

The Hong Kong University of Science & Technology
Department of Accounting

ACCT3020 – Financial Accounting II
Spring 2026
Course Outline

Instructor: Dr. Steven Cheung (acstcheung@ust.hk)
Office hours: Thursday 16:30-17:30, LSK Room 6043
Classes: L1: Wednesday 16:30-17:50 / Friday 16:30-17:50, LSK Room 1014
L2: Wednesday 13:30-14:50 / Friday 13:30-14:50, LSK Room 1014
L3: Wednesday 15:00-16:20 / Friday 15:00-16:20, LSK Room 1014
Course website: <https://canvas.ust.hk>

TA: Vincent LEUNG (vincentltm@ust.hk)
TA office hours: Friday 16:00-18:00, LSK Room 6066 (By email appointment)

1. Course Objectives

This course is primarily designed for students who have already taken ACCT3010. In this course, you are expected to master the accounting principles for a wide range of liability and equity transactions, including long-term liabilities and provisions, corporate bonds, equity transactions and dividends, deferred taxation, and pensions and leases.

2. Intended Learning Outcomes (ILOs)

At the end of this course, you should be able to:

- 1) Have an in-depth grasp of financial accounting frameworks.
- 2) Become an effective user of financial accounting information, interpret financial strategies, assess financial risk and understand financial accounting choices made by managers.
- 3) Understand the role played by accountants in providing and ensuring the integrity of financial and related information.
- 4) Demonstrate an understanding of the international dimensions of accounting.
- 5) Demonstrate an understanding of the accounting environment in Hong Kong.

3. General Approach

We will combine a user's perspective (i.e., to understand and use accounting information) with a preparer's perspective (i.e., to prepare accounting information in the form of journal entries and financial statement presentations). Therefore, the lectures will discuss both the economic intuitions of business transactions and related accounting principles and methods.

Before each lecture, you are expected to preview the readings corresponding to the learning objectives in each chapter. Each lecture will start with concepts introduction, followed by problem-solving, application and discussions. During the course, homework assignments will be assigned for your practice. The work after each class and the stress for exams will be greatly reduced if you prepare before class, ask for clarification questions in class and do exercise timely after class.

4. Course Materials

- Required textbook: Kieso, Weygandt, Warfield. *Intermediate Accounting: IFRS Edition*, 5th edition (2024), John Wiley & Sons.
- Students may use either print copy or electronic copy of the textbook provided with New WileyPLUS. In the latter case, apart from accessing e-text and self-practice modules on computer, the e-text can also be downloaded on multiple mobile devices using Bookshelf and the purchased access code. A dedicated course website will be set up in WileyPLUS and all entitled users will receive access codes for logging into this website.
- Handouts: PowerPoint slides and/or PDF documents used in class will be posted on Canvas. You are encouraged to print the required teaching materials and bring them to class. **Please do NOT distribute the slides or post them on public websites without the instructor's permission.**
- You are encouraged to bring a financial calculator and scratch paper/tablet to classes.

5. Assessments

You will be assessed by one individual homework assignment, two midterm exams, and one final exam, as summarized below:

Assessment	Weight in Grading	Mapped ILOs	Explanation
One online homework assignments	10%	ILO 1-5	This task solidifies students' basic understanding of financial accounting concepts and ability to apply them to fundamental problems.
Midterm exam 1 (Non-cumulative)	20%	ILO 1-5	These tasks are designed to assess students' comprehensive understanding of financial accounting concepts and ability to apply them to complex problems.
Midterm exam 2 (Non-cumulative)	20%	ILO 1-5	
Final exam (Cumulative)	50%	ILO 1-5	

Final Grade Descriptors:

Grades	Short Description	Elaboration on subject grading description
A	Excellent Performance	Demonstrates a comprehensive grasp of subject matter, expertise in problem-solving, and significant creativity in thinking. Exhibits a high capacity for going beyond core requirements to achieve learning goals.
B	Good Performance	Shows good knowledge and understanding of the main subject matter, competence in problem-solving, and the ability to analyze and evaluate issues.
C	Satisfactory Performance	Possesses adequate knowledge of core subject matter, competence in dealing with familiar problems, and some capacity for analysis and critical thinking. Shows persistence and effort to achieve broadly defined learning goals.
D	Marginal Pass	Has threshold knowledge of core subject matter, potential to achieve key professional skills, and the ability to make basic judgments.
F	Fail	Demonstrates insufficient understanding of the subject matter and lacks the necessary problem-solving skills. Shows limited ability to think critically or analytically and exhibits minimal effort towards achieving learning goals.

This course adopts criterion-referenced assessment

A) One online homework assignments

One homework assignment will be posted on Canvas. You are expected to take the homework independently before the required deadline. The purpose of these assignments is to encourage timely review of the topic and to reward your efforts spent on studying the teaching materials. **Please remember to submit your answers to the homework assignment before the submission deadline. You will not receive any points if you fail to submit homework assignment on time.**

B) Two midterm and one final exams

Two midterm and one final exam will be conducted in person. The arrangement and details for both exams will be announced later. Both midterms are non-cumulative, while the final is cumulative. No make-up arrangement would be given for the mid-term exams. Students absent from mid-term exams will receive no mark for the components, except for highly unusual circumstances that cannot be controlled and avoided by the student – in which case the instructor will make special arrangement(s) that is best and fair to meet the course requirements in each case. No make-up exam will be given for the final exam except for medical reasons supported by proper documentation.

C) Communication and Feedback

Assessment marks for individual assessed tasks will be communicated via Canvas within two weeks of submission. Feedback on assignments will be provided on Canvas. Students who have further questions about the feedback including marks should consult the instructor within five working days after the feedback is received. After five working days, no amendments to the marks will be made.

6. Academic Integrity

The University places a strong emphasis on academic integrity. Please refer to <http://ugadmin.ust.hk/integrity/regulations-1.html> for school policies and regulations on plagiarism. Any academic dishonesty noted in this course will lead to a failure grade which will delay your graduation.

7. Course AI Policy

The use of generative artificial intelligence tools to complete assessment tasks is prohibited.

8. Tentative Schedule (Subject to Changes)

Important dates for all students:

Date	Activity
March 22, 11:59 pm	Homework 1 due for submission
March 9 (Monday), 7:30pm – 9:30pm	Midterm Exam 1
April 17 (Friday), 7:30pm – 9:30pm	Midterm Exam 2

Dates for class meetings (subject to changes):

Dates	Topics
Feb 4	Chapter 13. Current liabilities, provisions and contingencies
Feb 6	Chapter 13. Current liabilities, provisions and contingencies
Feb 11	Chapter 13. Current liabilities, provisions and contingencies
Feb 13	Chapter 14. Non-current liabilities
Feb 18	No class (Lunar new year holiday)
Feb 20	Chapter 14. Non-current liabilities
Feb 25	Chapter 14. Non-current liabilities
Feb 27	Chapter 15. Equity and additional topic: ESG
Mar 4	Chapter 15. Equity and additional topic: ESG
Mar 6	Chapter 15. Equity and additional topic: ESG
Mar 9	Midterm Exam 1 (Ch 13, 14, 15), 7:30pm – 9:30pm
Mar 11	Chapter 16. Dilutive securities and earnings per share
Mar 13	Chapter 16. Dilutive securities and earnings per share
Mar 18	Chapter 16. Dilutive securities and earnings per share
Mar 20	Chapter 17. Investments
Mar 22	Assignment due date (11:59 pm)
Mar 25	Chapter 17. Investments
Mar 27	Chapter 17. Investments
Apr 1	Chapter 19. Accounting for income taxes
Apr 3	No class (Midterm Break)
Apr 8	No class (Midterm Break)
Apr 10	Chapter 19. Accounting for income taxes
Apr 15	Chapter 19. Accounting for income taxes
Apr 17	Midterm Exam 2 (Ch 16, 17, 19), 7:30pm – 9:30pm
Apr 22	Chapter 20. Accounting for pensions and postretirement benefits
Apr 24	Chapter 20. Accounting for pensions and postretirement benefits
Apr 29	Chapter 20. Accounting for pensions and postretirement benefits
May 1	No class (Labor Day)
May 6	Chapter 21. Accounting for leases
May 8	Chapter 21. Accounting for leases
TBC	Final Exam (Cumulative)

Rubrics for assessments

Assignment (10%)

Topic(s)	Excellent (10-8%)	Good (Below 8%-6%)	Satisfactory (Below 6%-5%)	Marginal (Below 5-4%)	Fail (Below 4%)
ESG and Chapters 13, 14, 15, 16, and 17	Students provide excellent responses demonstrating a comprehensive understanding of the topics. Students excel in related accounting practices	Students give good responses showing a solid understanding of the topics. Competent in related accounting practices	Students' answers contain noticeable inaccuracies. Limited understanding of the topics. Weak in related accounting practices	Responses are largely incorrect. Students show minimal understanding of the topics. Significant errors in related accounting practices	No submission. Poor understanding of topics. Unable to demonstrate related accounting practices

Midterm One (20%)

Topic(s)	Excellent (20%-17%)	Good (Below 17%-14%)	Satisfactory (Below 14%-10%)	Marginal (Below 10%-8%)	Fail (below 8%)
Understanding of Current Liabilities, Provisions, and Contingencies	Students excellently explore the stages of current liabilities, provisions, and contingencies, analyzing their implications with no errors.	Students display a good understanding of current liabilities, provisions, and contingencies with minor errors in their analysis of implications.	Students exhibit some understanding, but their analysis contains noticeable inaccuracies regarding current liabilities, provisions, and contingencies.	Students show limited understanding with significant errors in exploring current liabilities, provisions, and contingencies, impacting their analysis of implications.	No submission, indicating a lack of basic understanding in current liabilities, provisions, and contingencies.

Understanding of Non-current Liabilities	Students excel in exploring non-current liabilities and analyze their impact without any errors.	Students demonstrate a good understanding of non-current liabilities, with minor errors in their analysis.	Students have some understanding but make errors in their assessment of non-current liabilities.	Students show limited understanding of non-current liabilities, with significant mistakes impacting their analysis.	No submission, indicating a lack of basic understanding in non-current liabilities.
Understanding of Equity	Students excellently analyze equity's implications for financial health and management strategies, demonstrating comprehensive knowledge.	Students show a good understanding of equity with minor errors in their evaluations of implications for financial health and management strategies.	Students display some understanding of equity, but their analysis contains inaccuracies.	Students exhibit limited understanding of equity with significant errors affecting their analysis.	No submission, indicating a lack of basic understanding of equity.
Understanding of ESG	Students excellently analyze ESG's reports and demonstrate comprehensive knowledge.	Students show a good understanding of ESG with minor errors in their evaluations	Students display some understanding of ESG, but their analysis contains inaccuracies.	Students exhibit limited understanding of ESG, with significant errors affecting their analysis.	No submission, indicating a lack of basic understanding of ESG.

Midterm Two (20%)

Topic(s)	Excellent (20%-17%)	Good (Below 17%-14%)	Satisfactory (Below 14%-10%)	Marginal (Below 10%-8%)	Fail (below 8%)
Dilutive Securities and Earnings Per Share	Students excel in exploring dilutive	Students demonstrate a good	Students show some	Students exhibit limited	No submission. Their answers

	securities and earnings per share, analyzing their impact on financial statements and investor decisions comprehensively	understanding of dilutive securities and earnings per share, with minor errors in the analysis of their effects on financial statements.	understanding but make errors in analyzing the impact of dilutive securities and earnings per share on financial statements and investor decisions.	understanding, with significant errors affecting their analysis of dilutive securities and earnings per share.	indicate a lack of basic understanding of dilutive securities and earnings per share.
Investments	Students demonstrate excellent comprehension of investments, analyzing valuation methods and their implications for financial reporting and investment strategies.	Students have a good understanding of investments, evaluating valuation methods and their implications, but some minor errors are present.	Students show some understanding of investments, but their analysis contains errors related to valuation methods and their implications for reporting and strategy.	Students display limited understanding of investments, with significant errors in assessing valuation methods and implications for financial reporting.	No submission. Their answers indicate a lack of basic understanding of investments.
Accounting for Income Taxes	Students exhibit a comprehensive understanding of accounting for income taxes, analyzing tax liabilities and deferrals with clarity and detail.	Students demonstrate a good understanding of accounting for income taxes, analyzing tax liabilities with minor errors affecting clarity and detail.	Students show some understanding of income tax accounting but make errors in analyzing tax liabilities and deferrals.	Students have limited understanding of accounting for income taxes, with significant errors in their analysis of tax liabilities and deferrals.	No submission. Their answers indicate a lack of basic understanding of accounting for income taxes.

Final Exam (50%)

Topics	Excellent (50%-43%)	Good (Below 43%-35%)	Satisfactory (Below 35%-28%)	Marginal (Below 28%-20%)	Fail (Below 20%)
All topics	Students demonstrate excellent knowledge in integrating the knowledge of the courses	Students demonstrate good knowledge in integrating the knowledge of the courses	Students demonstrate some knowledge in integrating the knowledge of the courses	Students demonstrate limited knowledge in integrating the knowledge of the courses	Students fail to demonstrate knowledge in integrating the knowledge of the courses.