



This course supports the assessment for Intermediate Accounting I. The course covers 6 competencies and represents 3 competency units.

Introduction

Overview

Intermediate Accounting I is the first of two courses encompassing more advanced accounting concepts. This course offers a more comprehensive treatment of concepts learned in the Fundamentals of Accounting course, and covers accounting standards, the conceptual accounting framework, preparation of selected financial statements, time value of money, receivables, fixed assets, intangible assets, and both long- and short-term liabilities.

Getting Started

Welcome to Intermediate Accounting I. Intermediate Accounting I is a crucial course in the accounting program and a bridge into the accounting profession. It is important to spend time reading about and working through all of the concepts. This course uses a VitalSource e-text, as well as WileyPLUS and ORION. Activities in WileyPLUS include readings, videos, exercises, practice questions, and self-assessment quizzes. Each of these activities have been selected specifically for this course; it is important for you to complete all of them in preparation for the objective assessment. WileyPLUS resources also include ORION, which provides additional practice questions by chapter and objective. You will utilize ORION once you have completed the other activities. As you work through each topic, you will use links to access the VitalSource e-text along with the WileyPLUS activities.

The pacing guide is a great resource to help you stay on track, and a printable checklist will enable you to track your progress through the course. Be sure to reach out to your course instructor for support and guidance.

Watch the following welcome video for an introduction to this course:

Note: To download this video, right-click the following link and choose "Save as...": [download video](#).

Competencies

This course provides guidance to help you demonstrate the following 6 competencies:

- **Competency 3021.1.1: Accounting Standards**
The graduate explains the scope and purpose of accounting standards.
- **Competency 3021.1.2: Conceptual Framework**
The graduate uses the conceptual framework for accounting.
- **Competency 3021.1.3: Income Statement and Balance Sheet**
The graduate prepares an income statement and balance sheet.
- **Competency 3021.1.4: Time Value of Money**
The graduate applies the time value of money concept.



- **Competency 3021.1.5: Assets**
The graduate accounts for assets.
- **Competency 3021.1.6: Liabilities**
The graduate accounts for liabilities.

Course Instructor Assistance

As you prepare to demonstrate competency in this subject, remember that course instructors stand ready to help you reach your educational goals. As subject matter experts, mentors enjoy and take pride in helping students become reflective learners, problem solvers, and critical thinkers. Course instructors are excited to hear from you and eager to work with you.

Successful students report that working with a course instructor is the key to their success. Course instructors are able to share tips on approaches, tools, and skills that can help you apply the content you're studying. They also provide guidance in assessment preparation strategies and troubleshoot areas of deficiency. Even if things don't work out on your first try, course instructors act as a support system to help you prepare for another attempt. You should expect to work with course instructors for the duration of your coursework, and you are encouraged to contact them as soon as you begin. Course instructors are fully committed to your success!

Preparing for Success

The information in this section is provided to detail the resources available for you to use as you complete this course.

Learning Resources

The learning resources listed in this section are required to complete the activities in this course. For many resources, WGU has provided automatic access through the course. However, you may need to enroll manually in or acquire other resources independently. Read the full instructions provided to ensure that you have access to all of your resources in a timely manner.

Automatically Enrolled Resources

You can access the learning resources listed in this section by clicking on the links provided throughout the course. You may be prompted to log in to the WGU student portal to access the resources.

VitalSource E-Text

The following textbook is available to you as an e-text within this course. You will be directly linked to the specific readings required within the activities that follow. You can also download the text to read it while offline.

- Kieso, D. E, Weygandt, J. J., & Warfield, T. D. (2013). *Intermediate accounting* (15th ed.). New Jersey: Wiley. ISBN: 978-1118147290

For further information about using a VitalSource text, visit the following help page:

- [VitalSource: Help](#)



Note: This e-text is available to you as part of your program tuition and fees, but you may purchase hard copies at your own expense through a retailer of your choice. If you choose to do so, please use the ISBN listed to ensure that you receive the correct edition.

WileyPLUS

WileyPLUS is a research-based online environment for effective teaching and learning. WileyPLUS includes a digital text, videos, study resources, auto-graded assessments, and a grade book. All of the content in WileyPLUS, including the rich multimedia resources, is mapped to learning objectives. WileyPLUS reports students' grades, progress, and results by learning objective for each course, which both mentors and students can view.

View the "WileyPLUS Navigational Video" to become familiar with using WileyPLUS and ORION.

Note: To download this video, right-click the following link and choose "Save as...": [download video](#)

Navigating WileyPLUS

The links provided throughout this course of study will take you to the WileyPLUS assignment page. The links in the assignment page give you access to the different assignments that you will need to complete for this course.

Question Help in WileyPLUS

Assignments in WileyPLUS include a variety of learning aides to support you as you work through the problems. You can access these learning aides directly below the question or problem text. Below is a description of the learning aides. The available learning aides vary depending on the question.

Show List of Accounts provides a list of accounts related to the question.

Link to Text directs you to the related topic in the textbook.

Video Similar Exercise provides a video that demonstrates solving a similar problem.

Video Applied Skills provides video support for answering the question.

Show Answer and **Show Solution** provide the correct answers for the question or exercise.

All of the assignments have multiple attempts. For longer problems, you can use the Submit button midway through to check your answers and see if you are on the right track.

Minimum Technical Requirements

Obtain a Calculator



You will need a financial calculator or access to spreadsheet software, such as Microsoft Excel, for computational problems throughout this course. The recommended financial calculator is the Texas Instruments BA-II Plus. You may only use an approved financial calculator during the pre-assessment and assessment for this course. You are unable to use Excel during the assessments.

Other Learning Resources

Financial Accounting Standards Boards Database

For more general information on accounting concepts and your general reference, we have included the below link to the FASB database. Please contact your course instructor with more specific questions.

- [FASB Accounting Standards Codification Database](#)

Log in at the link above using the following:

- Username: AAA52071
- Password: 2ExZr8V

Pacing Guide

The pacing guide suggests a weekly structure to pace your completion of learning activities. It is provided as a suggestion and does not represent a mandatory schedule. Follow the pacing guide carefully to complete the course in the suggested timeframe.

Use the printable checklist to track your progress through the course:

- [C248 Intermediate Accounting I Course Checklist](#)

Week 1

- Preparing for Success
- Financial Statements
- Accounting Standards

Week 2

- Building the Conceptual Framework
- Preparing an Income Statement

Week 3

- Preparing the Balance Sheet
- Time Value of Money

Week 4



- Cash and Cash Equivalents
- Inventory: Cost-Based Valuation

Week 5

- Inventory: Market or Gross Profit-Based Valuation
- Property, Plant, and Equipment

Week 6

- Depreciation
- Intangible Assets

Week 7

- Current Liabilities
- Long-Term Liabilities

Week 8

- Review
- Pre-Assessment
- Assessment

Accounting Standards

Accounting standards explain the objectives of financial reporting, the role of accounting information in the efficient use of scarce resources, and the need of accounting standards. Also identified are the four major financial statements in financial reporting and descriptions of various users of financial statements. Additionally, the role of various entities in setting accounting standards, the accounting standards setting process, and the Financial Accounting Standards Board (FASB) Accounting Standards Codification framework are discussed. An explanation of and the purpose for generally accepted accounting principles (GAAP) is detailed along with the major types of FASB pronouncements, challenges, and issues associated with financial reporting.

Financial Statements

After completing this section, you will be able to describe the objectives of financial reporting and various users of financial statements, explain the need for accounting standards, and identify the four major financial statements.

This topic addresses the following competency:

- **Competency 3021.1.1: Accounting Standards**
The graduate explains the scope and purpose of accounting standards.

This topic highlights the following objectives:



- Describe the objective of financial reporting.
- Describe how various stakeholders will use financial statements.
- Explain the need for accounting standards.
- Describe the purpose of the four major financial statements.
- Explain how accounting assists in the efficient use of scarce resources.

Read: Chapter 1: "Financial Accounting and Accounting Standards"

As you complete the assigned material below, pay attention to the following key points:

- Objectives of financial reporting
- The need for accounting standards

Read the following section in *Intermediate Accounting*:

- Pages 4–7 in [Chapter 1: "Financial Accounting and Accounting Standards"](#)

Apply

Complete the following [WileyPLUS](#) activities:

- Chapter 01A (a) Readings and Resources
 - Review Study Guide
 - View Applied Skills Video
 - Review PowerPoint Review
 - The e-text has been included in this section for easy access.
- Chapter 01A (b) Practice Questions

Accounting Standards

This topic will help you to describe the role of various entities in setting accounting standards and to acquire knowledge of the accounting standards setting process. Additionally the material covered helps you gain an understanding of the FASB Codification framework and the purpose of GAAP. After completing the activities below, you should be able to explain the purpose of GAAP and identify major types of FASB pronouncements, challenges, and issues associated with financial reporting.

This topic addresses the following competency:

- **Competency 3021.1.1: Accounting Standards**
The graduate explains the scope and purpose of accounting standards.

This topic highlights the following objectives:

- Describe the role of entities involved in setting accounting standards.
- Describe the process by which accounting standards are set.
- Identify major types of FASB pronouncements.
- Explain the purpose of GAAP.



- Describe the FASB Codification framework.
- Identify challenges and issues associated with financial reporting.

Read: Chapter 1: "Financial Accounting and Accounting Standards"

As you complete the assigned material below, pay attention to the following key points:

- The role of various parties involved in standard-setting
- Generally accepted accounting principles (GAAP)
- FASB Codification system
- Issues in financial reporting
- IFRS and its setting process
- Convergence of IFRS with GAAP

Read the following section in *Intermediate Accounting*:

- Pages 7–21 in [Chapter 1: "Financial Accounting and Accounting Standards"](#)

Apply

Complete the following [WileyPLUS](#) activities:

- Chapter 01B (a) Readings and Resources
 - Review Study Guide
 - Review PowerPoint Review
 - The e-text has been included in this section for easy access.
- Chapter 01B (b) Practice Questions
- Chapter 01B (c) Self-Assessment Quiz
- Chapter 01 ORION

Conceptual Framework

The conceptual framework is the foundation of financial reporting, as it guides the development of accounting standards. This subject explains the need of the conceptual framework, the objectives of financial reporting, qualitative characteristics of accounting information, basic elements of financial statements, and basic assumptions and principles of accounting. Additionally, the discussion compares the conceptual frameworks underlying GAAP and IFRS.

Building the Conceptual Framework

After reviewing the assigned material, you will be able to explain the conceptual framework that guides accounting standards by examining the need of the conceptual framework and by describing the objective of financial reporting, the qualitative characteristics of accounting information, basic elements of financial statements, and basic assumptions and principles of accounting. You will also be able to compare the conceptual frameworks underlying GAAP and IFRS.

This topic addresses the following competency:



- **Competency 3021.1.2: Conceptual Framework**

The graduate uses the conceptual framework for accounting.

This topic highlights the following objectives:

- Explain the need for a conceptual framework.
- Describe the qualitative characteristics of accounting information.
- Describe the basic elements of financial statements.
- Define the basic assumptions and principles of accounting.
- Compare the conceptual frameworks underlying GAAP and IFRS.

Read: Chapter 2: "Conceptual Framework for Financial Reporting"

As you complete the assigned material below, pay attention to the following key points:

- The need of the conceptual framework
- Objectives of financial reporting
- Qualitative characteristics of accounting information
- Recognition and measurement
- Basic principles of accounting
- Constraints in providing accounting information
- Conceptual framework underlying IFRS

Read the following sections in Intermediate Accounting:

- Pages 42–63 and 78–80 in [Chapter 2: "Conceptual Framework for Financial Reporting"](#)

Review the following infographic and note the key similarities and differences of GAAP and IFRS.

- ["Conceptual Frameworks Underlying GAAP and IFRS"](#)

Apply

Complete the following [WileyPLUS](#) activities:

- Chapter 02 (a) Readings and Resources
 - Review Study Guide
 - View Applied Skills videos
 - Review PowerPoint Review
 - The e-text has been included in this section as well for easy access.
- Chapter 02 (b) Exercises
- Chapter 02 (c) Practice Questions
- Chapter 02 (d) Self-Assessment Quiz
- Chapter 02 ORION

Income Statement and Balance Sheet



The income statement and balance sheets are two of the most important financial statements of the four major financial statements. The income statement provides information regarding the financial performance of companies for a given period of time, and the balance sheet helps users measure the financial position of companies by reporting the assets, liabilities, and stockholders' equity on a specific date. This subject covers the recognition of the elements and the preparation of the income statement. It also covers the major elements, classification, and preparation of the balance sheet.

Preparing an Income Statement

The income statements provide the financial information to measure success of the operations of companies for a given period of time. After studying this topic you should be able to describe the elements and structure of the income statement, explain how to report special items in the income statement, and prepare an income statement. Additionally you will be able to explain how to present the earnings per share information on the income statement.

This topic addresses the following competency:

- **Competency 3021.1.3: Income Statement and Balance Sheet**
The graduate prepares an income statement and balance sheet.

This topic highlights the following objectives:

- Describe the elements of the income statement.
- Describe the structure of income statements.
- Explain how to report unusual or irregular items in income statements.
- Explain how the earnings per share information is presented on the income statement.
- Explain how accounting changes and errors are reported.
- Explain how to report other comprehensive income.
- Prepare the income statement.
- Compare GAAP and IFRS standards for income statement presentation.

Read: Chapter 4: ?Income Statement and Related Information?

As you complete the assigned material below, pay attention to the following key points:

- Usefulness of income statements
- Limitation of income statements
- Format of income statements (single-step and multiple-step)
- Reporting irregular items
- Earnings per share
- Income statement reporting issues under IFRS

Read the following sections in Intermediate Accounting:

Pages 162–184 and 205–207 in [Chapter 4: "Income Statement and Related Information"](#)

Review the following infographic and note the key similarities and differences.



- ["GAAP and IFRS Standards for Income Statement Presentation"](#)

Apply

Complete the following [WileyPLUS](#) activities:

- Chapter 04 (a) Readings and Resources
 - Review Study Guide
 - View Applied Skills and Solution Walkthrough videos
 - Review PowerPoint Review
 - The e-text has been included in this section for easy access.
- Chapter 04 (b) Exercises
- Chapter 04 (c) Practice Questions
- Chapter 04 (d) Self-Assessment Quiz
- Chapter 04 ORION

Preparing the Balance Sheet

A balance sheet can help accountants measure the financial position of companies by reporting the assets, liabilities, and stockholders' equity on a specific date. This topic covers the usefulness, limitations, and major classifications of the balance sheet. After reviewing this topic, you will be able to explain the usefulness of balances and how to report the balance sheet. Additionally you will be able to explain balance sheet reporting issues under IFRS.

This topic addresses the following competency:

- **Competency 3021.1.3: Income Statement and Balance Sheet**
The graduate prepares an income statement and balance sheet.

This topic highlights the following objectives:

- Explain the usefulness and limitations of the balance sheet.
- Identify the major classifications of the balance sheet.
- Explain how current assets are reported and valued on the balance sheet.
- Describe how noncurrent assets are presented on the balance sheet.
- Identify examples of the classification of liabilities.
- Describe the components of the owner's equity section of the balance sheet.
- Prepare a balance sheet.
- Compare GAAP and IFRS standards for balance sheet presentation.

Read: Chapter 5: "Balance Sheet and Statement of Cash Flows"

As you complete the assigned material below, pay attention to the following key points:

- Usefulness of a balance sheet
- Limitations of a balance sheet
- Classification of a balance sheet
- Balance sheet reporting issues under IFRS



Read the following sections in *Intermediate Accounting*:

- Pages 214–228 and 277–282 in [Chapter 5: "Balance Sheet and Statement of Cash Flows"](#)

Review the following infographic and note the key similarities and differences of GAAP and IFRS.

- ["GAAP and IFRS Standards for Balance Sheet Presentation"](#)

Apply

Complete the following [WileyPLUS](#) activities:

- Chapter 05 (a) Readings and Resources
 - Review Study Guide
 - View Applied Skills and Solution Walkthrough videos
 - Review PowerPoint Review
 - The e-text has been included in this section for easy access.
- Chapter 05 (b) Exercises
- Chapter 05 (c) Practice Questions
- Chapter 05 (d) Self-Assessment Quiz
- Chapter 05 ORION

Time Value of Money

The time value of money concept states that a dollar received today is worth more than a dollar promised at some time in the future. This is very important in financial reporting because of the many elements of financial statements that are measured and reported at the present value of expected cash flows. This subject covers present value techniques, which have many applications in accounting.

Time Value of Money

At the start of a company's existence, the measurement of its assets and liabilities are less complex; however, when time has passed, the measurement of assets and liabilities are more complex because the value of assets change. Financial reporting uses different measurements in different situations. More elements of financial statements are required to be reported at fair value. The present value using time value of money represents an estimate of fair value.

After reviewing this topic, you will be able to identify accounting topics where the time value of money is relevant and will know how to compute present value in various situations.

This topic addresses the following competency:

- **Competency 3021.1.4: Time Value of Money**
The graduate applies the time value of money concept.



This topic highlights the following objectives:

- Identify accounting topics where the time value of money is relevant.
- Define the variables in interest computations.
- Distinguish between simple and compound interest.
- Explain how to use the various compound interest tables.
- Solve various time value of money problems.

Read: Chapter 6: "Accounting and the Time Value of Money"

As you complete the assigned material below, pay attention to the following key points:

- Nature of interest
- Simple interest
- Compound interest
- Future value
- Present value
- Ordinary annuity
- Annuity due
- Expected cash flow approach

Read the following sections in Intermediate Accounting:

- Pages 288–309 and 334–343 in [Chapter 6: "Accounting and the Time Value of Money"](#)

Apply

Complete the following [WileyPLUS](#) activities:

- Chapter 06 (a) Readings and Resources
 - Review Study Guide
 - View Solution Walkthrough Video
 - Review PowerPoint Review
 - The e-text has been included in this section for easy access.
- Chapter 06 (b) Exercises
- Chapter 06 (c) Practice Questions
- Chapter 06 (d) Self-Assessment Quiz
- Chapter 06 ORION

Assets

Assets are defined as probable future benefits obtained or controlled by a company as a result of past transactions or events. It sounds straightforward, but there are many challenging issues to measuring assets and reporting them on a balance sheet. Additionally, different types of assets are to be measured differently, which results in more challenges in reporting assets. This subject covers various assets and their measurements and reporting issues.

Cash and Cash Equivalents



Cash and cash equivalents are the most liquid assets. The company needs to have cash to pay its suppliers and various expenses. Receivables are claims held against customers and others for money, goods, or services. This topic covers how to report cash-related items and receivables. After reviewing this topic, you will be able to report cash and cash related items, recognize receivables with various discounts, and value receivables when collectability is uncertain. You will also be able to value notes receivable and report the disposition of receivables.

This topic addresses the following competency:

- **Competency 3021.1.5: Assets**
The graduate accounts for assets.

This topic highlights the following objectives:

- Describe how to report cash and related items.
- Define the different types of receivables.
- Explain how accounts receivables are valued.
- Record write-offs and recovery of an uncollectable account.
- Explain how notes receivable are valued and recorded.
- Describe the disposition of accounts and notes receivable.
- Describe the differences between GAAP and IFRS as they apply to cash and receivables.

Read: Chapter 7: "Cash and Receivables"

As you complete the assigned material below, pay attention to the following key points:

- Cash and cash related items
- Recognition of accounts receivable
- Valuation of accounts receivable
- Recognition of notes receivable
- Valuation of notes receivable
- Fair value option
- Disposition of accounts and notes receivable

Read the following sections in Intermediate Accounting:

- Pages in 346–371 and 408–411 in [Chapter 7: "Cash and Receivables"](#)

Review the following infographic and note the key similarities and differences of GAAP and IFRS.

- ["GAAP and IFRS as They Apply to Cash and Receivables"](#)

Apply



Complete the following [WileyPLUS](#) activities:

- Chapter 07 (a) Readings and Resources
 - Review Study Guide
 - View Applied Skills and Solution Walkthrough videos
 - Review PowerPoint Review
 - The e-text has been included in this section for easy access.
- Chapter 07 (b) Exercises
- Chapter 07 (c) Practice Problems
- Chapter 07 (d) Self-Assessment Quiz
- Chapter 07 ORION

Inventory: Cost-Based Valuation

Inventories are assets that a company holds for sale in the ordinary course of business, or goods that it will use or consume in the production of goods to be sold. Companies use two alternative inventory systems to track inventories: a perpetual and a periodic system. This topic covers what costs or goods are included in inventory, cost flow assumption to determine ending inventory and cost of goods sold, and special issues with the last in, first out (LIFO) cost flow assumption. After studying the topic, you will be able to distinguish a periodic system from a perpetual system, explain how to determine ending inventory value and cost of goods sold, and describe special issues with the LIFO cost flow assumption.

This topic addresses the following competency:

- **Competency 3021.1.5: Assets**
The graduate accounts for assets.

This topic highlights the following objectives:

- Identify the major classifications of inventory.
- Describe the differences between the major inventory systems.
- Explain when goods should be included in inventory.
- Describe the effects of inventory errors on the financial statements.
- Identify examples of items that are included in the cost of inventory.
- Calculate the cost of goods sold and ending inventory based on various cost flow assumptions.
- Describe special issues with the LIFO cost flow assumption.
- Identify the impact of various cost flow assumptions used to account for inventories.

Read: Chapter 8: ?Valuation of Inventories: A Cost-Basis Approach?

As you complete the assigned material below, pay attention to the following key points:

- Inventory classification
- Inventory systems: perpetual and periodic
- Goods and costs that are included inventory
- Cost flow assumptions



- Special issues in LIFO

Read the following section in *Intermediate Accounting*:

- Pages 416–443 in [Chapter 8: "Valuation of Inventories: A Cost-Basis Approach"](#)

Apply

Complete the following [WileyPLUS](#) activities:

- Chapter 08 (a) Readings and Resources
 - Review Study Guide
 - View the Interactive Tutorial and Solution Walkthrough videos
 - Review PowerPoint Review
 - The e-text has been included in this section for easy access.
- Chapter 08 (b) Exercises
- Chapter 08 (c) Practice Questions
- Chapter 08 (d) Self-Assessment Quiz
- Chapter 08 ORION

Inventory: Market or Gross Profit-Based Valuation

Purchasing cost based inventory value may not reflect market value of inventories. This topic covers other valuation issues of inventory. After reviewing this topic, you will be able to describe the lower-of-cost-or-market (LCM) rule and compute inventory value using LCM rule. Also, you will be able to explain when companies report inventories at net realizable value and at relative sales value.

In this topic, necessary disclosures related to the presentation of inventory in financial statements and key differences in the accounting procedures related to valuation of inventories under GAAP and IFRS are also covered.

This topic addresses the following competency:

- **Competency 3021.1.5: Assets**
The graduate accounts for assets.

This topic highlights the following objectives:

- Calculate the value of inventory by using the lower-of-cost-or-market rule.
- Determine the effect of the lower-of-cost-or-market rule.
- Explain when companies would value inventories at net realizable value.
- Explain when companies use the relative sales value method to value inventories.
- Determine ending inventory by applying the gross profit method.
- Identify necessary disclosures related to the presentation of inventory in financial statements.
- Identify key differences in the accounting procedures related to valuation of inventories



under GAAP and IFRS.

Read: Chapter 9: "Inventories: Additional Valuation Issues"

As you complete the assigned material below, pay attention to the following key points:

- Lower-of-cost-or-market rule
- Net realizable value
- Relative sales value
- The gross profit method
- Disclosures and presentation of inventory in financial statements
- Key differences in the accounting procedures related to valuation of inventories under GAAP and IFRS

Read the following sections in Intermediate Accounting:

- Pages 474–496 and 525–532 in [Chapter 9: "Inventories: Additional Valuation Issues"](#)

Review the following infographic and note the key similarities and differences of GAAP and IFRS.

- ["Valuation of Inventories Under GAAP and IFRS"](#)

Apply

Complete the following [WileyPLUS](#) activities:

- Chapter 09 (a) Readings and Resources
 - Review Study Guide
 - View Applied Skills and Solution Walkthrough videos
 - Review PowerPoint Review
 - The e-text has been included in this section for easy access.
- Chapter 09 (b) Exercises
- Chapter 09 (c) Practice Questions
- Chapter 09 (d) Self-Assessment Quiz
- Chapter 09 ORION

Property, Plant, and Equipment

Companies need to have assets of a durable nature for their operation. Such assets are called property, plant, and equipment. This topic covers acquisition, valuation, cost of subsequent acquisition, and disposition of property, plant, and equipment. After studying this topic you will be able to report the acquisition cost of property, plant, and equipment; report cost of subsequent of acquisition; and report disposition transaction of property, plant, and equipment.

This topic addresses the following competency:

- **Competency 3021.1.5: Assets**



The graduate accounts for assets.

This topic highlights the following objectives:

- Identify the costs to include in initial valuation of property, plant, and equipment.
- Explain the process and procedure of capitalizing interest costs for self-constructed assets.
- Explain how to account for acquiring and valuing plant assets.
- Explain how to account for exchange transactions.
- Describe the treatment for costs subsequent to the initial acquisition.
- Explain how to account for the disposition of assets.

Read: Chapter 10: "Acquisition and Disposition of Property, Plant, and Equipment"

As you complete the assigned material below, pay attention to the following key points:

- Acquisition costs of property, plant, and equipment
- Capitalizing interest costs for self-constructed assets
- Exchange transactions of nonmonetary assets
- Costs subsequent to the initial acquisition
- Disposition of assets

Read the following section in Intermediate Accounting:

- Pages 538–562 in [Chapter 10: "Acquisition and Disposition of Property, Plant, and Equipment"](#)

Apply

Complete the following [WileyPLUS](#) activities:

- Chapter 10 (a) Readings and Resources
 - Review Study Guide
 - View the Author Lecture and Solution Walkthrough videos
 - Review PowerPoint Review
 - The e-text has been included in this section for easy access.
- Chapter 10 (b) Exercises
- Chapter 10 (c) Practice Questions
- Chapter 10 (d) Self-Assessment Quiz
- Chapter 10 ORION

Depreciation

Depreciation is the accounting process of allocating the cost of tangible assets to expense in a systematic and rational manner to those periods expected to benefit from the use of the asset. This topic covers factors involved in the depreciation process, methods of depreciation, and recognizing impairments. It also covers depletion of natural resources and key differences in accounting for property, plant, and equipment under GAAP and IFRS.



This topic addresses the following competency:

- **Competency 3021.1.5: Assets**
The graduate accounts for assets.

This topic highlights the following objectives:

- Describe the purpose of depreciation.
- Describe the major depreciation methods.
- Calculate depreciation expense using various depreciation methods.
- Explain how to account for impairment of property, plant, and equipment assets.
- Explain the accounting procedures for depletion of natural resources.
- Explain how to present property, plant, equipment, and natural resources in financial statements.
- Describe the procedure for changing the depreciation method.
- Describe the difference between book and tax depreciation.
- Identify key differences in accounting for property, plant, and equipment under GAAP and IFRS.

Read: Chapter 11: "Depreciation, Impairments, and Depletion"

As you complete the assigned material below, pay attention to the following key points:

- Purpose of depreciation
- Major depreciation methods
- Impairment of property, plant, and equipment assets
- Depletion process of natural resources
- Presentation of property, plant, equipment, and natural resources in financial statements
- Key differences in accounting for property, plant, and equipment under GAAP and IFRS

Read the following sections in Intermediate Accounting:

- Pages 590–612, 617, and 637–643 in [Chapter 11: "Depreciation, Impairments, and Depletion"](#)

Review the following infographic and note the key similarities and differences of GAAP and IFRS.

- ["Property, Plant, and Equipment Under GAAP and IFRS"](#)

Apply

Complete the following [WileyPLUS](#) activities:

- Chapter 11 (a) Readings and Resources
 - Review Study Guide
 - View the Interactive Tutorials, and the Applied Skills and Solution Walkthrough



- videos
 - Review PowerPoint Review
 - The e-text has been included in this section for easy access.
- Chapter 11 (b) Exercises
- Chapter 11 (c) IFRS Self-Test
- Chapter 11 (d) Practice Questions
- Chapter 11 (e) Self-Test Quiz
- Chapter 11 ORION

Intangible Assets

For many companies, the most important assets are intangible in nature. A good example is the brand value of Coca Cola or Apple Inc. Intangible assets do not have physical substance and are not financial instruments. Due to these unique characteristics, valuation of intangibles is often challenging. The topic primarily covers the valuation of intangible assets. It identifies types of intangible assets, and covers the impairment of intangible assets. Also, it covers accounting for research and development cost, the presentation of intangible assets, and key differences in accounting for intangible assets under GAAP and IFRS.

This topic addresses the following competency:

- **Competency 3021.1.5: Assets**
The graduate accounts for assets.

This topic highlights the following objectives:

- Describe the major characteristics of intangible assets.
- Identify the costs that are included in valuation of intangible assets.
- Identify examples of several types of intangible assets.
- Explain how to account for the acquisition of goodwill.
- Explain how to account for impairments of intangible assets.
- Identify examples of research and development activities.
- Explain how to account for research and development and similar costs.
- Describe the presentation of intangible assets and research and development costs in financial statements.
- Identify key differences in accounting for intangible assets under GAAP and IFRS.

Read: Chapter 12: "Intangible Assets"

As you complete the assigned material below, pay attention to the following key points:

- Characteristics of intangible assets
- Types of intangible assets
- Acquisition cost of goodwill
- Amortizations and impairments of intangible assets
- Research and development activities
- Accounting for research and development and similar costs
- Presentation of intangible assets and research and development costs in financial



statements

- Key differences in accounting for intangible assets under GAAP and IFRS

Read the following sections in Intermediate Accounting:

- Pages 650–676 and 693–697 in [Chapter 12: "Intangible Assets"](#)

Review the following infographic and note the key similarities and differences of GAAP and IFRS.

- ["Intangible Assets Under GAAP and IFRS"](#)

Apply

Complete the following [WileyPLUS](#) activities:

- Chapter 12 (a) Readings and Resources
 - Review Study Guide
 - View the Applied Skills and Solution Walkthrough videos
 - Review PowerPoint Review
 - The e-text has been included in this section for easy access.
- Chapter 12 (b) Exercises
- Chapter 12 (c) IFRS Self-Test
- Chapter 12 (d) Practice Questions
- Chapter 12 (e) Self-Assessment Quiz
- Chapter 12 ORION

Liabilities

Liabilities are defined as probable future sacrifices of economic benefits arising from present obligations of a company to transfer assets or provide services to other entities in the future as a result of past transactions or events. There are two basic divisions, based on due date of such obligations, which liabilities are classified by: current liabilities and long-term debt. The subject of liabilities covers measurements and reporting issues of both current liabilities and long-term debt.

Current Liabilities

If due dates of obligations are within a single operating cycle or a year, those obligations are classified as current liabilities. A contingency is an existing condition, situation, or set of circumstances involving potential losses or gains that will not be resolved until some future event occurs. This topic covers accounting issues related to current liabilities and contingencies. After reviewing the topic, you will be able to identify what current liabilities are, how to account for short-term liabilities and payroll-related liabilities, and how to account for contingencies. Additionally, you will be able to identify the key differences in the accounting for current liabilities and contingencies under GAAP and IFRS.

This topic addresses the following competency:



- **Competency 3021.1.6: Liabilities**
The graduate accounts for liabilities.

This topic highlights the following objectives:

- Identify examples of current liabilities.
- Explain how to account for short-term liabilities.
- Explain how to account for payroll-related liabilities.
- Explain how to account for contingencies.
- Identify the key differences in the accounting procedures for current liabilities and contingencies under GAAP and IFRS.

Read: Chapter 13: "Current Liabilities and Contingencies"

As you complete the assigned material below, pay attention to the following key points:

- Examples of current liabilities
- Accounting for short-term liabilities
- Accounting for payroll-related liabilities
- Contingencies
- Key differences in the accounting procedures for current liabilities and contingencies under GAAP and IFRS

Read the following sections in Intermediate Accounting:

- Pages 702–729 and 753–759 in [Chapter 13: "Current Liabilities and Contingencies"](#)

Review the following infographic and note the key similarities and differences of GAAP and IFRS.

- ["Current Liabilities and Contingencies Under GAAP and IFRS"](#)

Apply

Complete the following [WileyPLUS](#) activities:

- Chapter 13 (a) Readings and Resources
 - Review Study Guide
 - View the Applied Skills and Solution Walkthrough Videos
 - Review PowerPoint Review
 - The e-text has been included in this section for easy access.
- Chapter 13 (b) Exercises
- Chapter 13 (c) IFRS Self-Test
- Chapter 13 (d) Practice Questions
- Chapter 13 (e) Self-Test Quiz
- Chapter 13 ORION



Long-Term Liabilities

Long-term debt consists of probable future sacrifices of economic benefits arising from present obligations that are not payable within a year or the operating cycle of the company, whichever is longer. Since the due date of obligations are longer than a year, the measuring and reporting of long-term debt is often more complex than short-term debt. After studying this topic, you will be able to account for the issuance, the periodic interest payments, and the retirement of bonds and notes payable. This topic also covers off-balance-sheet financing arrangements, the presentation of long-term debt on the financial statements, debt restructuring, and the key differences in the accounting procedures for long-term liabilities under GAAP and IFRS.

This topic addresses the following competency:

- **Competency 3021.1.6: Liabilities**
The graduate accounts for liabilities.

This topic highlights the following objectives:

- Describe various types of bonds.
- Define key terms used when issuing bonds.
- Explain how to account for the issuance of bonds.
- Explain how to account for the periodic interest payments on bonds.
- Explain how to account for the payment of debt (debt extinguishment).
- Identify the key difference in accounting for long-term notes payable and bonds payable.
- Explain how to account for the issuance of long-term notes payable.
- Explain how to account for the amortization of discounts on long-term notes payable.
- Identify special situations related to notes payable.
- Explain the purpose for off-balance-sheet financing arrangements.
- Explain the presentation of long-term debt on the financial statements.
- Describe the accounting for a debt restructuring.
- Identify the key differences in the accounting procedures for long-term liabilities under GAAP and IFRS.

Read: Chapter 14: "Long-Term Liabilities"

- Stated (coupon) rate
- Market (effective yield) rate
- Maturity (face or par) value
- Discount and premium
- Amortization of discount or premium
- Gains or losses from the extinguishment of bonds
- Imputation of interest rate
- Fair value option
- Off-balance-sheet financing arrangements
- Presentation of long-term debt on the financial statements
- Debt restructuring
- Key differences in the accounting for long-term liabilities under GAAP and IFRS



Read the following sections in Intermediate Accounting:

- Pages 764–796 and 815–818 in [Chapter 14: "Long-Term Liabilities"](#)

Review the following section in Intermediate Accounting:

- Pages 314–315 in [Chapter 6: "Accounting and the Time Value of Money"](#)

View the "Financial Calculator" video to learn more about the time value of money and how to how to calculate present value of bonds.

Note: To download this video, right-click the following link and choose "Save as...": [download video](#).

Read the following document to learn more about the presentation of long-term debt on the financial statements.

- ["Extinguishment of Debt Calculation"](#)

Review the following infographic and note the key similarities and differences of GAAP and IFRS.

- ["Long-term Liabilities Under GAAP and IFRS"](#)

Apply

Complete the following [WileyPLUS](#) activities:

- Chapter 14 (a) Readings and Resources
 - Review Study Guide
 - View the Applied Skills and Solution Walkthrough videos
 - Review PowerPoint Review
 - The e-text has been included in this section for easy access.
- Chapter 14 (b) Exercises
- Chapter 14 (c) IFRS Self-Test
- Chapter 14 (d) Practice Questions
- Chapter 14 (e) Self-Test Quiz
- Chapter 14 ORION

Final Steps

Congratulations on completing the activities in this course! This course has prepared you to complete the assessment associated with this course. If you have not already been directed to complete it, schedule and complete the assessment now.