<table>
<thead>
<tr>
<th>Date</th>
<th>Reading</th>
<th>Assignment</th>
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<tbody>
<tr>
<td>Sept. 2</td>
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<td>E13-2,7; P13-2</td>
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<td>9</td>
<td>13(Part B)(575-586)</td>
<td>E13-10,11; C13-18*: Attached Subsequent Event Problem</td>
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<tr>
<td>11</td>
<td>4(152-166)* + Handout</td>
<td>P4-2**</td>
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<tr>
<td>16</td>
<td>4(167-172) &amp; Appendix</td>
<td>P4-5**; Q4-14</td>
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<tr>
<td>18</td>
<td>12(520-532)</td>
<td>E12-8*; P12-4*</td>
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<td>23</td>
<td>12(520-532)</td>
<td>E12-6*; P12-3*</td>
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<td>25</td>
<td>12(533-541) &amp; Appendix 12A</td>
<td>E12-16; P12-7: Attached CSV Problem</td>
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<td>30</td>
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<td>Oct. 2</td>
<td>14*(604-617)</td>
<td>E14-3; P14-1,3</td>
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<tr>
<td>7</td>
<td>14*(604-617) + Handout Bond Amortization Tables</td>
<td>E14-10,6*</td>
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<tr>
<td>9</td>
<td>14(617-628)</td>
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<td>14</td>
<td>14(628-634, 644-647)</td>
<td>E14-18; P14-18; C14-12*</td>
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<tr>
<td>16</td>
<td>15(670-680)</td>
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<td>15(680-686)</td>
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<td>23</td>
<td>15(687-702)</td>
<td>Attached Lease Problem A+ and B+</td>
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<td>28</td>
<td>15(702-709)</td>
<td>E15-22,23; P15-10(situations 3 &amp; 4 only)*</td>
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<td>19(890-905)</td>
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<td>19(905-911)</td>
<td>P19-2(Part 1), P19-3(Part 1)<em>; E19-8</em></td>
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<td>11</td>
<td>HOLIDAY</td>
<td>- - -</td>
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<tr>
<td>13</td>
<td>19(912-923)* + Handout on Stock Dividends and Splits</td>
<td>P19-5; Attached Stock Dividend Problem</td>
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<tr>
<td>18</td>
<td>Appendix 19A + Handout on Pref. Dividend Examples</td>
<td>P19-12; Attached Preferred Dividend Problem</td>
</tr>
<tr>
<td>20</td>
<td>20(Part A) + EPS Chart &amp; WACSOS Handouts</td>
<td>E20-6,7; P20-4*</td>
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<tr>
<td>25</td>
<td>20 (Part B)</td>
<td>P20-7; P20-10</td>
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<tr>
<td>27</td>
<td>HOLIDAY</td>
<td>- - -</td>
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<tr>
<td>Dec. 2</td>
<td>20 (Part C)</td>
<td>Handout EPS Problems 1, 2+, 3+</td>
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<tr>
<td>4</td>
<td>22*, Appendix 22B + Cash Flow Process Handout</td>
<td>Handout Problems 22-32* and 22-33*</td>
</tr>
<tr>
<td>9</td>
<td>22*</td>
<td>Completely redo National Brand Co (pgs. 1035-1051) using T-account method.*</td>
</tr>
<tr>
<td>11</td>
<td>22*</td>
<td>Handout Problem 22-51+*</td>
</tr>
<tr>
<td>Final Week - Exam III Section 1 Monday, December 15, 10:10-11:40AM</td>
<td></td>
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- **Key:** *Additional info on back page* + Each worth 3 homework checks
- Last day to drop is October 13. No drops will be signed after this date. (NOTE: This date is too late for a refund.)
- **Basic grading standards:** 90% for an A, 80% for a B, 70% for a C, and 60% for a D.
- Homework points are based on homework turned in and credit received as a percent of total points received on all homework collected. For example, if you get credit for 80% of the homework, you will get 40 points (50 x 80%).
• **Incomplete**s are not given for failing grades. See the university catalog for the conditions under which an incomplete may be given.

• There are no **makeup exams** unless you contact me in advance and I agree to an alternative. Makeup exams will be given **before** everyone else takes the exam, not after. Few makeup exams will be given.

• There are no **extra assignments** to improve grades.

• Homework will be collected daily. No late homework will be accepted unless I decide the reason is sufficient. **The syllabus and/or homework assignments may change with advance notice either in class or by e-mail. You are responsible for all changes.** No credit will be given on homework or exam problems unless all calculations are shown and labeled. If pages assigned don't correspond exactly with homework assigned, keep reading until you cover the homework material.

**Additional Information**

C13-18 Calculate the data for both years given.

Chapter 4 – Exhibit 4-1E on page 161 is wrong. Do not use it.

P4-2 Also do closing entries each year.

P4-5 Do the problem in the book. Then, for Parts 2 and 3, assume that all the clients said they refused to make any more payments, so on Jan. 3, 2002, all the inventory was repossessed. At that time the inventory only had a value of $100,000. Give the entry to record this repossession. **Hint:** Installment receivable, deferred gross profit, inventory, and a gain or loss on repossession will be the accounts used in this entry.

E 12-8 1) Include closing entry(s) for 2003. 2) Complete the exercise from the book. Then, instead, assume that Grocers was not sold on January 5, 2004. Assume that it was held until March 15, 2004 and was reclassified as an available for sale security. Do the entry for each assumption.

a) the market value for Grocers was $5 per share

b) the market value for Grocers was $3 per share

P12-4 Note that the problem includes info that happened during the year before you started doing entries in Dec. You need to include this info to do Part 2. Setting up T-accounts and posting to them always helps.

E12- 6 In addition to the requirements in the book: 1) Include closing entry(s) for 2003. 2) Assume that on March 5, 2004, the Platinum Gauges shares were reclassified as trading securities. Do the entry for each assumption. a) the market value for Platinum was $35 per share

b) the market value for Platinum was $25 per share

P12-3 Also do closing entry(s) for 2003. And, there is a printing error in the book. The last sentence in the problem says there are no investments held by Ornamental on 12/31/03. It should say none were held at 12/31/02. As you can see, after you do the entries for 2003, the company certainly does hold investments at the end of that year.

Chapter 14 – Ignore the examples of straight line amortization on page 614. Except for E14-13, we will only use the effective interest method on all homework. **Use the handout bond amortization tables for more complete examples on how to do a complete amortization table.**

E14-6 Do prepare an amortization schedule for the first four years of the bond.

E14-13 and E14-14 **Hint:** Do all entries for one party and then do all the entries for the other party rather than trying to both simultaneously. For example, on E14-13, do all Gless entries first, then do all of the Century entries next. Also, on E14-13, do use the SL method to save time.

C14-12 Review Part B of Chapter 4 before you do this case.

E15-1 Do all the entries for both years.

E15-2 Do entries for all three years for Winn and the lessor.

P15-10 Only do Part A (4-7) and Part B (9 & 10). Also do the initial entry for lessee and lessor.

E19-2 Assume the market value of the stock is $9 per share for the entire year. Then, after completing all the entries, redo the last entry assuming that you did not know the market value of the stock.

P19-3 Only do the par value and cost methods. Skip the retired method.

E19-8 Note that the problem is already in millions of dollars, so don't do millions on top of that as book indicates.
Day 3 on Chapter 19  Skip the section on Stock Dividends and Splits in the text and read the handout material instead.

P20-4  Assume stock dividend was given on May 1, not May 15.

Chapter 22 – Do all homework using the T-account method instead of the spreadsheet method.

22-32 and 22-33  Do all entries. Post to T-accounts. Do a proper Cash Flow Statement.

Chapter 22 – National Brand problem.  Redo all entries and fill in T-account sheets that were given to you. Check to see if your overall work would have resulted in the Cash Flow Statement on page 1028. Also do the Indirect Method after completing the above assignment.

P22-51  1) On the Balance Sheet – Deferred Income taxes is just an income tax long term liability, so treat it as such.  2) Also on the Balance Sheet – Accounts Receivable is shown net of uncollectible accounts, so treat it as A/R, net. Don’t set up a separate account for Allowance for Uncollectible Accounts.  3) On the Income Statement – Income taxes is broken into current and deferred, but just treat it as one expense account in the amount of $90,000 – don’t treat it as two accounts. Set up T-accounts. Do all entries. Post to T-accounts. Do a proper Cash Flow Statement.

Points

<table>
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<tr>
<th>Points</th>
<th>Description</th>
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<tbody>
<tr>
<td>450</td>
<td>3 Midterm Exams (each worth 150 points)</td>
</tr>
<tr>
<td>30</td>
<td>2 cases (each worth 15 points)</td>
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<td>50</td>
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</tr>
<tr>
<td>530</td>
<td>Total points</td>
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</tbody>
</table>

Case Assignments – FOLLOW DIRECTIONS

I will assign you to teams of three during class on September 4. (If one of your partners drops the class, you will just have a team of two members.) You may not change team members. You must complete two cases before the semester is over. You may not do two cases from the same chapter. You may only turn in one case from the last three chapters. Choices are noted below. Read the case. Type a response to the requirements in the case. Handwritten information will be ignored. All team members must sign a paragraph stating what percent of work each did on each case. For this, there must be individual signatures, not a typed name. Scores will be assigned accordingly. Turn the case in the class period immediately following the chapter in which you did the case. For example, if you chose Ethics C13-4, it is due on September 11, the first class day after Chapter 13. If the next class period is an exam, then the case will be due on the class period after the exam date. Late cases won’t count. Everything will be graded including typos, writing skills, neatness, completeness, comparison to other cases received, as well as appropriate thoughtfulness in the answers. Cases will be graded 0-15 points. No exceptions to the above guidelines will be made.

- I am not a resource for these cases. The assignments will be graded on your own teamwork and your joint attempt at a good answer.
- Use the information from the chapter to discuss the cases. Each case is attached to a chapter that relates to the topic in the case.
- Here is a list of the cases that are eligible for assignments: C13-4, C4-4, C4-8, C12-1, C14-1, C14-19, C15-8, C19-2, C19-7, C20-1, C22-1

Free Points –Send your e-mail address to me via e-mail by September 9, 4 PM. YOU WILL BE GIVEN 5 ‘FREE’ POINTS IF YOU DO THIS BY THE DEADLINE. I will send you class information via e-mail, so you should check your e-mail several times a week. My e-mail address is on the top of the front of this syllabus.

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SUBSEQUENT EVENT PROBLEM
Chapter 13

Zippy Company's year end on December 31, 2002 and the company issues its financial statements on the following February 1, 2003. Below are some events that occurred during 2003. Indicate the appropriate treatment for each of the events in Zippy's financial statements for 2002.

Jan. 3 Sale of common stock
10 Wrote off an account receivable after finding out that one of Zippy's customers went bankrupt. The bankruptcy litigation was in progress at the end of 2002.
14 A rain storm created a huge flood that destroyed one of Zippy's warehouses.
18 Negotiated and purchased a new line of business in January. The papers were signed today.
21 Purchased inventory
22 Wrote off an account receivable because one of Zippy's customer's lost his business when it was destroyed by an earthquake in mid-January.

CASH SURRENDER VALUE HOMEWORK PROBLEM
Chapter 12

On January 2, 1998, Filbert Company insured its president with a $100,000 face-value insurance policy with Filbert as the beneficiary. Premiums are $1,900 per year and are payable each January 2, beginning in 1998. The cash surrender value after each of the three payments is as follows:

<table>
<thead>
<tr>
<th>Cash Surrender Value (CSV)</th>
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<tbody>
<tr>
<td>Jan. 2, 1998</td>
</tr>
<tr>
<td>Jan. 2, 1999</td>
</tr>
<tr>
<td>Jan. 2, 2000</td>
</tr>
<tr>
<td>$0</td>
</tr>
<tr>
<td>$300</td>
</tr>
<tr>
<td>$650</td>
</tr>
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Filbert makes each payment at the beginning of the year and that is when the CSV accrues to the company. So, at each payment date, Filbert debits the Prepaid Expense account and the CSV account and then adjusts the Prepaid account each December 31, the end of its financial reporting period.

1) Prepare all general journal entries required for this insurance policy from January 2, 1998, through December 31, 2000.
2) Assume that the president dies on March 15, 2000. Give the appropriate entry for Filbert.
3) Instead, assume the president retires on March 15, 2000. Give the appropriate entry for Filbert.
LEASE PROBLEM A  
Chapter 15

- Lessor's cost of the leased asset is $30,000.
- Lease term is 4 years starting January 1, 1999.
- Estimated useful life of the leased asset is 6 years. Estimated residual value at the end of the 6 years is zero.
- It is estimated that on January 1, 2003, the unguaranteed residual value of the leased asset will be $4,000.
- The lease has a purchase option of $4,500 at the end of the lease term.
- Straight-line depreciation is used by both parties.
- Lessee's incremental borrowing rate is 18%. The bank prime rate of interest is only 10%.
  (Hint: the lessee is high risk and collectibility of lease payments from them is not reasonably predictable.)
- The lessor's implicit rate is 16% and the lessee knows this.

NOTE:  
 PV1, 4p, 16% = .55229;  PVOA, 4p, 16% = 2.79818;  PVAD, 4p, 16% = 3.24589
- Title does not transfer unless the purchase option is used.
- Sales price of the leased asset on January 1, 1999 is $40,000.
- Lessor has no unreimbursable cost uncertainties.
- Four annual lease payments are due on January 1 of each year during the lease term, and the first payment of $11,643 is due at the inception of the lease term.
- The accounting year ends on Dec. 31 for both parties.

Round all work to the nearest dollar for this problem.

1. What type of lease is this to the lessee? To the lessor? Show your work for each answer.
2. Do the entry or entries for the lessee at January 1 and Dec. 31, 1999.
3. Do the entry or entries for the lessor at January 1 and Dec. 31, 1999.

LEASE PROBLEM B  
Chapter 15

- Cost of the crane to the lessor was $150,000.
- Estimated useful life of the crane is 10 years and the estimated residual value at the end of the 10 years is $10,000.
- Selling price of the crane is $200,000.
- There is no title transfer and no bargain purchase option in the lease.
- Estimated residual value at the end of the lease term is $20,000 and it is not guaranteed by any party.
- Lessee's incremental borrowing rate is 12% and the lessee also knows that the lessor's implicit rate is 10%.
- Future payments are expected to be predictable and there are no cost uncertainties left out of the contract.

1. What type of lease is this for the Lessee? Check all four criteria and show all work for your answer.
2. What type of lease is this for the Lessor? Check all four criteria plus the two additional lessor criteria and show all work for your answer.
3. Do a complete amortization table for the lessee and the lessor. (Hint: they are not the same table.)
4. For both the Lessee and Lessor, give the entry or entries at the inception of the lease and at the first payment date.

These problems were modified and taken from Intermediate Accounting, 4th edition, by Dyckman, Dukes and Davis, (Irwin McGraw-Hill Publishers.)
STOCK DIVIDEND (AND STOCK SPLIT) HOMEWORK PROBLEM
Chapter 19

Simco Corporation has the following stockholders equity:

- Common Stock, Par #12, 20,000 shares outstanding .......... $240,000
- Additional Paid in Capital ........................................... 70,000
- Retained Earnings ..................................................... 500,000

Each of the following is an independent case:

1) a. Assume Simco declared and paid a 10% stock dividend during the year. Show the entry to declare the dividend and a separate entry to pay the dividend.
   b. Redo stockholders equity after the above entries.
2) a. Assume Simco declared and paid a 30% stock dividend during the year. Show the entry to declare the dividend and a separate entry to pay the dividend.
   b. Redo stockholders equity after the above entries.
3) a. Assume Simco gave out a 3-for-1 stock split. Prepare a memo indicating what happened due to the split.
   b. Redo stockholders equity after the stock split.

PREFERRED STOCK DIVIDEND HOMEWORK PROBLEM
Chapter 19

Five Cases: Compute Dividends

The charter of Gum Corporation authorized 5,000 shares of 6% preferred stock, par value $20 per share, and 8,000 shares of common stock, par value $50 per share. All of the authorized shares have been issued. In a five-year period, annual dividends paid in chronological order were $4,000, $40,000, $32,000, $5,000, and $36,000, respectively. Compute the dollar amount of dividends that would be paid to each class of stock for each year under the following separate cases:

Case A - preferred stock is noncumulative and nonparticipating
Case B - preferred stock is cumulative and nonparticipating
Case C - preferred stock is noncumulative and fully participating
Case D - preferred stock is cumulative and fully participating
Case E - preferred stock is cumulative and partially participating up to an additional 2%; also assume that the dividend for year 5 was $42,000 instead of $36,000.