. Elimination of intercompany revenue and expense items
5. Interim acquisitions of subsidiary stock
6. Consolidated statement of cash flows

#### E. Allocation and Depreciation of Differences Between Cost and Book Values

1. Allocation to Assets and Liabilities of Subsidiary: acquisition date
2. Using the cost method
3. Interests in combined income and retained earnings
4. Partial equity method of controlling and noncontrolling interests
5. Additional considerations in treatment of cost and book value differences

- F. Elimination of Unrealized Profit on Intercompany Sales of Inventory
  - 1. Effects of intercompany sales of merchandise on the determination of consolidated balances
  - 2. Analysis of consolidated net income and retained earnings: cost method
  - 3. Analysis of consolidated net income and retained earnings: partial equity method
  - 4. Analysis of consolidated net income and retained earnings: complete equity method
  - 5. Intercompany profit prior to parent/subsidiary affiliation
- G. Elimination of Unrealized Gains or Losses on Intercompany Sales of Property and Equipment
  - 1. Sales of nondepreciable property
  - 2. Sales of depreciable property
  - 3. Calculating consolidated net income and consolidated retained earnings
  - 4. Intercompany interest, rents, and service fees
- H. Changes in Ownership Interest
  - 1. Purchase of subsidiary stock on the open-market: cost method
  - 2. Sale of subsidiary stock on the open market: cost method
  - 3. Purchase and sale of subsidiary stock: equity method
  - 4. Subsidiary stock transactions
  - 5. Stock transactions after acquisition
- I. Intercompany Bond Holdings and Miscellaneous Topics: Consolidated Financial Statements
  - 1. Intercompany bond holdings
  - 2. Constructive gain or loss
  - 3. Interim purchase of intercompany bonds
  - 4. Notes receivable discounted
  - 5. Stock dividends of a subsidiary
  - 6. Dividends from preacquisition earnings
  - 7. Subsidiary with both preferred and common stock outstanding
  - 8. Consolidating a subsidiary with preferred stock outstanding
- J. Insolvency: Liquidation and Reorganization
  - 1. Contractual agreements
  - 2. Bankruptcy
  - 3. Liquidation
  - 4. Reorganization
  - 5. Trustee accounting and reporting
  - 6. Realization and liquidation account

## Part 2 – International Accounting

- K. International accounting and the global economy
  - 1. International accounting standards
  - 2. Harmonization of accounting standards
  - 3. Comparative accounting models
  - 4. International reporting issues
- L. Foreign Currency Transactions
  - 1. Exchange rates
  - 2. Measured versus denominated
  - 3. Foreign currency transactions
  - 4. Forward contracts as a hedge
- M. Translation of Foreign Financial Statements
  - 1. Accounting for operations in foreign countries
  - 2. Translating financial statements: objectives and methods
  - 3. Identifying functional currency
  - 4. Translation of foreign currency financial statements

## Part 3 – Partnership Accounting

- N. Partnerships: Characteristics, Formation, and Accounting for Activities
  - 1. Nature of partnership
  - 2. The partnership agreement
  - 3. Accounting for partnership
  - 4. Allocation of income and loss
  - 5. Financial statement presentation
  - 6. Valuation
  - 7. Admission and withdrawal of a partner
- O. Partnerships: Ownership changes and Liquidations
  - 1. Changes in ownership and methods of recording
  - 2. Steps in the liquidation process
  - 3. Priorities of partnership and personal creditors
  - 4. Simple liquidation
  - 5. Installment liquidation
  - 6. Incorporation of a partnership

## **X. Laboratory Exercises**

This course does not require a separate lab.

## **XI. Technology Component**

Students are expected to have a computer account on the BLACKBOARD or similar service to communicate via e-mail and should sign up for the online discussion group for the class. They are also expected to be familiar with the use of the Internet for accounting research. Students should have the capability to use electronic references such as FARS, EDGAR, and Lexis/Nexis. Students use their personal laptop computers to complete assignments.

## **XII. Special Projects/Activities**

The course contains three writing assignments, one from each of the major areas covered in the course:

- combined corporate entities and consolidations
- multinational accounting and other reporting concerns
- partnerships

The assignments are in the form of a case or a situation analysis. They must be typewritten and double spaced.

## **XIII. Textbooks and Teaching Aids**

### **A. Required Textbook**

Jeter, Debra C. and Chaney, Paul K., *Advanced Accounting*, 2nd edition, John Wiley & Sons, Inc., 2004  
ISBN: 0471218529

### **B. Alternative Textbooks**

Baker, Richard E., Lembke, Valdean C., and King, Thomas E., *Advanced Financial Accounting with Dynamic Accounting PowerWeb*, 6<sup>th</sup> Edition, 2005.  
ISBN: 0072977353

### **C. Supplemental Print Materials**

Jeter, Debra C. and Chaney, Paul K., *Advanced Accounting: Study Guide with Working Papers in Excel*, 2nd edition  
ISBN: 0471226106

### **D. Supplemental Online Materials**

[http://jws-edcv.wiley.com/college/bcs/redesign/student/0,,\\_0471218529\\_BKS\\_1644\\_\\_\\_\\_,00.html](http://jws-edcv.wiley.com/college/bcs/redesign/student/0,,_0471218529_BKS_1644____,00.html) contains PowerPoint slides and Excel tutorials

**Course Title: ACCT 4313: Accounting for Governmental and Not-For-Profit Organizations**

**Semester Credit Hours:** 3 (3,0)

**I. Course Overview**

This course discusses the basic framework, principles and concepts underlying accounting for governmental and not-for-profit organizations. This includes budgeting, fund accounting, and accounting and financial reporting for local governmental units, hospitals, voluntary health and welfare organizations, and other non-profit entities.

**II. PMU Competencies and Learning Outcomes**

In this course, students gain an in-depth understanding of governmental and not-for-profit accounting.

- This course provides a basis for professional competence in governmental and not-for-profit accounting, including an awareness of accounting globally.
- Critical thinking and problem solving are developed as students analyze assigned questions, exercises and problems.
- Oral, written and listening skills are developed as students are encouraged to participate in class, to do written homework assignments and to interact with other classmates. The course has a significant writing component which should help to improve writing skills.
- Teamwork is promoted as students learn to study in groups.
- Students build competencies in modern information technologies. The Internet is employed as a learning resource, and spreadsheets are used as a tool in classroom preparation and homework assignments.

**III. Detailed Course Description**

This course is designed to provide a study of governmental and not-for-profit accounting through the examination of budgeting, accounting and statement preparation and presentation issues relevant to state and local government entities as well as other not-for-profit organizations. Topics studied include issues relating to governmental, proprietary and fiduciary funds as well as non-fund accounts. These include General and Special Revenue Funds, Enterprise Funds, Project Funds, Debt Service Funds, Fiduciary Funds, Internal Service Funds, General Capital Assets, General Long-Term Liabilities, budgeting, revenue and expenditure accounting, Comprehensive Annual Financial Reports, and Basic Financial Statements.

#### **IV. Requirements Fulfilled**

This course is an elective for accounting majors

#### **V. Required Prerequisites**

ACCT 3311: Intermediate Accounting I

#### **VI. Learning Outcomes**

- To understand the nature of accounting governmental and not-for-profit organizations
- To know the basic concepts and procedures underlying the measurement and reporting of financial information for governmental and not-for-profit organizations.
- To enable students to critically evaluate the financial statements of governmental and not-for-profit organizations
- To develop in students the ability to research and solve unstructured problems in governmental and not-for-profit accounting.
- To improve written and oral communication skills.
- To facilitate the ability of students to work in groups

#### **VII. Assessment Strategy**

Student performance is assessed through examination, short quizzes, writing assignments, and a case study,. The final grade is assessed as follows:

- Mid-term exam 1 20%
- Mid-term exam 2 20%
- Final comprehensive exam 30%
- Three writing assignments, one project, quizzes, work product notebook, and optional class participation grade 30% (at the instructor's discretion)

Students are encouraged to build a notebook compiling their work product for each accounting course. The notebook should include all class notes, handouts, and solutions to problems. This information should be compiled from the first day of class.

In Accounting for Governmental and Not-For-Profit Organizations, students work individually and in small groups. The comprehensive final examination encourages students to integrate what they have learned during the semester. The assessment process helps the student to build skills and understanding necessary for the capstone course in the discipline.

## VIII. Course Format

This course is composed of lectures, homework assignments, and writing assignments. The course is conducted in a manner that encourages class participation by the students. Students are expected to attend all classes, read the assigned material before class, and complete the homework assignment prior to coming to class each day. They are expected to spend an average of two hours per week outside of class for each hour of lecture. Students are encouraged to work in groups. They should first study each chapter independently and then follow up with a group discussion.

**Classroom Hours** (3 hours per week)

**Class:** 3

**Lab:** 0

## IX. Topics to Be Covered

- A. Overview of Governmental and Not-for-Profit Accounting
  - 1. Types of governmental and not-for-profit organizations
  - 2. Accounting and reporting for governmental and not-for-profit organizations
  - 3. Sources of governmental and not-for-profit accounting principles and reporting standards
- B. Concepts, Objectives and Principles of Local Governmental Accounting
  - 1. Concepts and objectives
  - 2. Principles of the Government Accounting Standards Board and other standard setters.
- C. Budgeting and Budgetary Accounting and Reporting
  - 1. Budgetary planning, control and evaluation
  - 2. Basic budgeting terminology
  - 3. Budgetary approaches and emphases
  - 4. Budget preparation
  - 5. Legislative consideration and action
  - 6. Budget execution
  - 7. Budgetary accounting overview
  - 8. Budgetary reporting overview
- D. The General Fund and Special Revenue Funds
  - 1. General fund accounting
  - 2. Balance sheets
  - 3. Statement of revenues, expenditures, and changes in fund balances
  - 4. Budget comparison schedule
- E. Revenue Accounting – Governmental Funds
  - 1. Revenue definition and recognition
  - 2. Classification of revenue accounts
  - 3. Taxes
  - 4. Licenses and permits
  - 5. Intergovernmental revenues
  - 6. Charges for services
  - 7. Fines and forfeits
  - 8. Miscellaneous revenues
  - 9. Revenue budget revisions

- F. Expenditure Accounting – Governmental Funds
  - 1. Expenditure definition and recognition
  - 2. Expenditure account controls and procedures
  - 3. Classification of expenditures
  - 4. Accounting for allocations and allotments
  - 5. Appropriations revisions
  - 6. Adjusting entries
  - 7. Changes in accounting principles
- G. Capital Projects Funds
  - 1. Capital projects fund operations and accounting standards
  - 2. Capital projects fund case illustration
  - 3. Accounting and reporting for other capital projects fund operations
- H. Debt Service Funds
  - 1. Debt service fund environment, financing and expenditure recognition
  - 2. Debt service fund for a serial bond
  - 3. Special assessment debt service funds
  - 4. Other debt service fund issues
  - 5. Debt service fund for a term bond issue
  - 6. Sinking fund requirements
  - 7. Debt service fund for deep discount issues
  - 8. Debt service fund for refundings
- I. Interfund Accounting
  - 1. Accounting procedures for general capital assets
  - 2. Accounting procedures for general long-term liabilities
  - 3. Permanent funds
  - 4. Interfund GCA and GLTL accounting
- J. Enterprise Funds
  - 1. Proprietary funds
  - 2. Enterprise funds
  - 3. Combining Enterprise fund financial statements
- K. Internal Service Funds
  - 1. Accounting principles
  - 2. Internal service fund accounting
  - 3. Disposition of increase or decrease in net assets
  - 4. Changes in net asset balance
  - 5. Dissolution of an internal service fund
  - 6. Combining internal service fund financial statements
- L. Fiduciary Funds
  - 1. The accountability focus
  - 2. Trust funds
  - 3. Combining trust and agency fund financial statements
  - 4. Additional issues of GCA and GLTL accounting
- M. The Basic Financial Statements
  - 1. Government-wide financial statements
  - 2. Fund financial statements
  - 3. Notes to the financial statements
  - 4. Management’s discussion and analysis

- N. Deriving Government-Wide Financial Statements and Required Reconciliations
  - 1. Deriving government-wide governmental activities data
  - 2. Worksheet for deriving government-wide governmental activities financial statement data
  - 3. Worksheet adjustments
  - 4. Adjusting for internal service funds
  - 5. Deriving government-wide business-type activities data
- O. The Comprehensive Annual Financial Report and the Financial Reporting Entity
  - 1. The comprehensive annual financial report
  - 2. Supplemental and special purpose reporting
  - 3. Financial reporting for complex entity structure
  - 4. Integrating component units into the reporting entity
  - 5. Separate issuance of primary government financial statements
  - 6. Related organizations, joint ventures, and jointly governed organizations
- P. Accounting for Health Care Organizations
  - 1. Funds – government hospitals
  - 2. Unique measurement and display features
  - 3. Financial statements
  - 4. Nongovernment not-for-profit hospital reporting

**X. Laboratory Exercises**

This course does not require a separate lab.

**XI. Technology Component**

Students are expected to have a computer account on the BLACKBOARD or similar service to communicate via e-mail and should sign up for the online discussion group for the class. They are also expected to be familiar with the use of the Internet for accounting research. Students use their personal laptop computers to complete assignments.

**XII. Special Projects/Activities**

A. Writing Assignments

The three writing assignments are closely related to the class discussion that take place on the day the assignment is due. The assignments are in the form of a case or a situation analysis. They must be typewritten and double spaced.

B. Project

Students select a governmental or not-for-profit organization and analyze the financial statements.

### **XIII. Textbooks and Teaching Aids**

#### A. Required Textbook

Freeman, Robert J, and Shoulders, Craig D., *Governmental and Non-Profit Accounting*, 7th edition, Prentice Hall, 2003  
ISBN: 0130661910

#### B. Alternative Textbooks

Granof, Michael H., *Government and Not-for-Profit Accounting: Concepts and Practices*, 3<sup>rd</sup> Edition, 2004.  
ISBN: 0-471-23009-X

#### C. Supplemental Print Materials

None.

#### D. Supplemental Online Materials

Case solution templates and PowerPoint slides can be found at  
<http://www.prenhall.com/freeman>

**Course Title: ACCT 4314: International Accounting**

**Semester Credit Hours: 3 (3,0)**

**I. Course Overview**

The course covers financial accounting and reporting principles and practices in industrial and developing nations, along with the convergence of worldwide accounting standards. The role of accounting in economic development is discussed. Other topics include accounting considerations in multinational business operations, such as foreign currency translation, auditing, profit planning and control, transfer pricing and taxation.

**II. PMU Competencies and Learning Outcomes**

In this course, students gain an in-depth understanding of the international dimensions of accounting that is vital to an understanding of worldwide business operations.

- This course provides a basis for a professional competence in international accounting and provides an understanding of accounting globally
- Critical thinking and problem solving are developed as students analyze assigned questions, exercises, problems and cases.
- Oral, written and listening skills are developed as students are encouraged to participate in class, to do written homework assignments and to interact with other classmates. The course has a significant writing component which should help to improve writing skills.
- Teamwork is promoted as students participate in collaborative learning problems and cases dealing with international accounting. The course is designed to foster cooperative learning, teamwork and group discussion
- Students build competencies in modern information technologies. The Internet is employed as a learning resource, and spreadsheets and/or computer graphics and statistical tools are used in preparing case analyses. PowerPoint is used for classroom presentations. Students become familiar with electronic references such as FARS, EDGAR, and Lexis/Nexis.

### **III. Detailed Course Description**

International accounting encompasses accounting for international transactions, the operations of international firms, and comparisons of accounting principles and practices world-wide. It has grown in importance in recent years largely due to the change in character of international trade. Many companies now operate globally and are actively involved in international investing and financing. This international emphasis has created a number of accounting problems with which international accountants must deal. The course presents an overview major issues:

- Diversity in the development of accounting standards in various nations, and convergence of accounting standards
- Barriers to convergence
- International organizations concerned with convergence of world-wide accounting standards
- Accounting for international transactions
- Translation of foreign financial statements
- International auditing, including ethical considerations
- International transfer pricing considerations
- The impact of the World Trade Organization and other international agreements on financial accounting and auditing standards
- Investment analysis in multinational corporations
- Financial planning and control in multinational corporations, taxation and inflation

### **IV. Requirements Fulfilled**

This course is an elective accounting majors.

### **V. Required Prerequisites**

ACCT 3321: Intermediate Accounting II

### **VI. Learning Outcomes**

- To introduce students to the international dimensions of accounting
- To teach students the basic concepts and problems underlying the measurement and recording of international financial information
- To enable students to critically evaluate financial statements of multinational companies
- To develop in students the ability to research and solve unstructured problems in international accounting
- To foster an appreciation of the accounting problems with which international accountants must deal
- To improve written and oral communication skills
- To facilitate the ability of students to work in groups

## VII. Assessment Strategy

Student performance is assessed through examination, short quizzes, writing assignments and cases. The final grade is assessed as follows:

- Mid-term exam 1 20%
- Mid-term exam 2 20%
- Final comprehensive exam 30%
- Writing assignments, quizzes, case studies, work product notebook, and optional class participation grade 30% (at the instructor's discretion)

Students are encouraged to build a notebook compiling their work product for each accounting course. The notebook should include all class notes, handouts, and solutions to problems. This information should be compiled from the first day of class.

International Accounting teaches students how to work individually and in small groups. The comprehensive final examination encourages students to apply what they have learned during the semester. The assessment process helps the student to integrate the knowledge and skills acquired in other accounting and non-accounting courses

## VIII. Course Format

This course is composed of lectures, homework assignments, writing assignments, and group projects. The course is conducted in a manner that encourages class participation by the students. Students are expected to attend all classes, read the assigned material before class, and complete the homework assignment prior to coming to class each day. They are expected to spend an average of two hours per week outside of class for each hour of lecture. Students are encouraged to work in groups. They should first study each chapter independently and then follow up with a group discussion.

**Classroom Hours** (3 hours per week)

**Class:** 3

**Lab:** 0

## IX. Topics to Be Covered

- A. The Dimensions of International Accounting
  1. International accounting topics
  2. Basic concepts
  3. Historical background
  4. Organizational structure
  5. Keys to success in international business
- B. Comparative Accounting and Reporting in Industrial Nations
  1. Setting accounting standards
  2. United States
  3. United Kingdom
  4. Canada

5. France
  6. The Netherlands
  7. Germany
  8. Japan
  9. Consolidation Policy
  10. Consolidation Barriers
- C. Comparative Accounting and Reporting in Developing Countries
1. Developing countries
  2. China
  3. Hungary
  4. Mexico
  5. Kenya
  6. Saudi Arabia
- D. Harmonization of Accounting Standards
1. Benefits from harmonization
  2. Efforts toward harmonization
  3. The International Accounting Standards Board
  4. FASB and IASB Convergence Project
  5. European Union
  6. United Nations
- E. International Auditing.
1. Audit Standards
    - a. independence
    - b. auditors' qualifications
    - c. collection of evidence
    - d. communication of results
    - e. enforcement of standards
  2. International auditing practice
  3. International accounting firms
  4. International audit departments
  5. Internal audit impact on external auditing
- F. Foreign Exchange Markets
1. Definition and dimensions
  2. Exchange rates spot versus forward
  3. World monetary system alternatives
  4. Strong and weak currencies
  5. Current world monetary scene
  6. The European monetary system
  7. Currency valuation and volatility
  8. Currency outlook
- G. International Inflation Accounting
1. The inflation problem
  2. Inflation and the financial statements
  3. Replacement cost adjustments
  4. Inflation accounting around the world
  5. Inflation and managerial performance

- H. Currency Translation Methodology
  - 1. Background
  - 2. Translation methods
    - a. components
    - b. models
    - c. history
  - 3. Statements of Financial Accounting Standards
  - 4. SFAS 52
  - 5. Foreign Exchange gains and losses
  - 6. History of treatments
- I. Accounting for International Transactions and Forward Contracts
  - 1. International transactions
  - 2. SFAS 52
  - 3. Accounting for forward contracts
  - 4. Accounting for derivatives
  - 5. Accounting for financial instruments
- J. Foreign Exchange Risk Management (FERM)
  - 1. Political and currency risks
  - 2. Definition and overview
  - 3. Objectives
  - 4. Establishing a FERM program
  - 5. Measuring current and future exposure
  - 6. Determining expected gain or loss and appropriate action
  - 7. Implementation of FERM tools
  - 8. Follow up and adjust
  - 9. FERM in practice
  - 10. FERM and accounting standards
- K. Financial Planning and Control in Multinational Corporations
  - 1. Financial planning in multinational corporations
  - 2. Special planning considerations
  - 3. Performance evaluation in multinational corporations
  - 4. Currency considerations in performance evaluation
  - 5. Evaluation of subsidiaries in high-inflation countries
  - 6. Multinational corporations and transfer pricing

**X. Laboratory Exercises**

This course does not require a separate lab.

**XI. Technology Component**

Students are expected to have a computer account on the BLACKBOARD or similar service to communicate via e-mail and should sign up for the online discussion group for the class. They are also expected to be familiar with the use of the Internet. Collaborative learning problems and cases will require the student to use word processing programs, spreadsheets and other information/computer technologies.

Students should have the capability to use electronic references such as FARS, EDGAR, and Lexis/Nexis. Students use their personal laptop computers to complete assignments.

## **XII. Special Projects/Activities**

### **A. Writing Assignments**

The course includes three writing assignments closely related to the class discussion that take place on the day the assignment is due. The assignments are in the form of a case or a situation analysis. They must be typewritten and double spaced.

### **B. International Accounting Project**

During the semester students are assigned to a group. Each group is given one or two cases and prepares a formal write up and class presentation. The learning process requires students to demonstrate their knowledge of some of the latest computer/information technology (spreadsheets, computer graphics, PowerPoint presentations) in the preparation and presentation of the cases.

## **XIII. Textbooks and Teaching Aids**

### **A. Required Textbook**

Evans, Thomas G., Taylor, Martin E., and Rolfe, Robert J., *International Accounting and Reporting*, 4th edition, Thomson Custom Publishing, 2004.  
ISBN: 0759320470

### **B. Alternative Textbooks**

Choi, Frederick D.S. and Meek, Gary K. *International Accounting*, 5<sup>th</sup> Edition, 2005.  
ISBN: 0-13-148097-9

### **C. Supplemental Print Materials**

None.

### **D. Supplemental Online Materials**

<http://www.iasplus.com> and <http://www.ifac.org> are good resources on matters dealing with international accounting, and provide useful links to other international accounting sites.

**Course Title: ACCT 4321: Accounting for Managerial Planning and Control**

**Semester Credit Hours:** 3 (3,0)

**I. Course Overview**

This course examines the role and development of accounting and other information for use in planning, control, decision making, and performance evaluation. The application of appropriate quantitative and statistical methods also is covered.

**II. PMU Competencies and Learning Outcomes**

In this course, students gain an understanding of accounting for managerial planning and control. This course is part of the departmental capstone series. Taken during the final semester of the accounting program, it integrates a number of topics covered in previous accounting and non-accounting courses.

- This course provides a basis for a professional competence in accounting, including an awareness of accounting globally.
- Critical thinking and problem solving are developed as students analyze assigned questions, exercises, problems and cases.
- Oral, written and listening skills are developed as students are encouraged to participate in class, to do written homework assignments and to interact with other classmates
- Teamwork is promoted as students participate in collaborative learning problems and cases dealing with accounting for managerial planning and control. The course is designed to foster cooperative learning, teamwork and group discussion
- Students build competencies in modern information technologies. The Internet is employed as a learning resource, and spreadsheets and/or computer graphics and statistical tools are used in preparing case analyses. PowerPoint is used for classroom presentations.

**III. Detailed Course Description**

This course enables students to become familiar with the concepts and methods of internal reporting that allow managers to make decisions and to plan and control business operations. Students are encouraged to use accounting information in a variety of organizational contexts. The lessons taught in this course have practical significance in students' chosen careers. This course enables students to derive more benefit from related courses in finance, marketing, management, statistics, and economics. The course is divided into three sections: (1) cost analysis, decision making and project evaluation; (2) profitability analysis, performance evaluation and managerial control; and (3) other tools used in planning and decision making.

#### **IV. Requirements Fulfilled**

This is a required course for all accounting majors.

#### **V. Required Prerequisites**

Senior standing

#### **VI. Learning Outcomes**

- To understand the nature of accounting for managerial planning and control
- To know the basic concepts of accounting for managerial planning and control
- To introduce students to the basics of managerial planning and control analysis.
- To expose students to the “real world” implications of accounting for management planning and control
- To improve written and oral communication skills
- To facilitate the ability of students work in groups
- To integrate topics covered in previous accounting and non-accounting courses.

#### **VII. Assessment Strategy**

Student performance is assessed through examination, short quizzes and a group case project(s). The final grade is assessed as follows:

- Mid-term exam 1 20%
- Mid-term exam 2 20%
- Final comprehensive exam 30%
- Group case analysis project(s), quizzes, work product notebook, and optional class participation grade 30% (at the instructor’s discretion)

Students are encouraged to build a notebook compiling their work product for each accounting course. The notebook should include all class notes, handouts, and solutions to problems. This information should be compiled from the first day of class.

Accounting for Managerial Planning and Control teaches students how to work individually and in small groups. The comprehensive final examination encourages students to apply what they have learned during the semester. The assessment process helps the student to integrate the knowledge and skills acquired in other accounting and non-accounting courses.

## VIII. Course Format

This course is composed of lectures, homework assignments, and group projects. The course is conducted in a manner that encourages class participation by the students. Students are expected to attend all classes, read the assigned material before class, and complete the homework assignment prior to coming to class each day. They are expected to spend an average of two hours per week outside of class for each hour of lecture.

**Classroom Hours** (3 hours per week)

**Class:** 3

**Lab:** 0

## IX. Topics to Be Covered

- A. The Role of the Accountant in the Organization
  - 1. Relationship of cost accounting to management and financial accounting
  - 2. Strategic decisions and the management accountant
  - 3. The role of the management accounting in implementing strategy
  - 4. Enhancing the value of management accounting systems
- B. Cost Terms and Purposes
  - 1. Costs and cost terminology
  - 2. Direct and indirect costs
  - 3. Variable and fixed costs
  - 4. Total costs and unit costs
  - 5. Manufacturing, merchandising and service sector companies
  - 6. Financial statements, inventory costs and period costs
  - 7. Measuring costs
- C. Activity-Based Costing and Activity-Based Management
  - 1. Undercosting and overcosting of products or services
  - 2. Refining a costing system
  - 3. Designing a cost system
  - 4. A cost hierarchy
  - 5. Activity-based costing
  - 6. Activity-based management
  - 7. Comparison of activity-based costing with department-costing systems
  - 8. Costs and benefits of activity-based costing systems
- D. Master Budget and Responsibility Accounting
  - 1. Budgets and the budgeting cycle
  - 2. Advantages of budgets
  - 3. The operating budget and supporting schedules
  - 4. Computer-based financial planning models in sensitivity analysis
  - 5. Kaizen budgeting
  - 6. Activity-based budgeting
  - 7. Budgeting and responsibility accounting
  - 8. Responsibility and controllability

- E. Decision Making and Relevant Information
  - 1. Information and the decision process
  - 2. Relevance
  - 3. Insourcing versus outsourcing; make versus buy decisions
  - 4. Opportunity costs, outsourcing and capacity constraints
  - 5. Product-mix decisions
  - 6. Customer profitability, activity-based costing, and relevant costs
  - 7. Relevant and irrelevant costs
  - 8. Decisions and performance evaluation
- F. Pricing Decisions and Cost Management
  - 1. Major influences on pricing decisions
  - 2. Short-run and long-run costing
  - 3. Target costing
  - 4. Cost-plus pricing
  - 5. Life-cycle product budgeting and costing
  - 6. Non cost factors
  - 7. Effects of anti-trust laws
- G. Strategy, Balanced Scorecard, and Strategic Profitability Analysis
  - 1. Strategy
  - 2. The balanced scorecard
  - 3. Strategic analysis of operating income
  - 4. The management of capacity
- H. Cost Allocation, Customer-profitability analysis, and sales-variance analysis
  - 1. Purposes of cost allocation
  - 2. Cost allocation criteria
  - 3. Customer revenues and costs
  - 4. Customer profitability
  - 5. Sales variances
  - 6. Sales mix and sales quantity variances
  - 7. Market share and market size variances
- I. Quality, Time and the Theory of Constraints
  - 1. Costs of quality
  - 2. Analyzing quality problems
  - 3. Relevant costs and benefits of quality improvement
  - 4. Nonfinancial quality measures
  - 5. Evaluating quality performance
  - 6. Time as a competitive tool
  - 7. Relevant revenues and costs of time
  - 8. Theory of constraints and throughput contribution analysis
- J. Inventory Management and Just-in-Time
  - 1. Retail inventory management
  - 2. The economic-order-quantity decision model
  - 3. Inventory-related costs
  - 4. Just-in-time
  - 5. Inventory management and supply chain analysis

- K. Capital Budgeting and Cost Analysis
  - 1. Dimensions of cost analysis
  - 2. Stages of capital budgeting
  - 3. Discounted cash flow
  - 4. Sensitivity analysis
  - 5. Payback method
  - 6. Accrual accounting rate-of-return method
  - 7. Evaluating managers and goal-congruence issues
  - 8. Strategic considerations in capital budgeting
- L. Management Control Systems, Transfer Pricing, and Multinational Considerations
  - 1. Management control systems
  - 2. Organization structure and decentralization
  - 3. Transfer pricing
  - 4. Market-based transfer prices
  - 5. Cost-based transfer prices
  - 6. Negotiated transfer prices
  - 7. Multinational transfer pricing
- M. Performance Measurement, Compensation, and Multinational Considerations
  - 1. Financial and nonfinancial performance measures
  - 2. Designing an accounting-based performance measure
  - 3. Performance measurement in multinational corporations
  - 4. Distinction between managers and organization units
  - 5. Environmental and ethical responsibilities

## **X. Laboratory Exercises**

This course does not require a separate lab.

## **XI. Technology Component**

Students are expected to have a computer account on the BLACKBOARD or similar service to communicate via e-mail and should sign up for the online discussion group for the class. They are also expected to be familiar with the use of the Internet. Collaborative learning problems and cases require the student to use word processing programs, spreadsheets and other information/computer technologies. Students use their personal laptop computers to complete assignments.

## **XII. Special Projects/Activities**

During the semester students are assigned to a group. Each group is given one or two cases and prepares a formal write up and class presentation. The learning process requires students to demonstrate their knowledge of some of the latest computer/information technology (spreadsheets, computer graphics, PowerPoint presentations) in the preparation and presentation of the cases.

### **XIII. Textbooks and Teaching Aids**

#### A. Required Textbook

Horngren, Charles T., M. Datar Srikant, and Foster, George, *Cost Accounting: A Managerial Emphasis*, Prentice Hall, 2003  
ISBN: 0130648159

#### B. Alternative Textbooks

Blocher, Edward, Kung Chen, and Cokins, Gary, *Cost Management: A Strategic Emphasis*, 3<sup>rd</sup> Edition, 2005.  
ISBN: 0072818360

#### C. Supplemental Print Materials

Harris, John K., Study Guide to accompany Horngren *Cost Accounting: A Managerial Emphasis*, Prentice Hall, 2003  
ISBN: 0130649287

#### D. Supplemental Online Materials

Online quizzes, tutoring, study guide  
<http://www.prenhall.com/horngren>