



### **Our Class**

Each class session relates to a set of specific Topics in the Accounting Standards Code. Please go to the FASB's website and read the relevant statement(s) if you need a detailed review of that ASC. We will provide you the access code for the codification.

We will initiate every class with a case discussion that typically will relate to accounting issues. These cases have been listed in the **Course Schedule** section and will be posted/e-mailed before class. Once we complete this discussion session, we will go through relevant valuation techniques and procedures that relate to the topic being discussed. To be a valuation specialist in this area or an auditor in this area, you need to have a strong grasp of finance as well as good understanding of financial reporting standards.

### **STUDENTS WITH DISABILITIES**

Seattle University is committed to providing students with disabilities an equal opportunity to participate in all its classes and activities. This goal is fundamental to our belief in social justice. The university provides supplemental support services through the Disabilities Services office. Please contact the Disabilities Services office to receive accommodation.

### **ACADEMIC HONESTY**

We 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." For more specifics about the policy, check: <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.

### **EVALUATION**

The relative weights in the final grade are:

<b>Case Project</b>	<b>Weight</b>	<b>Brief Description</b>
1	5%	Fair Value Case
2	15%	Valuation of a Private Company & Report
3	15%	Goodwill & Intangible Assets
4	15%	Impairment
5	10%	Employee Stock Option
6	10%	Cheap Stock
7	15%	Fair Value Analysis
Final Exam	15%	Open Book: Comprehensive

We reserve the right to change the grade allocation depending on our progress in class. We will do so after a full discussion in class and hearing your opinion. The final grade will be assigned according to the following scale:

A	95-100 %
A-	90-95
B+	87-89
B	84-86
B-	80-83
C+	77-79
C	74-76
C-	70-73
D	65-69
F	0-64

We will use the scale as a framework while grading each case. We do not give an “I” grade except under very extraordinary circumstances.

**COURSE SCHEDULE (This is a preliminary list of topics. Please note that the in-class case is subject to change)**

<u>DATE</u>	<u>TOPIC</u>	<u>DETAILS</u>	<u>IN-CLASS CASE</u>	<u>ASSIGNMENT</u>	<u>DUE DATE</u>
4/1	1. Fair Value Topic 820 <i>Please listen to online pre-lecture on Fair Value posted on Canvas</i>  2. Review of Business Combination Accounting	Fair Value Measurement	Fair Value Basics: (a) <i>Camelback Investment Company</i> (b) <i>Fair Value Hierarchy (item 1)</i>	# 1 Fair Value Case Study: Finish <i>Fair Value Hierarchy</i> case # 11-2(a) and business combination worksheet problem  #7 : Analyze whether companies with a higher level of undisclosed intangibles have a higher beta.	4/15 (#1)  6/1(#7)
4/8	2. Review of Business Combination Accounting  Review of Valuation	Review of Valuation fundamentals and process; DLOM in brief	<i>Bluntly Media</i>	# 2 Complete Valuation of Bluntly Media	Valuation Spreadsheet & Brief Memo describing valuation: 4/29 (#2)
4/15	Business Combination Accounting & Intangibles Topic 805 Valuation of Intangibles Topic 805 and 350	Intro to Intangibles <i>I may post online lecture. Please listen to online pre-lecture posted on Canvas</i>  Intangibles Accounting and Valuation post-acquisition using PFI(Trademarks, Cust.Relationships, IPR&D, Patents, CAC)	1. <i>Definition of a Business-Coffee Co</i> and 2. <i>Food for Thought</i>  (Note: We may distribute other cases before class)	#3 Assignment on the Valuation of identifiable intangible assets and goodwill valuation	5/8

<u>DATE</u>	<u>TOPIC</u>	<u>DETAILS</u>	<u>IN-CLASS CASE</u>	<u>ASSIGNMENT</u>	<u>DUE DATE</u>
4/29	Business Combination Accounting & Intangibles	Contingent Consideration basics; WARA, Non-Controlling Interest issues; Modifications for Private Companies			
5/6	Impairment Testing Topic 350 and 360	Reporting Units, Impairment Indicators & Step 0 Qualitative tests, Long lived Asset tests, Goodwill Impairment testing	TBA	#4 a. Impairment of Goodwill and intangible assets  b. Case assignment	5/27
5/13	Impairment Testing	ETHICS WEEK {Speaker}			
	Employee Stock Options Topic 718	Accounting Issues related early exercise, cliff vesting; Service, performance and market conditions;			
5/20	Employee Stock Options and Incentive Plans Topic 718	Black-Scholes, Binomial Lattice Model, Issues related to early exercise	TBA	# 5 a. Valuation and Accounting for ESO and Incentive plans. b. I will select one case (1 or 2) for you to complete as an assignment	TBA
5/27	Employee Stock Options  Cheap Stock Valuation			# 6 Cheap stock valuation	TBA
6/3	Cheap Stock Valuation				

<u>DATE</u>	<u>TOPIC</u>	<u>DETAILS</u>	<u>IN-CLASS CASE</u>	<u>ASSIGNMENT</u>	<u>DUE DATE</u>
6/10	Contingent Consideration				
6/14	Final Exam Date	TBA.		Attendance required: DO NOT MAKE TRAVEL PLANS	

### **ASSIGNMENTS**

Detailed assignments with questions will be posted on Canvas as we go along.  
 All assignments are group projects. **You need to form groups of two.**