

**Business A703
Advanced Financial Accounting
Winter 2020 Course Outline**

**Accounting and Financial Services Management
DeGroote School of Business
McMaster University**

COURSE OBJECTIVE

The course will provide an understanding of Canadian financial requirements as established by the Chartered Professional Accountants of Canada as well as the accounting issues and practices relating to long-term investments, consolidations, foreign transactions, foreign investments and not-for-profit organizations. The course will satisfy the knowledge requirements in these areas for the entry-level professional accountant and provide a solid foundation for anyone interested in corporate financial reporting. Assigned material includes cases to ensure that the user impact of accounting choices is appreciated.

INSTRUCTOR AND CONTACT INFORMATION

INSTRUCTOR INFORMATION:

Name: Yvonne Kwok, CPA, CA **Office Hours:** By Appointment
Office: RJC **Course location:** RJC 249
E-Mail: kwokyv@mcmaster.ca **Time offered:** Tuesday 7:00 pm to 10:00 pm
Phone: 905 525-9140

Course Website: <http://avenue.mcmaster.ca>

COURSE ELEMENTS

Credit Value:	3	Leadership:	Yes	IT skills:	Yes	Global view:	Yes
Avenue:	Yes	Ethics:	Yes	Numeracy:	Yes	Written skills:	Yes
Participation:	Yes	Innovation:	Yes	Group work:	Yes	Oral skills:	Yes
Evidence-based:	Yes	Experiential:	Yes	Final Exam:	Yes	Guest speaker(s)	No

COURSE DESCRIPTION

This course will focus on the accounting treatment of Business Combinations, Foreign Transactions and Balances, Foreign Investments and Not-for-Profit Organizations.

Students are expected to develop both an understanding of the concepts underlying these topics and the technical and analytical skills needed to apply the concepts in practice. The case method will be used to supplement problems.

LEARNING OUTCOMES

See individual chapters in the textbook for detail learning objectives.

COURSE MATERIALS AND READINGS

Avenue registration for course content, readings and case materials

- <http://avenue.mcmaster.ca>

Modern Advanced Accounting in Canada, 9th Edition; Hilton, Herauf; McGraw-Hill Ryerson

CPA Canada Handbook

CONDUCT OF CLASSES AND GENERAL APPROACH

A combination of lecture, technical problem solving, case studies, and classroom discussion will be used. Classes will be used to introduce, explain and otherwise clarify new topics and issues. This will be done using examples and/or problems and cases from the textbook. Class lectures are in addition to the textbook. Not all problems and cases will be covered in class. It is of utmost importance that students bring their textbook to every lecture. Other problems will also be introduced in class from time to time. No specific problems or cases are assigned. **It is extremely important that students do as many of the problems and cases at the end of each chapter.** Solutions to short questions, multiple choice questions and problems will be provided, however, students are encouraged to discuss any other problems they have done with the lecturer as well.

Participation

Name cards and class pictures are used to help give credit for your participation. You must have a name card with your **full first and last name** clearly written and displayed in front of you for every class.

Since student participation is an important component of this course, official McMaster student ID photographs will be used to ensure that each student is assessed accurately. The instructor will use the photograph to ensure the accuracy of participation marks, group work, and for identifying students for grading purposes.

Students are expected to be up to date with all topics covered up to and including the previous class.

The following points are of the utmost importance for success in this course:

- You must keep up to date with the topics in this course. Each topic builds on previous topics. If you fall behind and do not understand a previous topic, you will struggle with the other topics.
- Do as many of the suggested problems at the end of each chapter. Do this only once you have read the chapter thoroughly.
- Make use of the office hours to ask about anything you do not understand. Do not wait until right before the test or exam.
- Attend each and every class.

EVALUATION

Missed tests/exams will receive a grade of zero unless the student has submitted and been approved for a Notification of Absence or MSAF. Your final grade will be calculated as follows:

Components and Weights

Mid-term examination	30%
Comprehensive final examination	40%
Assignment and Cases	15%
Class participation	5%
Pre mid-term Test	10%
	100%

NOTE: The use of a McMaster standard calculator is allowed during examinations in this course. See McMaster calculator policy.

GRADE CONVERSION

At the end of the course your overall percentage grade will be converted to your letter grade in accordance with the following conversion scheme:

LETTER GRADE	PERCENT	POINTS
A+	90-100	12
A	85-89	11
A-	80-84	10
B+	75-79	9
B	70-74	8
B-	60-69	7
F	00-59	0

COMMUNICATION AND FEEDBACK

Students that are uncomfortable in directly approaching an instructor regarding a course concern may send a confidential and anonymous email to the respective Area Chair or Associate Dean:

<http://mbastudent.degroote.mcmaster.ca/contact/anonymous/>

Students who wish to correspond with instructors or TAs directly via email must send messages that originate from their official McMaster University email account. This protects the confidentiality and sensitivity of information as well as confirms the identity of the student. Emails regarding course issues should NOT be sent to the Administrative Assistant.

Instructors should conduct an informal course review with students by Week #4 to allow time for modifications in curriculum delivery. Instructors should provide evaluation feedback for at least 10% of the final grade to students prior to Week #8 in the term.

CASE ASSIGNMENT

A team of 4 to 6 individuals (formed by instructor) will complete a case on financial reporting. Details of the case will be provided to you during week 3. The case assignment is due in week 6.

PARTICIPATION

Name cards and class pictures are used to help give credit for your participation. You must have a name card with your **full first and last name** clearly written and displayed in front of you for every class. You also are asked to submit a picture of yourself with identifying information (name, student number, email address) as well as your hometown and a “fun fact” to me by the third class. I use these cards to “get to know” my students.

Participation in discussion aids in assimilation of concepts and is an essential part of your professional development. Classes are more interesting and intellectually stimulating if there is participation from everyone. **In order for you to gain maximum benefit from discussions, it is essential that you complete text materials and readings in advance, as well as attempt assigned problems.** Therefore, class participation marks will be awarded on the basis of each student’s contribution to discussions, and relevant questions and comments during lectures. Class participation is not equivalent to class attendance. Specifically, students who fail to participate in class discussions will receive a class participation mark of zero, regardless of regular class attendance. Students unable to attend class should inform the instructor before class of the conflict. Please refer to “Class participation evaluation” on Avenue.

EXAMINATIONS

There will be a midterm and a comprehensive cumulative final examination during the examination period. There will be no makeup for the midterm examination. Absence from the scheduled midterm without prior approval of the instructor will result in a grade of zero. Approval for absence from an examination will only be granted for a valid reason (e.g. illness), and this portion of the grade will be re-weighted to the final examination. Absence from the final examination will be governed by the rules customarily followed by the School of Business. Examinations will be based on all assigned readings and cases, as well as class discussions and presentations.

Note: Students are permitted to use only the McMaster standard calculator (CASIO FX-991) during examinations.

ACADEMIC DISHONESTY

You are expected to exhibit honesty and use ethical behaviour in all aspects of the learning process. Academic credentials you earn are rooted in principles of honesty and academic integrity.

Academic dishonesty is to knowingly act or fail to act in a way that results or could result in unearned academic credit or advantage. This behaviour can result in serious consequences, e.g. the grade of zero on an assignment, loss of credit with a notation on the transcript (notation reads: “Grade of F assigned for academic dishonesty”), and/or suspension or expulsion from the university.

It is your responsibility to understand what constitutes academic dishonesty. For information on the various types of academic dishonesty please refer to the *Academic Integrity Policy*, located at:

www.mcmaster.ca/academicintegrity

The following illustrates only three forms of academic dishonesty:

1. Plagiarism, e.g. the submission of work that is not one’s own or for which other credit has been obtained.
2. Improper collaboration in group work.
3. Copying or using unauthorized aids in tests and examinations

ONLINE COURSE COMPONENTS

In this course we will be using email and Avenue to Learn. Students should be aware that when they access the electronic components of this course, private information such as first and last names, user names for the McMaster e-mail accounts, and program affiliation may become

apparent to all other students in the same course. The available information is dependent on the technology used. Continuation in this course will be deemed consent to this disclosure.

If you have any questions or concerns about such disclosure, please discuss this with the course instructor.

REQUESTING RELIEF FOR MISSED ACADEMIC WORK

Missed Mid-Term Examinations / Tests / Class Participation

Where students miss a regularly scheduled mid-term or class participation for legitimate reasons as determined by the Student Experience – Academic (MBA) office, the weight for that test/participation will be distributed across other evaluative components of the course at the discretion of the instructor. Documentation explaining such an absence must be provided to the Student Experience – Academic (MBA) office within five (5) working days upon returning to school.

To document absences for health related reasons, please provide to Student Experience – Academic (MBA) office the Petition for Relief for MBA Missed Term Work and the McMaster University Student Health Certificate which can be found on the DeGroot website at <http://mbastudent.degroot.mcmaster.ca/forms-and-applications/>. Please do not use the online McMaster Student Absence Form as this is for Undergraduate students only. University policy states that a student may submit a maximum of three (3) medical certificates per year after which the student must meet with the Director of the program.

To document absences for reasons other than health related, please provide Student Experience – Academic (MBA) office the Petition for Relief for MBA Missed Term Work and documentation supporting the reason for the absence.

Students unable to write a mid-term at the posted exam time due to the following reasons: religious; work-related (for part-time students only); representing university at an academic or varsity athletic event; conflicts between two overlapping scheduled mid-term exams; or other extenuating circumstances, have the option of applying for special exam arrangements. Such requests must be made to the Student Experience – Academic (MBA) office at least ten (10) working days before the scheduled exam along with acceptable documentation. Instructors cannot themselves allow students to unofficially write make-up exams/tests. Adjudication of the request must be handled by Student Experience – Academic (MBA).

If a mid-term exam is missed without a valid reason, students will receive a grade of zero (0) for that component.

Missed Final Examinations

A student who misses a final examination without good reason will receive a mark of 0 on the examination.

All applications for deferred and special examination arrangements must be made to the Student Experience – Academic (MBA) office. Failure to meet the stated deadlines may result in the denial of these arrangements. Deferred examination privileges, if granted, must be satisfied during the examination period at the end of the following term. There will be one common sitting for all deferred exams.

Failure to write an approved deferred examination at the pre-scheduled time will result in a failure for that examination, except in the case of exceptional circumstances where documentation has been provided and approved. Upon approval, no credit will be given for the course, and the notation N.C. (no credit) will be placed on the student's transcript. Students receiving no credit for a required course must repeat the course. Optional or elective courses for which no credit is given may be repeated or replaced with another course of equal credit value.

Requests for a second deferral or rescheduling of a deferred examination will not be considered.

Any student who is unable to write a final examination because of illness is required to submit the Application for Deferred MBA Final Examination and a statement from a doctor certifying illness on the date of the examination. The Application for Deferred MBA Final Examination and the McMaster University Student Health Certificate can be found on the DeGroot website at <http://mbastudent.degroot.mcmaster.ca/forms-and-applications/> Please do not use the online McMaster Student Absence Form as this is for Undergraduate students only. Students who write examinations while ill will not be given special consideration after the fact.

In such cases, the request for a deferred examination privilege must be made in writing to the Student Experience – Academic (MBA) office within five business days of the missed examination.

Special examination arrangements may be made for students unable to write at the posted exam time due to compelling reasons (for example religious, or for part-time students only, work-related reasons):

- Students who have religious obligations which make it impossible to write examinations at the times posted are required to produce a letter from their religious leader stating that they are unable to be present owing to a religious obligation.
- Part-time students who have business commitments which make it impossible to write examinations at the times posted are required to produce a letter on company letterhead from the student's immediate supervisor stating that they are unable to be present owing to a specific job commitment.

In such cases, applications must be made in writing to the Student Experience – Academic (MBA) office at least ten business days before the scheduled examination date and acceptable documentation must be supplied.

If a student is representing the University at an academic or athletic event and is available at an overlapping scheduled time of the test/examination, the student may write the test/examination at an approved location with an approved invigilator, as determined by the Student Experience – Academic (MBA) office.

In such cases, the request for a deferred examination privilege must be made in writing to the Student Experience – Academic (MBA) office within ten business days of the end of the examination period.

Note: A fee of \$50 will be charged for a deferred exam written on campus and a fee of \$100 for deferred exams written elsewhere. In cases where the student's standing is in doubt, the Graduate Admissions and Study Committee may require that the student with one or more deferred examination privileges refrain from re-registering until the examination(s) have been cleared.

STUDENT ACCESSIBILITY SERVICES

Student Accessibility Services (SAS) offers various support services for students with disabilities. Students are required to inform SAS of accommodation needs for course work at the outset of term. Students must forward a copy of such SAS accommodation to the instructor normally, within the first three (3) weeks of classes by setting up an appointment with the instructor. If a student with a disability chooses NOT to take advantage of an SAS accommodation and chooses to sit for a regular exam, a petition for relief may not be filed after the examination is complete. The SAS website is:

<http://sas.mcmaster.ca>

POTENTIAL MODIFICATIONS TO THE COURSE

The instructor reserves the right to modify elements of the course during the term. There may be changes to the dates and deadlines for any or all courses in extreme circumstances. If either type of modification becomes necessary, reasonable notice and communication with the students will be given with explanation and the opportunity to comment on changes. It is the responsibility of the student to check their McMaster email and course websites weekly during the term and to note any changes.

The University reserves the right to change the dates and deadlines for any or all courses in extreme circumstances (e.g., severe weather, labour disruptions, etc.). Changes will be communicated through regular McMaster communication channels, such as McMaster Daily News, A2L and/or McMaster email.

ACKNOWLEDGEMENT OF COURSE POLICIES

Your registration and continuous participation (e.g. on A2L, in the classroom, etc.) to the various learning activities of MBA A745 will be considered to be an implicit acknowledgement of the course policies outlined above, or of any other that may be announced during lecture and/or on A2L. **It is your responsibility to read this course outline, to familiarize yourself with the course policies and to act accordingly.**

Lack of awareness of the course policies **cannot be invoked** at any point during this course for failure to meet them. It is your responsibility to ask for clarification on any policies that you do not understand.

Business A703 Winter 2020 Course Schedule

Note: CASE STUDIES WILL BE POSTED ON AVENUE

WEEK	TOPICS
1 Jan 7	Chapter 2: Investments in Equity Securities P2-1, 2, 3, 5
2 Jan 14	Chapter 3: Business Combinations P3-1, 2, 3, 5, 6
3 Jan 21	Chapter 4: Consolidated Statements on Date of Acquisition P4-1, 3, 4, 8
4 Jan 28	Chapter 5: Consolidated Statements Subsequent to Acquisition P5-1, 2, 3, 4, 5, 7, 9 Pre mid-tem Test
5 Feb 4	Chapter 6: Intercompany Inventory and Land Profits P6-1, 2, 3, 4, 5
6 Feb 11	Chapter 7 (A): Intercompany Profits in Depreciable Assets P7-1, 2, 3, 4, 5, 8
7 Feb 18	Recess
8 Feb 25	Midterm

WEEK	TOPICS
9 Mar 3	Chapter 8: Consolidated Cash Flows and Ownership Issues P8-4, 6, 10, 18
10 Mar 10	Chapter 9: Other Consolidation Reporting Issues P9-1, 7, 11, 12
11 Mar 17	Chapter 10: Foreign Currency Transactions P10-1, 2, 3, 4, 6, 7
12 Mar 24	Ch 11: Translation and Consolidation of the Financial Statements of Foreign Operations P11-1, 2, 7, 8, 11, 13
13 Mar 31	Ch 12: Accounting for Not-For-Profit Organizations & Governments P12-1, 2, 3, 4, 8
14 Apr 7	Review CUMULATIVE FINAL EXAM (TBD)