



AL MUSANNA COLLEGE OF TECHNOLOGY

DEPARTMENT OF BUSINESS STUDIES

BAAC 3100	Intermediate Accounting-2	Credit Hours = 3
Prerequisites:	BAAC2206 Intermediate Accounting 1	
Goal	<p>Intermediate Accounting 2 is an intermediate level course in financial accounting designed to provide students with necessary understanding of the balance sheet as a means of measuring financial position, the income statements as a means of measuring the results of operating performance and the statement of cash flows as a means of measuring the effects of operating, investing and financing activities.</p> <p>This course focuses on the generally accepted accounting principles (GAAP) and practices for particular topics such as financial assets, leases, long-term liabilities and stockholders' equity.</p>	
Objectives	Outcomes	
<p>The course should enable the student to:</p> <p>This course in Intermediate Accounting 2 aims to:</p> <ul style="list-style-type: none"> • Develop the students' understanding of the meaning of financial assets, leases, long-term liabilities and capital stock including the understanding and application of the recognition criteria for assets and liabilities; • Develop the students' ability to prepare journal entries for transactions involving financial assets, leases, long-term liabilities and capital stock; and • Develop the students' competency in preparing a complete set of financial statements in accordance with the International Financial Reporting Standards. 	<p>Chapter 1 – Accounting for Financial Assets</p> <ul style="list-style-type: none"> • Understand the meaning of financial asset including its classification and • Understand and differentiate the different types of strategic equity investments and non-strategic equity investments <p>Chapter 2 –Accounting for Leases</p> <ul style="list-style-type: none"> • Understand issues involving leases, and • Apply the principles for recognition, measurement, presentation and disclosure of leases <p>Chapter 3 – Accounting for Long-term Liabilities</p> <ul style="list-style-type: none"> • Calculate the issue price and subsequent market value of bonds with various cash flow patterns using present value techniques, • Prepare journal entries for long-term bonds at the date of issue, during each subsequent period prior to maturity, and at maturity, and • Understand the reasons why the book value of bonds at any date may differ from the market value of the bonds. <p>Chapter 4 – Accounting for Stockholders' Equity</p>	

- Understand the most common components of stockholders' equity and the economic events that alter stockholders' (or owners') equity and how to account for them.

Chapter 5 – the Balance Sheet – Measuring Financial Position

- Understand the purpose of the balance sheet and
- Apply the concepts for assets and liability recognition and valuation in accordance with the International Financial Reporting Standards (IFRS).

Chapter 6 – the Income Statement – Measuring the Results of Operating Performance

- Understand the difference between the cash basis and accrual basis of income recognition, and
- Apply the concepts for revenue and expense recognition and measurement under the accrual basis

Chapter 7 – the Statement of Cash Flows – Measuring the Cash Flow Effects of Operating, Investing and Financing Activities

- Understand the rationale for, and the information value of, the statement of cash flows and
- Prepare statement of cash flows from income statement and balance sheet data.