

WQ 18 ACCT5330 ADVANCED ACCOUNTING

INSTRUCTOR AND CLASS INFORMATION

Instructor: Marinilka B. Kimbro
Office: **PIGT 505**
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Lecture times **PIGT 201 Wednesdays 6:00 PM – 8:40 PM**
Office Hours: Monday & Wednesdays: 3:40 – 5:40 PM
Online Content: CANVAS and www.mybusinesscourse.com
MyBusinessCourse: <https://mybusinesscourse.com/?code=6617-13204>
Final Exam: Wednesday, March 21, 2018 @ 6:00PM

COURSE OBJECTIVES

- To learn how to evaluate the accounting implications of an economic event by applying the principles, standards, and practices of financial accounting.
- To understand the theory and development of financial accounting practices associated with international transactions and business combinations.
- To understand the role of financial reporting in the development and functioning of efficient capital markets and optimal capital allocation processes.
- To understand the issues associated with the development of multi-entity structures through business combinations and other forms of ownership and control.
- To learn the conceptual framework for the study of consolidated financial statements.
- To understand the procedures used to develop a complete set of consolidated financial statements for the combined entity.
- To understand the nature of inter-company transfers of non-current assets and inter-company inventory transactions.
- To understand the role of the SEC and its regulatory structure.
- To understand the rules, procedures and reporting requirements of the SEC for public listing offerings of equity and debt.
- To review some of the problems associated with special-purpose and variable-interest entities as well as the ethical and legal implications of earnings and accrual management in this context.
- To understand and evaluate the impact of Sarbanes-Oxley requirements.
- To learn how to evaluate the impact of differences in various financial reporting environments (accounting rules and principles) and their influence in the functioning of international markets
- To understand the movement towards convergence and International harmonization of Financial Accounting

- To understand the major differences between US-GAAP and International Financial Reporting Standards.
- To analyze ethical dilemmas in financial accounting while developing the necessary analytical skills to recognize them and deal with them.

METHODOLOGY AND CLASS STRUCTURE

The first sessions of this course will review accounting for intercorporate investments and the issues related to the development of multi-entity structures. We will study business combinations and the reasons why this practice has become more relevant in recent years. These sessions will focus on the theoretical framework of consolidation procedures as well as the practical and technical applications necessary for the preparation of consolidated financial statements. Once you learn how to prepare consolidated financial statements, we will cover the effect of transactions that arise after the consolidation date.

We will also review SEC reporting issues, as well as the regulatory impact of Sarbanes Oxley, & Dodd-Frank and any impending or proposed changes in legislation that could alter these. We will review IFRS and the international forces towards harmonization. Specifically, we will evaluate SEC's Roadmap and the possible outcomes as they relate to IFRS and US-GAAP convergence and their impact on the topics of this course. In this regard, we will examine the major differences between IFRS and US-GAAP.

The last part of the course will study foreign currency transactions, hedging, foreign exchange risk and translation of foreign currency financial statements. Please note that accounting for State and Local government, not-for-profits (focusing on GASB financial model and financial reporting requirements for government financial statements and its comprehensive annual financial reports) will not be discussed in this class and will be covered in ACCT 5450 Not-for-profit accounting course.

In general, the class discussions will follow the order of the textbook. However, we will discuss current media articles related to advanced accounting topics as well as new FASB pronouncements that could change reporting guidelines. Of course, **this material will also be part of the course and therefore will be a component of the exams.**

The class will evolve according to the level of discussion and interaction, based on the order of the program. Thus, the schedule is just a framework in which the course will develop. At the end of the course there will be a practical, objective and **comprehensive** final exam.

TEXTBOOK & REQUIRED READINGS

ADVANCED ACCOUNTING, 3rd Edition 2017
with *mybusinesscourse* access code

by Halsey and Hopkins
Cambridge Publishers

ISBN: 978-1-61853-190-2

Textbook Web Site:

<https://cambridgepub.com/book/advanced-accounting-3rd>

MyBusinessCourse:

<https://mybusinesscourse.com/?code=6617-13204>

Since you need to complete HW assignments as well as the Quizzes through the text's online platform www.mybusinesscourse.com you must have a valid CODE and you must register in the website following the following instructions:

Course Name: WQ 18 ACCT5330 Advanced Accounting: Kimbro
Course ID: 6617-13204

<https://mybusinesscourse.com/?code=6617-13204>

REGISTRATION WITH STUDENT ENROLLMENT LINK

Use the information below to register for your Instructor-led section:

1. Follow or copy & paste the Student Enrollment Link into your browser
2. Select "Enroll"
3. Create an account, or login with an existing account
4. Choose the appropriate Access Option

STUDENT SUPPORT

View the user guide: https://mybusinesscourse.com/user_guide/student

To contact support directly, please visit: <https://mybusinesscourse.com/support>

You are **strongly** encouraged to buy the textbook, with the code for *mybusinesscourse*. First, you need to complete all the online quizzes through the site. Also, as stated above; there **will be an open book section in the final exam**. Again, please remember that all take home quizzes can only be completed through *mybusinesscourse*. Please note that I will not accept the illegal use of photocopied material, without proof of copyright permission by the authors and/or the publishers as per Law.

REGULAR READINGS:

You must keep abreast of the general business news and read the *Business Section* of the local newspaper as well as *The Wall Street Journal*, or *Financial Times*. Occasionally I will bring to class additional readings of local news that we will discuss in class as they relate to the class coverage.

We will discuss accounting issues as they relate to this class such as: new FASB proposed standards, Sarbanes-Oxley, SEC mandated restatements and IFRS conversion issues, among others.

COURSE EVALUATION

Your final grade in this course will be based on class assignments and participation, one partial exam, a case, and a final COMPREHENSIVE exam, as stated below.

Midterm Exam	35%
Daily class participation	10
Take home, <i>mybusinesscourse</i> quizzes	20 (highest 4)
<u>Final Comprehensive Exam</u>	<u>35</u>
TOTAL	100%

The final grade will be assigned according to the following scale:

A	92-100 %	4.00
A-	90-91	3.70
B+	88-89	3.33
B	83-87	3.00
B-	80-81	2.70
C+	78-79	2.30
C	72-77	2.00
C-	70-71	
D+	68-69	
D	65-67	
F	0-64	

CLASS ASSIGNMENTS

The **assignment** for each class meeting consists of some reading as well as some recommended practice problems. You are encouraged to practice with additional problems.

The book's website provides you with a great online resource of accounting working papers and excel worksheets to complete homework. Also, we will be using

MyBusinessCourse to practice assignments and for “take-home” quizzes. You should register at:

www.mybusinesscourse.com

Since we have limited time, most assigned problems *will not* be discussed during the class sessions, although we will discuss some problems in class. The solutions to the assignment and homework **will be provided after** we have finished discussing the Chapter. Of course, if you have a *specific* question about an assigned problem that we have not discussed in class, you can contact me and I will arrange a meeting to discuss it during my office hours.

This is a rigorous and demanding course, and you should plan to spend some time per week in advance preparation. **Working assigned problems is a critical factor** in successful completion of this course. A copy of the solutions manual is available in my office and assigned problems will be posted on the class website in the lesson section. Collaborative learning is used in this course to deal with assignments. Students are encouraged to discuss all assignments with their classmates.

Please note that assignment exercises and problems could require two to three hours for completion, in addition to the regular time required to read the theory. **The importance of homework is highly emphasized.** You **MUST** practice as much as possible.

CLASS PARTICIPATION

Intelligent, **relevant and to-the-point** discussion is expected of each student and will be an important part of the general evaluation of the course. I view class participation as both an opportunity and a responsibility. Class participation provides an opportunity for students to practice important career skills in a low-cost environment. Among other skills, these include the ability to express and defend one’s ideas. The cost of not having developed these skills will increase as you progress in your career (e.g., lost promotions). Class participation is also a responsibility, because students who attend class expect to learn from the viewpoints of their classmates (**I also expect to learn from you!**). Non-participating students do not provide their classmates and instructor with this important benefit. I therefore reserve the right to “cold call” students who are not participating in class discussions. My intent is not to embarrass you; rather, it is to help you get involved in the discussion where all of us can benefit from your comments. Unexcused absences will **definitely** affect your class participation grade. **Please be aware that just coming to class is NOT class participation.**

I will focus primarily on the quality of your input in grading class participation, however, it usually takes at least some quantity of participation to make that evaluation. I grade participation each session. A no-show attracts a zero. You are expected to attend ALL classes. You cannot make-up a class discussion that you have missed.

GRADING CRITERION FOR CLASS PARTICIPATION (all conditions apply)

90% or more	Extremely involved in almost all class discussions; Helped create an exciting class discussion on a regular basis; Occasionally provided relevant OUTSIDE of class reading material.
80% or more	Involved in almost all class discussions; Typically helped create an exciting class discussion; Once provided relevant outside reading material with some comments;
70% or more	Occasionally got involved in class discussions; Did not detract from creating an exciting class discussion;
60 % or more	Had some participation in classes: 50 – 60% of classes Did not detract from creating an exciting class discussion;
50% or less	Had a few interventions in class: 30 – 40% of classes Did not detract from creating an exciting class discussion;
40% or less	Had only two or three interactions in class 20-30% of classes Did not detract from creating an exciting class discussion;

QUIZZES

The quizzes will be administered online through the **mybusinesscourse platform** and are due on the scheduled date. I will open the quiz at least 24 hours before the date and time that it is due. All quizzes are timed so please make necessary arrangements to make sure that you can start and finish the quiz on time. **I will not provide any extensions.** I will only count the highest 4 grades.

EXAMS

Everything discussed in class will be examinable material. Please note that our class discussions will go **beyond** the book's theory, since we will discuss contemporary class related news as well as US-GAAP and IFRS developments. So, you must keep up with these additional class discussions.

There will be one partial (midterm) exam and one comprehensive final exam. All exams will reflect the coverage on the new-format of the CPA examination. The nature of the exams will be a mix of: a small matching section, multiple-choice questions and one or two problem/small cases: that test you analysis, judgment, communication and

understanding of the theory. **You must show all your work to receive credit on a computational problem. No credit will be given for an unsupported answer, even if the answer is correct.**

You must bring pencils, erasers, calculator, etc, to each exam. I will not permit calculator *sharing* during the exam, phones or “programmable” calculators.

There will be a 10 minute **open book section at the end of the partial exam** and a 15 minutes open book section at the end of the **final comprehensive exam**. At that time, you will be advised that you can use your book. The open book section will be strictly for **ONE bounded book** during the specific time allowed. No loose pages or documents will be permitted.

Makeup exams will be given only under extraordinary circumstances and with my prior permission. Please do not book tickets (or have your parents book tickets) for travel prior to the completion of the final exam week. Please plan family events after the final exam week.

COMMUNICATION

I will communicate through CANVAS and e-mail, and I'll post frequent announcements, so please check your e-mail and Blackboard on a daily basis. I also check my e-mail many times during the day, so PLEASE use e-mail to communicate with me. Try not to leave phone messages in my voice mail. If you need to talk to me, outside of office hours, please send an e-mail with your phone number and I'll try to call you ASAP.

LAPTOPS, PHONES, ETC,

The use of laptops, netbooks, I Pads, phones r PDAs in class to take notes, view PowerPoints or work on class projects is NOT allowed unless specifically instructed.

AUDIO AND VIDEOTAPING

Audio and videotaping for any class session is strictly prohibited without prior approval.

ACADEMIC HONESTY STANDARDS

I expect that you will abide by the University's Academic Honesty Code. “Seattle University is committed to the principle that academic honesty and integrity are important values in the educational process and that violations in this area should be dealt with in the appropriate manner.”

Link: <https://www.seattleu.edu/registrar/Policies.aspx>

If you are not sure about whether a particular action is acceptable according to the Academic Honesty Code, you should check with me *before* engaging in it. Verified

instances of plagiarism, cheating and the usage of unauthorized sources in exams, papers and other academic projects will lead to a severe penalty.

All written work must be your own except when an assignment explicitly states that teamwork is acceptable or required. Moreover, all your work must be original to this class. To avoid plagiarism, you must correctly cite the source of any idea that is not your own (from books, magazines, newspapers, Internet sites, etc.) using APA reference style, or other similar citation styles. You may reference the APA style online at:

<http://www.apastyle.org/elecref.html> and at
<http://humanities.byu.edu/linguistics/Henrichsen/APA/APA01.html>

STUDENTS WITH DISABILITIES

If you have, or think you may have, a disability (including 'invisible disability' such as a learning disability, a chronic health problem, or mental health condition) that interferes with your performance as a student in this class, you are encouraged to arrange support services and/or accommodations through Disabilities Services staff in the Learning Center, (206) 296-5740. Disability based adjustments to course expectations can be arranged ONLY through this process.

Seattle University is committed to providing students with disabilities an equal opportunity to participate in all its classes and activities.

READINGS AND MUSINGS...

For students who like “**serious**” **bedtime reading**

- **Against the Gods: The Remarkable Story of Risk**, by Peter Bernstein
 - * History of our understanding of risk and probability as it relates to financial markets
- **The Black Swan**, by Nassim N. Taleb
 - * A Black Swan is an event that is deemed improbable and yet has the potential of having huge consequences. He brilliantly examines the perils of empirical conclusions.
- **Irrational Exuberance**, by Robert Shiller
 - * A Yale economist discusses market bubbles.

For students who like “**fun**” **bedtime reading**

- **The (Honest) Truth about Dishonesty**, by Dan Ariely
 - * Arieli takes an insightful look at how we are all dishonest and explores how unethical behavior works in the personal, professional and political worlds. Extraordinary...
- **Predictably Irrational**
 - * Ariely refutes the assumption that we behave rationally and through short examples and studies convinces the biggest skeptic. A MUST read.
- **Fooling Some of the People All the Time**, by Joel Greenblat
 - * A tale of deceit, fraud and misinterpretation. Amazing...
- **The Big Short**, by Michael Lewis
 - * Lewis is a superb writer. This book IS the story of the financial crises.
- **Liar’s Poker: Rising through the Wreckage on Wall Street**, by Michael Lewis
 - * First-hand account of bond trading on Wall Street
- **Barbarian’s at the Gate: The Fall of RJR Nabisco**, by Bryan Burroughs
 - * The story of the hostile acquisition of RJR Nabisco by KKR

For students who, **prefer watching movies**

- **Smartest guys in the room**: The story of ENRON
- **The Big Short**
- **Margin Call**
- **Too Big to Fail**
- **The Insider**
- **Wall Street**: The **classic** tale of fear and greed on Wall Street
- **Trading Places**: Orange juice futures and all that you need to know about finance
- **Barbarian’s at the Gate**: The fictionalized story of the RJR Nabisco acquisition

ADVANCED ACCOUNTING
Tentative Course Schedule WINTER 2018

This class schedule should follow according to this plan; however, adjustments and changes will probably happen and will be announced in class. Please note this since you are responsible for keeping up with any changes.

DATE	TOPIC	HOMEWORK DUE
W Jan 10	Introduction Ch 1: Intercorporate Investments	-Read Syllabus & Chapter 1 BEFORE the Jan 10 class - Read Ch 2 BEFORE next class
W Jan 17	Ch 1 Ch 2: Business Combinations	Recommended HW Ch 1 Read Ch 2 MBC Quiz 1 Ch.1 DUE Jan 23
W Jan 24	Ch 2 Business Combinations	Recommended HW Ch 2
W Jan 31	Ch 2 Ch 3: Consolidation after acquisition	Read Ch 3 Recommended HW Ch 2 MBC Quiz 2 Ch.2 DUE Feb 6
W Feb 7	Ch 3	Recommended HW Ch 3
W Feb 14	Ch 4: Consolidation and intercompany transactions (183-202)	Read Ch 4 (183-202) Recommended HW Ch 4 MBC Quiz 3 Ch.3 & 4 DUE Feb 20 - Study for midterm
W Feb 21	Midterm Chs. 1-4	
W Feb 28	Discuss Midterm Ch 4: (203-231) Ch 5: Minority interests	Read Ch 4 (203-231) Read Ch 5
W Mar 7	Ch 5 Ch 6: Variable Interests (391-398) Ch 7: FOREX, derivatives, IFRS	Read Ch 6: (391-396) Read Ch 7 Recommended HW Ch 5 MBC Quiz 4 Ch.4 & 5 DUE March 13
W Mar 14	Catch-up	Recommended HW Ch 5 Recommended HW Ch 7
W Mar 21	Final Comprehensive Exam	