



College of Business and Economics
Department of Accounting and Finance

Course Number	AcFn 2082
Course Title	Financial Accounting II
Degree Program	BA Degree in Accounting and Finance
Module	Financial accounting and reporting
ETCTS Credits	6
Contact Hours (per week)	4
Course Objectives & Competences to be Acquired	<p>The course is designed in such a way that it gives targeted students in – depth understanding of theoretical & Practical framework and principles of financial accounting. The exercises and problems that the students are supposed to workout at the end of each chapter are expected to make the students internalize different business cases which may be similar to cases of real business entities in Ethiopia. After completion of the course: Students are expected to:</p> <ul style="list-style-type: none"> • Acquire advanced knowledge on how to measure and report complex economic events of business enterprise. • Treat cases in financial accounting that would be covered in this course properly, especially in Ethiopian context.
Course Description	<p>This course is the continuation of Financial Accounting – I. It is one of the core accounting courses offered by the department. Like the first part, it is basically deals with theory of financial accounting for business organization. It also tries to introduce students with the financial accounting applications in the Ethiopian business environment. Topics included are: inventories, long term investment, debts and current liabilities.</p>
Course Contents	
1. Property, Plant, and Equipment <ol style="list-style-type: none"> 1.1. Characteristics of Property, plant, and equipment 1.2. Acquisition cost of PPE 1.3. Valuation of PPE 1.4. Treatment of costs incurred subsequent to acquisition 1.5. Depreciation and Depletion 1.6. Disposition of PPE 1.7. Types of intangible assets 1.8. Impairment of intangible assets 1.9. R&D costs 	
2. Current Liabilities, Provisions, and Contingencies <ol style="list-style-type: none"> 2.1. Nature and Types of current liabilities 2.2. Recognition and measurement of current liabilities 2.3. Contingencies 	

2.4. Presentation of current liabilities
3. Non-Current Liabilities 3.1. Nature of long-term debt 3.2. Types of bonds 3.3. Accounting for term bonds 3.4. Accounting for serial bonds 3.5. Extinguishment of Long-Term Debt
4. Accounting for Investments in equity and debt securities 4.1. Accounting for short-term investments in equity and debt securities 4.2. Nature of Long-Term Investments 4.3. Long-Term Investments in Common stock 4.4. Long-Term investments in Bonds 4.5. Special problems in Accounting for Long-Term Investments in Securities 4.6. Other Long -Term investments
5. Shareholders' Equity 5.1. Overview of Ethiopian company law 5.2. Types of shares (stocks) 5.3. Paid -in capital 5.4. Retained earnings 5.5. Dividends 5.6. Stock options and stock splits
6. Accounting for Leases 6.1. Types of leases 6.2. Overview of Ethiopian lease business law 6.3. Basic lease accounting issues 6.4. Accounting for operating leases: Lessee and Lessor 6.5. Accounting for capital leases: Lessee and Lessor 6.6. Special Issues in accounting for capital leases
7. Accounting Changes and Error Analysis 7.1. Types of accounting changes 7.2. Approaches to recording and reporting accounting changes 7.3. Error correction and analysis
8. Revisiting Statement of Cash Flows 8.1. Classifications of cash flows 8.2. Comprehensive illustration of statement of cash flows 8.3. Significant non-cash financing and investing activities
<u>Text Book and Reference Books</u> <ul style="list-style-type: none"> • Smith and Skausen, intermediate accounting: Comprehensive volume 5th Ed.(south western pub. Co. 1984) • Ellia and Thacker, intermediate accounting,(McGraw-Hill 1982) • Meigs and others, intermediate accounting 4th Ed. • Simons, Arary, intermediate accounting (standard volume), 6th Ed. South Western Pub. Co. • FASB, objective's of financial reporting by business Enterprise: statement of financial accounting concepts No.1(Stanford Nov.1978.) • FASB Element of financial statements, statement of financial accounting concepts No.6 Stanford Dec 1995.