Intermediate Financial Reporting 1

Overview
INTRODUCTION

There are two financial accounting courses subsequent to Intermediate Financial Reporting 1 in the CPA preparatory courses. Intermediate Financial Reporting 2 is the other intermediate-level course that focuses on the liabilities and equities side of the statement of financial position along with topics such as accounting for income taxes, leases, employee benefits, earnings per share, and accounting changes. Advanced Financial Reporting deals with financial accounting topics such as consolidations, foreign currency, and not-for-profit accounting.

COURSE PREREQUISITES
• The prerequisites for this course are the following courses or equivalent post-secondary course credits:
  o Introductory Financial Accounting
  o Introductory Management Accounting
• Mathematics: You are expected to have a sound understanding of basic mathematics and their application in the business context. The required level of knowledge can be gained from any standard business mathematics text.
• Software skills: You are expected to have basic competence with Microsoft Word and Microsoft Excel.

STRUCTURE AND DELIVERY
Intermediate Financial Reporting 1 is delivered over six weeks and includes the following material:
• Student Notes
• Practice Problems with Solutions
• Student Slides (PDF)
• In-Class Problems
• Quizzes
• Projects
• Instructional videos
• Suggested Study Plans

The student notes are the basis for learning the material presented in the course. The notes cover each concept in sufficient detail as related to the competency map. The practice problems give you individual practice in mastering the concepts taught in the student notes. The student slides provide a summary of the concepts covered in the course and should be used concurrently while reviewing the instructional videos and/or in-class lectures. In-class problems (ICPs) are facilitator led — either taught in-class or, for distance students, presented as a video of each ICP. ICPs help you establish an effective approach to use while working through the practice problems. Quizzes are detailed in the assessment section of the course overview. You will be required to submit two separate projects. Finally, suggested study plans are provided to assist in planning study time. You are encouraged to personalize these plans to meet your individual needs.

THE CPA WAY

You are encouraged to use the CPA Way, a methodical process for working through complex problems, when answering judgment-based questions in the course materials. CPA Way videos are located on the course homepage.

CPA CANADA LEARNING EBOOK

A link to the CPA Canada Learning eBook: Volume 1 – Financial Reporting is included in the Course Reference Materials section of D2L. Although it is not required reading, it includes many chapters of financial reporting content, which provide additional clarity on many topics, as well as multiple-choice questions for you to practise on.

ASSESSMENTS

The overall mark needed to pass the course is 60% (with an average of 65% across all prerequisite courses required for entry into the CPA Professional Education Program). There are three components to the evaluation of Intermediate Financial Reporting 1: quizzes, projects, and the final exam.

Quizzes

• Quizzes are worth 12% of the course mark.
• You are encouraged to print off the quiz questions and work through them as you study each week’s material.
• Study group discussion/collaboration is encouraged, but you must individually complete all quizzes.

• Quizzes are due at the end of each week. Ensure that you submit your answers online by the required dates and times listed in the calendar in D2L. **Do not wait until the last minute to submit in case you have an internet connection problem.** There is only one opportunity to submit each quiz.

• Quizzes are graded based on the marks you receive. (If you answered four out of the five questions on the quiz correctly, you would receive 80% on that quiz.)

Projects

• The projects are worth 18% of the course mark.

• Completion and submission of the projects is mandatory.

• Study group discussion/collaboration is encouraged, but you must individually complete and submit your projects.

• There are two separate projects:
  o Project 1 is due at the end of Week 3.
  o Project 2 is due at the end of Week 5.

• Ensure that you submit your work online by the required dates and times listed in the calendar in D2L. **The projects cannot be submitted late.**

• The projects will require approximately 15 to 20 hours of work in total.

• Upload your submission to D2L following the instructions in the Project Formatting document.

• **It is highly recommended that you start working on the projects after you have reviewed the content for each week. This will prevent you from spending a large amount of time completing the projects near the due dates.**

Exam

• The exam is worth 70% of the course mark.

• It is four hours in length.

• It consists of approximately 50% multiple-choice questions and 50% constructed-response questions.

• An exam review webinar will take place for study purposes. The webinar will be recorded and available on D2L.

• The exam tests material covered throughout the entire course.

• Your provincial/regional affiliate will communicate the date and time of your final exam.

• The exam must be written in order to pass the course.
Rewriting the exam

- Students who score 50% or more in the course can attempt to write the exam again in the next available offering of the course. The mark received on this exam attempt will replace the mark received for the previously written exam (70% of the course mark).
- For study purposes, exam review materials will be posted after the final course marks are released.
- Your provincial/regional affiliate will communicate the date and time of the next available offering of the course exam.

MARKS CALCULATION EXAMPLE

The following scenarios with Student A and Student B demonstrate how course marks are calculated.

Student A

Student A struggled to complete the quizzes and received a mark of 1/5 on three of the quizzes and 2/5 on the other three. Quizzes are worth 12% of the final mark, or 2% per quiz. Student A received a mark of 15 out of 40 on the first project and 15 out of 45 on the second. Projects are worth 18% of the final mark, or 9% each. Student A received a mark of 55% on the exam, which is worth 70% of the final mark. Student A’s final course mark would be calculated as follows:

Quizzes = \( \left( \frac{1}{5} \times 2 \right) + \left( \frac{1}{5} \times 2 \right) + \left( \frac{1}{5} \times 2 \right) + \left( \frac{2}{5} \times 2 \right) + \left( \frac{2}{5} \times 2 \right) + \left( \frac{2}{5} \times 2 \right) = 3.6 \)

Project 1 = \( \frac{15}{40} \times 9 = 3.4 \)

Project 2 = \( \frac{15}{45} \times 9 = 3.0 \)

Exam = \( \frac{55}{100} \times 70 = 38.5 \)

Final course mark = 3.6 + 3.4 + 3.0 + 38.5 = 48.5%

Student B

Student B did very well on the quizzes, and received a mark of 4/5 on four of the quizzes, and a perfect score of 5/5 on the other two quizzes. Quizzes are worth 12% of the final mark, or 2% per quiz. Student B received 35 out of 40 on the first project and 43 out of 45 on the second. Projects are worth 18% of the final mark, or 9% each. Student B received a mark of 85% on the exam, which is worth 70% of the final mark. Student B’s final course mark would be calculated as follows:

Quizzes = \( \left( \frac{4}{5} \times 2 \right) + \left( \frac{4}{5} \times 2 \right) + \left( \frac{4}{5} \times 2 \right) + \left( \frac{4}{5} \times 2 \right) + \left( \frac{5}{5} \times 2 \right) + \left( \frac{5}{5} \times 2 \right) = 10.4 \)

Project 1 = \( \frac{35}{40} \times 9 = 7.9 \)

Project 2 = \( \frac{43}{45} \times 9 = 8.6 \)

Exam = \( \frac{85}{100} \times 70 = 59.5 \)

Final course mark = 10.4 + 7.9 + 8.6 + 59.5 = 86.4%
OVERVIEW OF TOPICS

The following is a brief overview of the topics covered by week.

Week 1
Week 1 provides a general review of accounting topics that were discussed in your Introductory Financial Accounting course. It covers topics such as accounting standards, the IFRS Conceptual Framework for Financial Reporting (and the ASPE framework), accounting information systems, financial statements, ethics, and the accounting cycle.

Week 2
Week 2 focuses on various aspects of revenue recognition, including multiple performance obligations, principal-agent relationships, consignment, and bill-and-hold arrangements. (The revenue recognition concept of construction contracts is discussed in Week 3.) This week reviews accounting for revenue transactions in accordance with IFRS 15 Revenue from Contracts with Customers. You will also learn about cash, cash equivalents, and accounts receivable, and how to recognize, initially measure, subsequently measure, derecognize, and present and disclose accounts receivable.

Week 3
Week 3 continues on revenue recognition with a focus on construction contracts. It reviews accounting for construction contracts in accordance with IFRS 15, as well as the differences between IFRS and ASPE requirements for revenue recognition. In addition, this week covers the topics of bank reconciliations and inventory. You will learn how to recognize, initially measure, subsequently measure, derecognize, and present and disclose inventory.

Week 4
Week 4 covers accounting for property, plant and equipment, intangible assets, impairment, non-current assets held for sale, discontinued operations, and government grants. Goodwill is also briefly discussed in this week’s material.

Week 5
Week 5 focuses on passive financial assets. It reviews accounting for passive financial assets in accordance with IFRS 9 Financial Instruments and discusses differences between IFRS and ASPE requirements for passive financial assets.

Week 6
Week 6 focuses primarily on the statement of cash flows. It covers the classification, format, and preparation of the statement of cash flows under IFRS. You will also learn about differences between IFRS and ASPE requirements for the statement of cash flows.