



FACULTY OF BUSINESS AND ECONOMICS  
THE UNIVERSITY OF HONG KONG

**BUSI0019 A, B & C**  
**Intermediate Accounting 1**  
**Fall 2010**

**I. Information on Instructors and Tutors**

Instructor: Dr. Min Wu  
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**II. Course Description:**

Intermediate Accounting 1 is the first of two intermediate financial accounting subjects. The study of financial accounting is primarily concerned with the way in which the financial statements of companies are prepared and used. This subject focuses on the detailed recording and reporting of important items of financial information and explores how that information may be applied in better understanding the financial performance and position of a company. The intent is to build on the foundation laid in the first year introductory accounting subject with the goal of better equipping students with the skills needed to prepare and interpret financial statements. Further, the subject aims to provide the prerequisite knowledge that will enable students to progress and study further accounting topics.

**III. Course Information**

**Prerequisite:**

- This is a compulsory course open to all 2<sup>nd</sup> year students in the BBA (A&F) Program
- This is also an elective course open to non-faculty students
- All students should have passed the Introduction to Accounting course

**Text and Reading Materials:**

- Stice, E.K., Stice, J.D. and Skousen, K.F., Intermediate Accounting (17<sup>th</sup> Edition), Thomson South-Western Publishing, Cincinnati, Ohio, 2010.
- Selected chapters from Wiley IFRS 2010: Interpretation and Application of International Accounting and Financial Reporting Standards.
- Lecture notes
- Additional handouts

#### IV. Course Objectives:

1. To comprehend the objectives, functions, regulatory frameworks, and practices of financial reporting.
2. To learn and apply the techniques and methods in the preparation and presentation of financial accounting reports in accordance with prescribed regulations.
3. To attain knowledge of the theories, techniques, and methods of financial statement analysis in order to assess the financial performance and position of business entities.
4. To learn the differences of accounting treatment between IFRS and U.S. GAAP, if any.
5. To understand and value ethical issues in accounting.

#### V. Course Learning Outcomes:

Upon the successful completion of this course, students should:

1. Be able to explain and discuss the fundamentals of financial reporting.
2. Know how to describe and analyze various financial statements and accounting information provided by business entities.
3. Be familiar with the accounting process and the fundamental accounting concepts.
4. Be able to present the different treatments between IFRS and US GAAP, if any.
5. Be capable of identifying and discussing the ethical issues in accounting.

#### VI. Alignment of HKU, Program and Course Outcomes

Learning outcomes	HKU aims	PLO's
<ol style="list-style-type: none"> <li>1. Be able to formulate and analyze business problems.</li> <li>2. Demonstrate hands-on skills in effective use of information technologies.</li> <li>3. Be able to design, implement, evaluate, and manage information systems in business applications.</li> <li>4. Be able to distinguish between minor and major business and technical issues.</li> <li>5. Be able to identify, obtain, and use relevant information in highlighting trade-offs and making informed decisions.</li> <li>6. Demonstrate the capacity to deal with ethical and social issues.</li> <li>7. Adhere to and respect university regulations on academic conduct.</li> <li>8. Be able to function in teams effectively.</li> <li>9. Display leadership traits.</li> <li>10. Demonstrate knowledge and awareness of international issues</li> <li>11. Be able to function in multicultural settings.</li> <li>12. Be able to articulate and make convincing and coherent presentations.</li> <li>13. Be able to write effectively.</li> <li>14. Should be able to use specific technical terminology</li> </ol>	<ol style="list-style-type: none"> <li>1. To learn fundamental concepts and theories of accounting, business and economics</li> <li>2. To develop analytical skills</li> <li>3. To identify major issues/problems</li> <li>4. To develop capacity to obtain and process information</li> <li>5. To apply relevant concepts and analytical tools, identify viable alternatives, make informed choices, and recommend an implementation plan</li> <li>6. To broaden perspectives of ethics and social responsibility, specifically the accounting professional codes of conduct</li> <li>7. To be a team player</li> <li>8. To instill leadership skills</li> <li>9. To keep abreast of global developments and adapt to changing environments</li> <li>10. To develop cross cultural awareness and understand the importance of diversity</li> <li>11. To be an effective communicator, both spoken and written</li> </ol>	<ol style="list-style-type: none"> <li>1. Acquisition and internalization of knowledge of accounting, business and economics</li> <li>2. Application and integration of knowledge</li> <li>3. Inculcating professionalism and leadership</li> <li>4. Developing global outlook</li> <li>5. Mastering communication skills</li> </ol>

## VII. Assessment Tasks

Learning outcomes	Teaching and learning activities	Assessment tasks
<ol style="list-style-type: none"> <li>1. Be familiar about the financial statements provided by a business entity, the accounting process and fundamental accounting concepts.</li> <li>2. Possess sound understanding the practices and regulation of financial reporting in Hong Kong.</li> <li>3. Be able to analyze and interpret financial statements for the purposes of evaluating performance and making financial decisions.</li> <li>4. Be able to explain and discuss ethical issues in accounting.</li> </ol>	<ol style="list-style-type: none"> <li>1. Weekly lectures covering various financial accounting topics</li> <li>2. Weekly set exercises and problems assigned for discussion</li> <li>3. Weekly Tutorials involving various assigned exercises &amp; other interactive activities</li> <li>4. Tutorial presentations</li> </ol>	<ol style="list-style-type: none"> <li>1. Class attendance &amp; participation and tutorial attendance &amp; (10%)</li> <li>2. 2 midterms + final exams (30%+30%+30% = 90%)</li> </ol>

### *Standards for Assessment:*

- The success of this course depends on your individual and collective contribution to the case analyses and class discussions. Please read the assigned readings and prepare the cases before each class so that you could contribute effectively to case discussions. Learning with cases occurs at three stages: at individual-level, at group-level and in classroom. So after you have prepared a case individually you should discuss it in your study group before coming to the class.
- You are expected to participate voluntarily, or will be called upon, to contribute to set exercises and problems. The learning objective of this part of the course is to enhance your communication, listing, and articulations skills. *Your grade for this part will depend on your ability to apply relevant theories and concepts to the case under study, listen carefully to the discussion under way, organize your remarks, and articulate your thoughts and ideas in coherent and logical manner.*

## VII. Academic and Class Conduct

- Plagiarism and copying of copyright materials are serious offences and may lead to disciplinary actions. You should read the chapters on and “Plagiarism” and “Copyright” in the Undergraduate/Postgraduate Handbook for details. You are strongly advised to read the booklet entitled “What is Plagiarism?” which was distributed to you upon your admission into the University, a copy of which can be found at [www.hku.hk/plagiarism](http://www.hku.hk/plagiarism). A booklet entitled “Plagiarism and How to Avoid it” is also available from the Main Library.
- The use of all electronic devices, including computers, mobile phones and games is strictly prohibited.
- You are required to attend all the classes on time. In case you cannot attend a class you should inform the instructor beforehand.

### VIII. Course Outline

WEEK # (Dates for lectures)	Chapter	Topic	Homework(TBA)
1. (Sept. 2)	1	Financial Reporting & Conceptual Framework	
2. (Sept. 7 & 9)	2	the Accounting Cycle	2-20, 38, 39
3. (Sept. 14 & 16)	3	The Balance Sheet	3-3, 27 Disney
4. (Sept. 21)	4	The Income Statement	
5. (Sept. 28 & 30)	5	The Income Statement Statement of Cash Flows and Articulation	4-22, 23, 33, 35
6. (Oct. 5 & 7)	5	Statement of Cash Flows and Articulation <b>EXAM 1 (30%)</b>	
7. (Oct. 12& 14)	8	Revenue recognition <b>Reading Week</b>	8-31, 40, 41
8. (Oct. 26 & 28)	9	Inventory and Cost of Goods Sold	9-3, 6, 43
9. (Nov. 2 & 4)	10	Investments in Noncurrent Operating Assets - Acquisition	
10. (Nov. 9 & 11)	11	Investments in Noncurrent Operating Assets – Utilization & Retirement	
11. (Nov. 16 & 18)	14	<b>EXAM 2 (30%)</b> Investments in Debt & Equity Securities	
12 (Nov. 23 & 25)	14	Investments in Debt & Equity Securities	
13 (Nov. 30) December (TBA)	6	Earnings Management China Accounting & revision issues <b>Final (30%)</b>	