

ACC401 Advanced Accounting & Reporting

Syllabus Overview

This syllabus contains all relevant information about the course: its objectives and outcomes, the grading criteria, the texts and other materials of instruction, and weekly topics, outcomes, assignments, and due dates. Consider this your roadmap for the course. Please read through the syllabus carefully and ask questions if you would like anything clarified. Please print a copy of this syllabus for reference.

Course Description

3 Credits

Prerequisite: Intermediate Accounting I and Intermediate Accounting II

Advanced Accounting & Reporting presents an in-depth analysis of advanced accounting topics. The course discusses the accounting theory and practice regarding partnerships, non-profit and governmental entities, business combinations and consolidated financial statements, effects of foreign currencies, reporting requirements of business segments, and international accounting standards.

Course Outcomes

At the completion of this course, students should be able to:

- Understand the nature, organization, operation, and liquidation of partnerships
- Discuss the significant differences in the financial statements of for-profit, non-profit, and governmental entities
- Distinguish between the different methods of accounting for stock investments when different levels of control exists
- Construct consolidation working papers by Identifying the entries required for elimination
- Develop accounting entries required for mergers and acquisitions, including combinations involving excess and bargain purchase considerations
- Translate and account for business transactions denominated in foreign currencies
- Describe the accounting procedures associated with operating segments
- Discuss and apply ethical and legal standards to issues in accounting

Communication with Your Instructor

You will receive a welcome email from your instructor prior to the start of class. This email will contain your instructor's contact information. Your instructor will also be communicating with you via several methods in the course, including:

- **Announcements** – This communication tool, located on the navigation menu within your course in Canvas, contains important updates. Be sure to check for new announcements from your instructor each time you access your course.
- **Q&A** – Use this discussion board, located on the Home screen in your course, to communicate with your instructor and classmates regarding general course questions (i.e. missing links, assignment clarification, etc.).
- **Inbox** – Use the Inbox, located in the top right corner of Canvas, to send a message to your instructor or classmates.

Materials and Resources

Required Text and Resources:

- **Textbook:** Hoyle, J. B., Schaefer, T. F., & Douppnik, T. S. (2015). *Advanced accounting* (12th ed.). New York, NY: McGraw Hill Education.
- **Lab:** McGraw-Hill Connect Access

Bookstore Information

The bookstore can be located in the left-hand navigation of any Canvas course.

Library Services

Detailed information about the eLibrary can be found in the Student Resource Center. This is a course that all students have access to during their academic career.

Canvas Help Desk and Technical Questions

If you experience technical issues in your course, please contact the Canvas Help Desk by clicking the Help link (top right corner within Canvas). There are 3 ways to contact them:

- Phone (888-628-2749)
- Live chat
- Report a problem (submit a ticket)

Be sure to notify your instructor of any technical difficulties you are experiencing.

Additional resources are available in the Student Resource Center and the Canvas Guides website:

<https://community.canvaslms.com/docs/DOC-4121>

Weekly Schedule

Week 1 Partnerships: Organizing, Operating & Liquidating	
Outcomes	<ul style="list-style-type: none"> • Prepare the journal entry to record the initial capital investment made by a partner • Demonstrate the impact that the allocation of partnership income has on the partners' individual capital balances • Explain the meaning of a partnership dissolution and its effect on operations • Prepare the journal entries to record a new partner's admission by a contribution made directly to the partnership • Prepare journal entries to record the withdrawal of a current partner • Prepare journal entries to record the transactions incurred in the liquidation of a partnership
Readings	<p>Hoyle, J. B., Schaefer, T. F., & Douppnik, T. S. (2015). <i>Advanced accounting</i> (12th ed.). New York, NY: McGraw Hill Education.</p> <ul style="list-style-type: none"> • Chapter 14 – Partnerships: Formation and Operation • Chapter 15 – Partnerships: Termination and Liquidation (pp. 667-678 <u>only</u>)
Lectures	<ul style="list-style-type: none"> • Part I – Choosing the Right Entity • Part II – Forming and Operating a Partnership • Part III – Liquidating a Partnership
Discussion	<p>Many type of legal entities exist each with their pros and cons. Some businesses operate better under a certain structure that may not necessarily apply under different facts and circumstances. Think of a business you'd be interested in owning and operating (can be real or fictitious) and discuss what legal structure you'd choose for operations. What factors led to this decision? What are the advantages of this structure? Be sure to include enough information for us to know what your business does and who is your primary customer.</p> <p>Initial discussion post Due <u>Thursday</u> (6:00AM, Eastern Time).</p> <p>Discussion closes Due <u>Sunday</u> (6:00AM, Eastern Time).</p>
Assignments	<p>Individual Assignment</p> <p>Instructions: Login to the Connect system and complete Week 1 Assignment. Your instructor will post your Assignment score from the Connect gradebook. This is a graded activity. Your grade will reflect the score earned in the weekly Connect assignment.</p> <p>Due <u>Monday</u> (6:00am, Eastern Time).</p>
Quiz	Due <u>Monday</u> (6:00am, Eastern Time).
Week 2 Accounting Diversity and Financial Reporting	

Outcomes	<ul style="list-style-type: none"> • Explain the major factors influencing the international development of accounting systems. • Understand the problems created by differences in accounting standards across countries and the reasons to develop a set of internationally accepted accounting standards. • Recognize acceptable accounting treatments under IFRS and identify key differences between IFRS and U.S. GAAP. • Understand the origin and expansive role of the Securities and Exchange Commission. • Describe the purpose(s) of various federal securities laws. • Understand the Congressional rationale for enacting the Sarbanes-Oxley Act and the responsibilities of the Public Accounting Oversight Board.
Readings	<p>Hoyle, J. B., Schaefer, T. F., & Douppnik, T. S. (2015). <i>Advanced accounting</i> (12th ed.). New York, NY: McGraw Hill Education.</p> <ul style="list-style-type: none"> • Chapter 11 – Worldwide Accounting Diversity and International Standards • Chapter 12 – Financial Reporting and the Securities and Exchange Commission (pp. 557-566 <u>only</u>)
Lectures	<ul style="list-style-type: none"> • Part I – Accounting Diversity and IFRS • Part II – Accounting Policies in the United States
Discussion	<p>There are numerous differences between IFRS and U.S. GAAP as shown in Exhibit 11.8. Choose one accounting item difference and explain how IFRS and U.S. GAAP differ in their accounting treatment. Is the U.S. approach better than the international standard? Which approach provides the best representation of the company's activities?</p> <p>Initial discussion post Due <u>Thursday</u> (6:00AM, Eastern Time).</p> <p>Discussion closes Due <u>Sunday</u> (6:00AM, Eastern Time).</p>
Assignments	<p>Individual Assignment</p> <p>Instructions: Login to the Connect system and complete Week 2 Assignment. Your instructor will post your Assignment score from the Connect gradebook. This is a graded activity. Your grade will reflect the score earned in the weekly Connect assignment.</p> <p>Due <u>Monday</u> (6:00am, Eastern Time).</p>
Quiz	Due <u>Monday</u> (6:00am, Eastern Time).
Week 3	Equity Method of Accounting for Investments
Outcomes	<ul style="list-style-type: none"> • Describe in general the various methods of accounting for an investment in equity shares of another company. • Prepare basic equity method journal entries for an investor and describe the financial reporting for equity method investments.

	<ul style="list-style-type: none"> Allocate the cost of an equity method investment when a premium is paid over book value. Understand the financial reporting consequences for changes in the equity method, investee other comprehensive income or losses, and sales of equity method investments.
Readings	<p>Hoyle, J. B., Schaefer, T. F., & Doupnik, T. S. (2015). <i>Advanced accounting</i> (12th ed.). New York, NY: McGraw Hill Education.</p> <ul style="list-style-type: none"> Chapter 1 – The Equity Method of Accounting for Investments
Lectures	<ul style="list-style-type: none"> Part I – Accounting for Investments Part II – Equity Method Application
Discussion	<p>Prior to GAAP for equity method investments, firms used the cost method to account for their unconsolidated investments in common stock regardless of the presence of significant influence. Under the cost method, when the investee declares a dividend, the investor records “dividend income.” The investment account typically remains at its original cost—hence the term cost method.</p> <p>Many firms' compensation plans reward managers based on reported annual income. How might the use of the cost method of accounting for significant influence investments have resulted in unintended wealth transfers from owners to managers? Do the equity or fair-value methods provide similar incentives?</p> <p>Initial discussion post Due <u>Thursday</u> (6:00AM, Eastern Time).</p> <p>Discussion closes Due <u>Sunday</u> (6:00AM, Eastern Time).</p>
Assignments	<p>Individual Assignment</p> <p>Instructions: Login to the Connect system and complete Week 3 Assignment. Your instructor will post your Assignment score from the Connect gradebook. This is a graded activity. Your grade will reflect the score earned in the weekly Connect assignment.</p> <p>Due <u>Monday</u> (6:00am, Eastern Time).</p>
Quiz	Due <u>Monday</u> (6:00am, Eastern Time).
Week 4	Consolidation of Financial Information (Part I)
Outcomes	<ul style="list-style-type: none"> Recognize when consolidation of financial information into a single set of statements is necessary. Describe the valuation principles of the acquisition method. Determine the total fair value of consideration transferred for an acquisition, allocate that fair value to specific subsidiary assets acquired and liabilities assumed, and calculate any resulting in goodwill or a gain on bargain purchase. Prepare the journal entry to consolidate a subsidiary if dissolution takes place and a worksheet to consolidate the accounts of two companies when dissolution does not take place. Describe the criteria for recognizing intangible assets in a business combination.

Readings	<p>Hoyle, J. B., Schaefer, T. F., & Douppnik, T. S. (2015). <i>Advanced accounting</i> (12th ed.). New York, NY: McGraw Hill Education.</p> <ul style="list-style-type: none"> Chapter 2 – Consolidation of Financial Information
Lectures	<ul style="list-style-type: none"> Part I – Consolidation Considerations Part II – Comprehensive Examples
Discussion	<p>Abraham, Inc., a New Jersey corporation, operates 57 bakeries throughout the northeastern section of the United States. In the past, its founder, James Abraham, owned all the company's outstanding common stock. However, during the early part of this year, the corporation suffered a severe cash flow problem brought on by rapid expansion. To avoid bankruptcy, Abraham sought additional investment capital from a friend, Dennis Bostitch, who owns Highland Laboratories. Subsequently, Highland paid \$500,000 cash to Abraham, Inc., to acquire enough newly issued shares of common stock for a 55% ownership interest. The net book value of Abraham's assets and liabilities are \$1,000,000.</p> <p>At the end of this year, the accountants for Highland Laboratories are discussing the proper method of reporting this investment. One argues for maintaining the asset at its original cost: "This purchase is no more than a loan to bail out the bakeries. Mr. Abraham will continue to run the organization with little or no attention paid to us. After all, what does anyone in our company know about baking bread? I would be surprised if Abraham does not reacquire these shares as soon as the bakery business is profitable again."</p> <p>One of the other accountants disagrees, stating that the equity method is appropriate and that consolidation is likely required. "I realize that our company is not capable of running a bakery. However, the official rules state that we must have only the ability to exert significant influence. With 55% of the common stock in our possession, we clearly have that ability. Whether we use it or not, this ability means that we should apply the equity method and consolidate the investment."</p> <p>What criteria should Highland Laboratories consider to determine if it must consolidate Abraham, Inc. in their financials? Was there goodwill paid as a result of this transaction or was this a bargain purchase? How should Highland Laboratories account for its investment in Abraham, Inc.?</p> <p>Initial discussion post Due Thursday (6:00AM, Eastern Time).</p> <p>Discussion closes Due Sunday (6:00AM, Eastern Time).</p>
Assignments	<p>Individual Assignment</p> <p>Instructions: Login to the Connect system and complete Week 4 Assignment. Your instructor will post your Assignment score from the Connect gradebook. This is a graded activity. Your grade will reflect the score earned in the weekly Connect assignment.</p> <p>Due <u>Monday</u> (6:00am, Eastern Time).</p>

Quiz	Due <u>Monday</u> (6:00am, Eastern Time).
Week 5	Consolidation of Financial Information (Part II)
Outcomes	<ul style="list-style-type: none"> Identify and describe the various methods available to a parent company in order to maintain its investment in subsidiary account in its internal records. Prepare consolidated financial statements subsequent to acquisition when the parent has applied the equity method in its internal records. Describe the procedures for conducting a goodwill impairment test. Describe the valuation principles underlying the acquisition method of accounting for non-controlling interests. Demonstrate the computation and allocation of consolidated net income in the presence of a non-controlling interest.
Readings	<p>Hoyle, J. B., Schaefer, T. F., & Douppnik, T. S. (2015). <i>Advanced accounting</i> (12th ed.). New York, NY: McGraw Hill Education.</p> <ul style="list-style-type: none"> Chapter 3 – Consolidations Subsequent to the Date of Acquisition (pp. 85-98 <u>only</u>) Chapter 4 – Consolidated Financial Statements and Outside Ownership (pp. 149-155 <u>only</u>)
Lectures	<ul style="list-style-type: none"> Part I – Accounting After the Acquisition Part II – Comprehensive Example Part III – Non-controlling Interests
Discussion	<p>Pilgrim Products, Inc., buys a controlling interest in the common stock of Crestwood Corporation. Shortly after the acquisition, a meeting of Pilgrim's accounting department is convened to discuss the internal reporting procedures required by the ownership of this subsidiary. Each member of the staff has a definite opinion as to whether the equity method, initial value method, or partial equity method should be adopted. To resolve this issue, Pilgrim's chief financial officer outlines several of her concerns about the decision.</p> <p><i>I already understand how each method works. I know the general advantages and disadvantages of all three. I realize, for example, that the equity method provides more detailed information whereas the initial value method is much easier to apply. What I need to know are the factors specific to our situation that should be considered in deciding which method to adopt. I must make a recommendation to the president on this matter, and he will want firm reasons for my favoring a particular approach. I don't want us to select a method and then find out in six months that the information is not adequate for our needs or that the cost of adapting our system to monitor Crestwood outweighs the benefits derived from the data.</i></p> <p>What are the factors that Pilgrim's officials should evaluate when making this decision?</p>

	Initial discussion post Due <u>Thursday</u> (6:00AM, Eastern Time). Discussion closes Due <u>Sunday</u> (6:00AM, Eastern Time).
Assignments	Individual Assignment Instructions: Login to the Connect system and complete Week 5 Assignment. Your instructor will post your Assignment score from the Connect gradebook. This is a graded activity. Your grade will reflect the score earned in the weekly Connect assignment. Due <u>Monday</u> (6:00am, Eastern Time).
Quiz	Due <u>Monday</u> (6:00am, Eastern Time).
Week 6	Interim & Segment Financials
Outcomes	<ul style="list-style-type: none"> Understand how an enterprise determines its operating segments and the factors that influence this determination. Apply the three tests that are used to determine which operating segments are of significant size to warrant separate disclosure. Recognize differences between U.S. GAAP and IFRS in segment reporting. Understand and apply procedures used in interim financial reports to treat an interim period as an integral part of the annual period.
Readings	<p>Hoyle, J. B., Schaefer, T. F., & Douppnik, T. S. (2015). <i>Advanced accounting</i> (12th ed.). New York, NY: McGraw Hill Education.</p> <ul style="list-style-type: none"> Chapter 8 – Segment and Interim Reporting
Lectures	<ul style="list-style-type: none"> Part I – Segment Reporting & Disclosures Part II – Interim Financial Statements
Discussion	<p>Based on the company you've selected as part of your weekly assignment, skim through the Notes to the Financial Statements. Based on your review and understanding of the financial statements, select one financial statement note and discuss the following:</p> <ol style="list-style-type: none"> 1. What company's financial statements are you analyzing? How many financial statement disclosures (notes) are there in the financial statements? 2. Which note did you read and analyze further? As a reader of the financial statements, does this note seem to adequately disclose the information it says is provided? Why or why not? 3. Based on the total number of disclosures for this company, do you believe everything is adequately disclosed? Would the average reader of the financial statements benefit from additional or fewer disclosures? Why? <p>Initial discussion post Due <u>Thursday</u> (6:00AM, Eastern Time). Discussion closes Due <u>Sunday</u> (6:00AM, Eastern Time).</p>

Assignments	<p>Individual Assignment</p> <p>Instructions:</p> <p>Step 1) Select any publicly traded company and obtain its stock ticker. You may Google the company name and “ticker symbol” to find this information.</p> <p>Step 2) Visit the SEC’s EDGAR Database (www.sec.gov/edgar.shtml) and search for that company ticker. After submitting the ticker, limit your search to just 10-K filings.</p> <p>Step 3) Review the 10-K of your company and search for the segment information in this company. Be sure the information you’re reading is part of the Notes to the Financial Statements and not the MD&A in the beginning.</p> <p>Step 4) Write no more than two pages (excluding title page and reference page) that briefly identifies the company you selected, its ticker, and the nature of what the company does from information contained in the 10-K. From the segment information disclosed in the notes of the financial statements, discuss what segments the company discloses. Based on the segments provided, do you believe the amount of disclosure is adequate based on the company’s industry? Do the segments make sense? Are there too few or too many segments identified?</p> <p>Due <u>Monday</u> (6:00am, Eastern Time).</p>
Quiz	Due <u>Monday</u> (6:00am, Eastern Time).
Week 7	Foreign Currency Transactions & Translating Financials
Outcomes	<ul style="list-style-type: none"> • Understand concepts related to foreign currency, exchange rates, and foreign exchange risk. • Account for foreign currency transactions using the two-transaction perspective. • Explain the theoretical underpinnings and the limitations of the current rate and temporal methods. • Describe guidelines as to when foreign currency statements are to be translated using the current method and when they are to be remeasured using the temporal method. • Translate a foreign subsidiary’s financial statements into its parent’s reporting currency using the current rate method and calculate the related translation adjustment.
Readings	<p>Hoyle, J. B., Schaefer, T. F., & Douppnik, T. S. (2015). <i>Advanced accounting</i> (12th ed.). New York, NY: McGraw Hill Education.</p> <ul style="list-style-type: none"> • Chapter 9 – Foreign Currency Transactions and Hedging Foreign Exchange Risk (pp. 393-401 <u>only</u>) • Chapter 10 – Translation of Foreign Currency Financial Statements (pp. 457-481 <u>only</u>) <p>Matthews, O. (2016). Brexit Wounds. <i>Newsweek Global</i>, 167(1), 12-16.</p>
Lectures	<ul style="list-style-type: none"> • Part I – Foreign Currency Transactions

	<ul style="list-style-type: none"> Part II – Financial Statement Translations
Discussion	<p>First read the article on <i>Brexit Wounds</i> and then respond to this discussion question.</p> <p>In a global economy, companies routinely do business with customers internationally, operate foreign subsidiaries, and manage transactions in a variety of foreign currencies. After the June 2016 referendum in the United Kingdom, a majority of voters decided the UK should leave the European Union, a politico-economic union of member-states in Europe. Two immediate consequence was the decline of value in both the Euro and British Pound, and downgrades in the credit ratings of both the EU and UK.</p> <p>If you are CFO of an international company, how would you address the political and economic uncertainty in countries you operate? To what extent should businesses or their managers be active in the political arena? Should corporations be active in politics? Whose views, if any, should the corporation represent – shareholders, board of directors, management, employees?</p> <p>Initial discussion post Due <u>Thursday</u> (6:00AM, Eastern Time).</p> <p>Discussion closes Due <u>Sunday</u> (6:00AM, Eastern Time).</p>
Assignments	<p>Individual Assignment</p> <p>Instructions: Login to the Connect system and complete Week 7 Assignment. Your instructor will post your Assignment score from the Connect gradebook. This is a graded activity. Your grade will reflect the score earned in the weekly Connect assignment.</p> <p>Due <u>Monday</u> (6:00am, Eastern Time).</p>
Quiz	Due <u>Monday</u> (6:00am, Eastern Time).
Week 8	Not-for-Profit and Governmental Accounting
Outcomes	<ul style="list-style-type: none"> Understand the basic composition of financial statements produced for a private not-for-profit entity. Describe the differences in assets that are unrestricted, temporarily restricted, or permanently restricted. Differentiate between the two sets of financial statements produced by state and local governments. Identify the three fund types and the individual fund categories within each. Understand the basic structure of government-wide financial statements and fund financial statements. Describe the physical structure of a complete set of government-wide financial statements and a complete set of fund financial statements.
Readings	<p>Hoyle, J. B., Schaefer, T. F., & Doupnik, T. S. (2015). <i>Advanced accounting</i> (12th ed.). New York, NY: McGraw Hill Education.</p> <ul style="list-style-type: none"> Chapter 18 – Accounting and Reporting for Private Not-for-Profit Entities (pp. 815-823 <u>only</u>)

	<ul style="list-style-type: none"> Chapter 16 – Accounting for State and Local Governments Part I (pp. 701-716 <u>only</u>)
Lectures	<ul style="list-style-type: none"> Part I – Not-for-Profit Accounting Part II – Governmental Accounting
Discussion	<p>Accounting can be quite diverse based on the stakeholders involved – partners in a partnership or members of an LLC, shareholders of a corporation, other legal entities, the public with not-for-profit entities or citizens with governmental entities. Based on what you have learned during this course, what additional knowledge have you gained about accounting? How will this help you in your future career? Are there any concepts that don't make sense in their existing form that you'd clarify if you had oversight on developing accounting standards?</p> <p>You should also respond to at least <u>one</u> other classmate and ask thought provoking questions.</p> <p>Initial discussion post Due <u>Thursday</u> (6:00AM, Eastern Time).</p> <p>Discussion closes Due <u>Friday</u> (6:00AM, Eastern Time).</p>
Assignments	<p>Individual Assignment</p> <p>Instructions: Login to the Connect system and complete Week 8 Assignment. Your instructor will post your Assignment score from the Connect gradebook. This is a graded activity. Your grade will reflect the score earned in the weekly Connect assignment.</p> <p>Due <u>Friday</u> (6:00am, Eastern Time).</p>
Quiz	Due <u>Friday</u> (6:00am, Eastern Time).

Grading and Evaluation

Your grades will reflect the way in which you present and support your topics and positions in the various learning activities used in this course. The grades will be based on the quality and quantity of your comments and responses in the various activities.

Be sure to review the discussion and assignment rubrics in the course for specific grading criteria.

The various graded activities are weighted as follows:

Course Element	% of Final Grade
Assignments	40%
Discussions	24%
Quizzes	36%
Total	100%

Students will be expected to meet all the deadlines of the class as indicated throughout the course and in the syllabus. This is primarily so we don't get behind in the course. In addition, discussions cannot overlap from one week to the next. This is to ensure that all discussions and submissions take place within the week they are scheduled in order to be of value to the entire class as well as to help you not get behind. If there are extenuating circumstances, you will need to communicate that to the instructor and make arrangements accordingly, if appropriate.

Late Assignments: Exceptions are to be determined by the instructor on a case-by-case basis. There will be no opportunities for extra credit.

Learner Success Guidelines

These guidelines are provided to help you succeed in your coursework:

- Participate in the class introduction activity on the first day of class.
- Submit ALL assignments by the posted due dates and times.
- Check your emails daily.
- Contact Portal Help for logon problems or Canvas Help for technical issues with Canvas.
- Participate fully in all threaded discussions.
- Contact your instructor if you have questions about an assignment or need additional help completing your work successfully.

Academic dishonesty is grounds for dismissal from the program.

Academic Policies

The following Academic Policies can be found in the [Student Resource Center](#).

- Grading Criteria
- Reasonable Accommodations Policy
- Student Attendance Policy
- Academic Honesty and Integrity Policy
- Student Engagement and the Granting of Academic Credit
- Copyright Policy

Caveat

The above schedule, content, and procedures in this course are subject to change. All policies are superseded by the latest College Catalog available on our website:

<https://www.cambridgecollege.edu/student-rights-complaints-grievances/student-code-conduct>

Disclaimer

As a disclaimer, any materials in or related to this course are provided for educational purposes only and not for the purpose of providing any legal, financial, accounting, tax or other professional advice or services. The information provided in this class is of a general nature, and it cannot substitute for the advice of a licensed professional in any respect. The application and effect of laws may vary widely depending on the specific facts and jurisdiction, and no representation or warranty is made with respect

to the accuracy of any materials in or related to the course. Accordingly, the information provided is solely for general educational purposes.