

THE UNIVERSITY OF HONG KONG
FACULTY OF BUSINESS AND ECONOMICS

School of Business

Course Syllabus and Outline for Semester 2 of 2011-2012
For BUSI0020: Intermediate Accounting II (Subclasses B to G)

I. INFORMATION ON INSTRUCTOR AND TUTOR

Instructor: Dr. Derek K. Chan
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Moodle Course ID: BUSI0020_2011
Office Hours: 9:00 am to 12:00 noon, Wednesday or by appointment
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II. COURSE INFORMATION

- (i) **Prerequisite:** BUSI0019 Intermediate Accounting I
- (ii) **Course Descriptions:** This course is a continuation of Intermediate Accounting I. Topics examined include debt financing, equity financing, income taxes, leases, dilutive securities and earnings per share calculations, and derivatives and hedging activities. While the primary emphasis will be on Hong Kong practice, financial accounting and reporting practice in U.S. and China will also be discussed from time to time throughout the semester. We will also discuss the accounting principles and standards based on International Accounting Standards (IAS). Since 1993, IAS has been the basis for all new standards adopted in Hong Kong. In addition, IAS is providing the framework for the development of accounting standards in China.
- (iii) **Required Textbook:** Stice, Stice, and Skousen, Intermediate Accounting, Seventeenth Edition, Thomson South-Western Publishing, Cincinnati, Ohio, 2010.
This textbook has a useful web-based learning system for students. The web address is <http://academic.cengage.com/>.
- Reference book:** Wiley IFRS 2008: Interpretation and Application of International Accounting and Financial Reporting Standards.
- (iv) **Lecture Notes:** Powerpoint notes are available on the Moodle. *You are responsible for downloading and printing them in advance for each class.*

(v) **Intended Learning Outcomes (ILOs):** On completion of this course, you should be able to:

ILO1. Understand the concepts and theories of financial accounting, and the issues and controversies surrounding, and the rationale of, the relevant accounting standards.

ILO2. Analyse controversial accounting issues and complex accounting transactions.

ILO3. Assess the effects of alternative accounting policies on financial statements.

ILO4. Apply relevant accounting information in making business decisions.

ILO5. Develop skills in analysing, synthesizing, writing and presenting financial accounting cases as well as team working skill.

(vi) **Alignments of Program and Course ILOs**

Program ILOs	Course ILOs
1. Acquisition and internalization of knowledge of accounting, business and economics	ILO1, ILO2, ILO3
2. Application and integration of knowledge	ILO2, ILO3, ILO4
3. Inculcating professionalism and leadership	ILO3, ILO4
4. Developing global outlook	ILO1, ILO2, ILO4
5. Mastering communication skills	ILO3, ILO4, ILO5

(vii) **Teaching and Learning Activities (TLAs)**

TLA1. Situation: Interactive Lectures

- Lecture on major concepts and issues: Interactive lectures with PowerPoint slides are conducted with the lecturer explaining and illustrating the concepts. Students will be invited to share their views in applying the concepts.
- In-class exercises: Basic concepts and techniques are illustrated using examples. Students work along with the lecturer to solve the problems. These exercises help students follow the lectures closely and actively.
- In-class discussion: Sometimes discussion questions will be raised by the lecturer. Students are encouraged to participate in discussions and share views with their peers. These discussions encourage students to think more for certain arguable topics.

Major focus: ILOs 1, 2, 3 and 4

TLA2. Situation: Tutorials

- The one-hour tutorial will review select weekly assignments and elicit your answers on them. (There are no tutorials in weeks 1 and 10.) In addition, a portion of the tutorial will be spent on review of key concepts and techniques presented in the previous week's lecture.

Major focus: ILOs 1 and 2

TLA3. Situation: Group Case Analysis and Presentation

- Students in each subclass are to form *eight groups of three or four people* from the *same subclass*, depending on the size of the subclass. Each group has to nominate a leader who will be responsible for notifying me of the work progress and consult me on problems faced by the group. Please email the membership list (including your subclass, students' names and ID numbers) to me no later than *Tuesday, February 7, 2012*. If you are not named in such emails, then I will form a group for you by random matching. Group list and presentation schedule will be posted on the Moodle after *Thursday, February 9, 2012*.
- Each team member is expected to make sincere contribution to the group. To avoid having free-riders in your group, a peer-evaluation may be conducted at the end, so that you will have a chance to evaluate each of your group members' performance and contribution to the group. Ratings of you and comments from your peers will be taken into account when determining your final grade in your group work. You should provide the most candid evaluation of each of your group members. The evaluation will be submitted to me directly and will be kept confidential.
- Case Analysis and Presentation: Each group is responsible to make a *20-minute* presentation on *a short case problem assigned*. *Case problems are put on the Moodle*. You are responsible for downloading and printing them. Case problems will be assigned on a random draw basis. Once the case is assigned, each group should meet outside the class to analyse the case, assign responsibility for the case and present the case in class on the date indicated on the course outline.
- *In your 20-minute group presentation, the group needs to present a brief summary of the case background, the case issues, the alternative solutions, the group's recommended solution to the case, and lessons learned. At the beginning of the presentation, please submit all your presentation materials/notes to me for grading.* Your presentation materials should be typed and well written, and your analysis should be logical, clear and precise. Please be sure all members of the group are identified on the first page of the write-up.
- *In order to facilitate discussion, you are also expected to arrange for a copy of the presentation report to be distributed to every non-presenting group in the class before making the presentation.*
- Evaluating the presentation: As part of class activities, the non-presenting groups will have to do an evaluation of the presenting group by completing the *Presentation Evaluation Form* after each presentation. Group members should discuss the presentation and complete this Presentation Evaluation Form as a *group activity*. Comments from each non-presenting group are expected to be constructive and fair.

Major focus: ILOs 1, 2, 3, 4 and 5

TLA4. Situation: Group Written Case Synthesis

- Each group is also required to write a case synthesis for *each of the other two short case problems assigned*. Each case synthesis should have a page limit of 3 double-spacing pages with font size 12pt. Do not write on the case your group has selected to analyse and present. *These case syntheses are due at the beginning of the class that the cases have been assigned for presentation and discussion*. After you read the chapter and the case, you should write the case synthesis so that you are well prepared for the case discussion in class. You should use the case questions to guide your discussion and organization of the written report. Please do not just answer the questions provided in the case. During the case presentation, the group is expected to participate in discussion by raising questions and providing comments.
- The case synthesis should cover the following items:
 - a. A short summary of the case background and case issues (in your own words!)
 - b. Your solutions to the case
 - c. How the case relates to the chapter(s) discussed
 - d. Lessons learned from the case

Major focus: ILOs 1, 2, 3, 4 and 5

TLA5. Situation: Other In-Class Group Activities

- It is necessary for each group to participate in other in-class group activities, e.g., raising questions and making constructive and fair comments during the case presentation and submitting presentation evaluation forms.

Major focus: ILO 5

TLA6. Situation: Outside-Classroom Activities

- Group discussions: Group members meet to work on the case as a team and contribute jointly to preparing the case presentation and written case synthesis.
- Lecturer and tutor consultations: I have scheduled 3 consultation hours weekly to address students' questions and doubts related to the course (see page 1). A tutor is also available for consultations.

Major focus: ILO 5

(viii) Assessment Tasks/Activities (ATs)

<u>Group Work:</u>	(30%)	
AT1. Case Analysis and Presentation (1 case)		10%
AT2. Written Case Synthesis (2 cases)		10%
AT3. In-Class Activities		10%
<u>Individual Work:</u>	(70%)	
AT4. Class Attendance and Participation		10%
AT5. Exams		
- Mid-Term Exam		20%
- Comprehensive Final Exam		<u>40%</u>
TOTAL		<u>100%</u>

AT1. Group Case Analysis and Presentation (10%)

Your grade for this part will depend on your ability to deliver a professional and persuasive presentation. The group presentation will be evaluated based on the three criteria (i.e., *identification of relevant issue and data, explanation of analysis, and presentation style*) provided in the Presentation Evaluation Form. In determining the grade, input from other groups' evaluation and their comments are being considered. After the presentation, I will be glad to meet with the group to discuss their evaluation.

Grading Criteria

ILO	A+ A A-	B+ B B-	C+ C C-	D+ D	F
ILOs 1, 2, 3, 4 and 5	Very good to excellent ratings on some or all three criteria.	Good to very good ratings on some or all three criteria.	Fair to good ratings on some or all three criteria.	Fair ratings on all three criteria.	Fail to prepare and present the case.

AT2. Group Written Case Synthesis (10%)

Each of the Case Synthesis will be graded based on the following two criteria:

- i. Content (Specificity/Creativeness/Use of Materials/
Linkage to a Bigger Picture) 7%
 - ii. Writing Style (Coherence/Clarity/Structure) 3%
- TOTAL** **10%**

Grading Criteria

ILO	A+ A A-	B+ B B-	C+ C C-	D+ D	F
ILOs 1, 2, 3, 4 and 5	Very good to excellent ratings on all two criteria.	Good to very good ratings on all two criteria.	Fair to good ratings on all two criteria.	Fair ratings on all two criteria.	Fail to prepare and submit the written case synthesis.

AT3. Group In-Class Activities (10%)

The grading for these activities will be based on the extent of active participation in in-class activities as a group and timely submission of Presentation Evaluation Forms.

Grading Criteria

ILO	A+ A A-	B+ B B-	C+ C C-	D+ D	F
ILO 5	Extremely active participation in group activities and timely submission of all required forms.	Quite active participation in group activities and timely submission of all required forms.	Some participation in group activities and timely submission of some required forms.	Rarely participation in group activities and fail to submit some required forms.	No participation in group activities and fail to submit all required forms.

AT4. Class Attendance and Participation (10% for individual):

Attendance will be taken for both lectures and tutorials. The attendance and individual sharing in class will be considered in assigning points for attendance and individual participation. The tutor will discuss the homework assignments at the tutorial sessions and you are expected to participate actively in tutorials. In addition to attendance, *points will also be assigned for participation in the discussion of homework assignments.* Dates for the discussion of assignments are listed on the course outline. *No homework assignments will be collected for grading.* However, in order to gain a better understanding of a topic and perform well in the examinations, students are strongly urged to do the homework assignment for each chapter. There is virtually no chance that you will do well in this course unless you are diligent in your completion of the assigned material. *Homework assignments are put on the Moodle. You are responsible for downloading and printing them.*

Grading Criteria

ILO	A+ A A-	B+ B B-	C+ C C-	D+ D	F
ILO 5	Extremely well prepared for class discussion, active in sharing views and attend at least 90% of classes.	Partially prepared for class discussion, quite active in sharing views and attend at least 80% of classes.	Not well prepared for class discussion, limited active in sharing views and attend at least 70% of classes.	Not well prepared for class discussion, no sharing of views and attend at least 60% of classes.	Never prepared for class discussion and no sharing of views and attend less than 50% of classes.

AT5. Exams (60%)

There will be a mid-term exam and a final comprehensive exam. The *mid-term exam* will be held on *Tuesday, March 20, 2012*, in *T2* during the normal class period. It will be approximately *one hour and 15 minutes* in length and will cover *chapters 12, 13 and 16* in the textbook and *cases 1 and 2*.

The *final exam* will be *two hours* in length and will be given on a date to be announced by the University later. It will be *comprehensive* of all course topics and materials.

Please ensure that you are available to sit for the exams at the scheduled date and time, as extra-curricular activities will not provide sufficient grounds for deferrals. It is not contemplated that you will miss an exam. *No provision has been made for a make-up exam.* Absences will be dealt with based upon the circumstances. All exams are closed book. You must have your student photo-ID to take an exam. All calculators brought into the exam room may not have any information stored in memories and covers must be removed.

Grading Criteria

ILO	A+ A A-	B+ B B-	C+ C C-	D+ D	F
ILOs 1, 2, 3, 4 and 5	Provide accurate solutions to most problems and give detailed and insightful responses to essay questions.	Provide accurate solutions to some problems and give detailed responses to some essay questions.	Provide accurate solutions to a few problems and give limited responses to some essay questions.	Provide inaccurate solutions to a few problems and give unclear responses to most essay questions.	Skip some problems or provide inaccurate solutions to most problems and give poor responses to most essay questions.

ILO	Teaching and Learning Activities (TLA)						Assessment Tasks (AT)				
	1	2	3	4	5	6	1	2	3	4	5
1	✓	✓	✓	✓			✓	✓			✓
2	✓	✓	✓	✓			✓	✓			✓
3	✓		✓	✓			✓	✓			✓
4	✓		✓	✓			✓	✓			✓
5			✓	✓	✓	✓	✓	✓	✓	✓	✓

III. COURSE POLICIES

Class Conduct

Respect your instructor and your fellow students. Be considerate to others.

Students are required to attend all classes (Lecture, Case Discussion and Tutorial Sessions) *on time* and should not enter the classroom 15 minutes after the class

scheduled starting time. If you have to leave the class early, please inform the instructor before the class begins. Please sit near the door and exit quietly. If you fail to inform the instructor before you leave, no credit will be given for your class attendance.

Students are encouraged to ask questions and to participate in the class as well as in the tutorials. At the same time, maintaining discipline is of utmost importance in this course. Please observe the following class rules when the class is in session:

1. Do not talk to your fellow students.
2. Do not read newspaper or magazine.
3. Do not use your hand phone (please turn off your hand phone).
4. Do not eat or drink in class.
5. Do not leave the class without permission.

Any violation of these class rules will be subject to point reduction (e.g., 1 point for each violation) and possible dismissal from the class.

Academic Dishonesty

The University Regulations on academic dishonesty will be strictly enforced! Please check the University Statement on plagiarism on the web: <http://www.hku.hk/plagiarism/>

Academic dishonesty is behaviour in which a deliberately fraudulent misrepresentation is employed in an attempt to gain undeserved intellectual credit, either for oneself or for another. It includes, but is not necessarily limited to, the following types of cases:

- Plagiarism – The representation of someone else’s ideas as if they are one’s own. Where the arguments, data, designs, etc., of someone else are being used in a paper, report, oral presentation, or similar academic project, this fact must be made explicitly clear by citing the appropriate references. The references must fully indicate the extent to which any parts of the project are not one’s own work. Paraphrasing of someone else’s ideas is still using someone else’s ideas, and must be acknowledged.
- Unauthorized Collaboration on Out-of-Class Projects – The representation of work as solely one’s own when in fact it is the result of a joint effort.
- Cheating on Exams – The covert gathering of information from other students, the use of unauthorized notes, unauthorized aids, etc.

If you are caught in an act of academic dishonesty or misconduct, you will receive an ‘F’ grade for the subject.

If your group assignment submitted has been discovered to be an exact copy of someone else’s work, your group will be subject to the penalty for the act of plagiarizing or copying.

**BUSI0020: Intermediate Accounting II (Subclasses B to G)
Course Outline for Semester 2 of 2011-2012**

Dr. Derek K. Chan

*Any revision of this course outline will be announced in class and posted on the Moodle.

<i>Teaching Week (Meeting Date)</i>	<i>Chapter</i>	<i>Lecturing Topic (Every Tuesday)</i>	<i>Small Group Case Discussion (Every Thursday starting from March 1)</i>	<i>Assignment for Tutorial Discussion</i>
Week 1 Jan 17, 19	12	Class Administration Ch. 12: Debt Financing	Ch. 12: Debt Financing (Cont'd)	No Tutorial
Week 2	Lunar New Year Holidays (Jan 23 – Jan 28)			
Week 3 Jan 31, Feb 2	12	Ch. 12: Debt Financing (Cont'd)	Ch. 12: Debt Financing (Cont'd)	Concept of Present Value
Week 4 Feb 7, 9	13	Ch. 13: Equity Financing	Ch. 13: Equity Financing (Cont'd)	Assignment 1
Week 5 Feb 14, 16	13	Ch. 13: Equity Financing (Cont'd)	Ch. 13: Equity Financing (Cont'd)	Shares Sold on Subscription
Week 6 Feb 21, 23	16	Ch. 16: Income Taxes	Ch. 16: Income Taxes (Cont'd)	Assignment 2
Week 7 Feb 28, Mar 1	16 15	Ch. 16: Income Taxes (Cont'd) Ch. 15: Leases	Case 1: Evergreen Company: Induced Bond Conversion	Loss Carry-Forward Assignment 3
Week 8	Reading Week (Mar 5 – Mar 10)			
Week 9 Mar 13, 15	15	Ch. 15: Leases (Cont'd)	Case 2: Carter Manufacturing: Do We Really Have Income?	Review for Mid-Term Exam
Week 10 Mar 20, 22		Mid-Term Exam (75 Minutes) Chapters 12, 13 & 16 and Cases 1 & 2 on Tue, Mar 20, 2012, in T2	Case 3: Citic Pacific: Shareholders' Fund	No Tutorial

Week 11 Mar 27, 29	15	Ch. 15: Leases (Cont'd)	Case 4: Flamingo Corporation: How Much Should Our Dividend be?	Assignment 4
Week 12 Apr 3, 5	18	Ch. 18: Earnings Per Share	Case 5: Nulife Corporation: Deferred Income Taxes	Mid-Term Exam Review
Week 13 Apr 10, 12	18	Ch. 18: Earnings Per Share (Cont'd)	Case 6: Cathay Pacific Airways Limited: Leases	Assignment 5
Week 14 Apr 17, 19	19	Ch. 19: Accounting for Derivatives and Hedging Activities	Case 7: Ultrasonic Corporation: How Should a Lease Contract be Structured?	Assignment 6
Week 15 Apr 24, 26	19	Ch. 19: Accounting for Derivatives and Hedging Activities (Cont'd)	Case 8: Iceberg Construction Company: Where are the Profits?	Review for Final Exam
Comprehensive Final Exam (2 Hours) Chapters 12, 13, 15, 16, 18 & 19 and Cases 1 to 8				