

Upper Iowa University Independent Study Program

BA 431-09 ADVANCED FINANCIAL ACCOUNTING

COURSE DESCRIPTION:

An extension of the theory and principles of financial accounting, with emphasis on FASB pronouncements applicable to accounting for business combinations, foreign operations and partnerships. Prerequisite: BA 322. Three semester credits.

REQUIRED COURSE MATERIALS:

1. Fischer, Taylor, and Cheng (2009). Advanced Accounting (10th Edition). Cincinnati, OH: South-Western College Publishing.
2. Syllabus

Optional: The student may find the working papers helpful.

You may purchase your textbook through MBS Direct by calling their toll free number at: 800-325-3252 or through the UIU homepage: www.uiu.edu. Click on the link for current students then select order textbooks from the options in the left hand column. Follow the link and select Independent Study for your location.

COURSE OBJECTIVES/LEARNING OUTCOMES:

After completing this course, the student should be able to:

1. Identify and account for business combinations using both the purchase and pooling-of-interests methods.
2. Prepare consolidated financial statements for combined entities.
3. Identify, assess, and compare the accounting principles used internationally.
4. Account for foreign currency transactions.
5. Identify reportable segments and discuss standards for interim financial statements.

SKILLS:

This course addresses goal fifteen for the accounting major which is as follows:

Demonstrate an understanding of, and the ability to apply, the statements and standards (GAAP) developed by the Financial Accounting Standards Board and its predecessors. This ability will be developed through the successful completion of the following courses.

Through the completion of the exercises and problems as assigned, you will develop a proficiency in the accounting for business combinations and foreign operations. It is critical to your growth as an accountant to understand and utilize these concepts in the global economy. Chapter 9 is exercises to utilize your writing skills. In addition the proctored exams will have some essay questions.

WRITING PROFICIENCY:

It is recommended that all papers and research are done in the APA style. We expect appropriate writing skills of proper grammar, punctuation, sentence structure, paragraph development, and logical sequence of thought in all written work, and exams.

It is recommended that all students purchase the APA guide/manual listed on the UIU website. *Publication Manual of the American Psychological Association*. \$27.00 new.

CITATION:

Encyclopedias of any kind, including the very popular Wikipedia, are not primary sources and should not be cited or used in constructing academic papers at the graduate or undergraduate level. They can, however, be useful to help gather some background information and to point the way to more reliable sources.

COURSE OVERVIEW:

Chapters 1—6 in Advanced Financial Accounting are a study of various types of business combinations and related topics. The basics of preparing a consolidated Income Statement and Balance Sheet with *Determination and Distribution of Excess Schedules* and *Income Distribution Schedules* are studied. The study of consolidations continues with the preparation of Consolidated Cash Flow Statements, and the analysis of taxation, EPS, and the use of the equity method of accounting for investments. Special issues in consolidations are also reviewed.

Chapters 7 and 8 continue the study of consolidations and stockholder's equity accounting. Chapter 7 concentrates on piecemeal acquisitions of investments in subsidiaries, the sale of the investments, and the impact of subsidiary transactions including stock dividends, sale of common stock, and the subsidiaries reacquisition of shares.

Chapters 9 – 11 discuss the international accounting environment with emphasis on the need for harmonious accounting standards. Foreign currency transactions and the measurement and/or translation of foreign financial statements are converted into U.S. currency. Other topics of interest include forward contracts as a hedge against inflation, the mechanics of exchange rates, and business risks of exchange rates. Interim financial statements are studied in chapter 12.

EXAMS:

There will be two open book exams that will cover Chapters 1—6 and chapters 7—12 respectively. Before scheduling the proctored exams, you should complete the unit exams and

review the corrections. The unit exams will assist you in your preparation for the proctored exams. These tests will be open book exams and have 50 multiple choice questions. The first unit test will encompass the following topics:

- ❖ Business Combinations: America’s Most Popular Business Activity, Accounting’s Biggest Controversy
- ❖ Consolidated Statements: Date Of Acquisition
- ❖ Consolidated Statements: Subsequent To Acquisition
- ❖ Intercompany Transactions: Merchandise, Plant Assets, And Notes
- ❖ Intercompany Transactions: Bonds And Leases
- ❖ Cash Flow, EPS, Taxation, And Unconsolidated Statements

The second unit test will include the chapters relating to:

- ❖ Special Issues In Accounting For An Investment In A Subsidiary
- ❖ Subsidiary Equity Transactions; Indirect And Mutual Holdings
- ❖ The International Accounting Environment
- ❖ Foreign Currency Transactions
- ❖ Translation Of Foreign Financial Statements
- ❖ Interim Reporting and Disclosures About Business Segments

The midterm and final exams are proctored exams for which you may have a calculator, but no books or notes. You may have extra paper to utilize in your calculations. Be sure to have extra pencils available while taking the proctored exams. The tests will have 40 multiple-choice questions and five or six essay questions. The test will cover all material in that section. To prepare for the exams, I would advise you to review chapters 1—6 for the midterm and 7—12 for the final. You should also study the assignments that have been returned to you. You will find it very beneficial to carefully study previous unit exams. You will have three hours in which to complete each exam.

Grading Scale

Letter Grade	Percentage	Points Needed	Letter Grade	Percentage	Points Needed
A	100 - 93%	930 - 1000	C	77 - 72%	720 - 779
A-	92 - 90%	900 - 929	C-	71 - 70%	700 - 719
B+	89 - 88%	880 - 899	D+	69 - 68%	680 - 699
B	87 - 82%	820 - 879	D	67 - 62%	620 - 679
B-	81 - 80%	800 - 819	D-	61 - 60%	600 - 619
C+	79 - 78%	780 - 799	F	59 - 0%	0 - 599

ASSIGNMENTS

UNIT	CHAPTERS	ASSIGNMENTS	POINTS
1	1. Business Combinations: New Rules for a Long-Standing Business Practice	Exercises: 2, 3, & 7 Problems: 1 & 7	50
	2. Consolidated Statements: Date Of Acquisition	Exercises: 2, 4, & 8 Problems: 5, & 10	50
	3. Consolidated Statements: Subsequent To Acquisition	Exercises: 3, 9 & 10 Problems: 2 & 11	50
2	4. Intercompany Transactions: Merchandise, Plant Assets, And Notes	Exercises: 1, 4 & 12 Problems: 5 & 13	50
	5. Intercompany Transactions: Merchandise, Plant Assets, and Notes	Exercises: 3, 5 & 8 Problems: 4 & 11	50
	6. Cash Flow, EPS, and Taxation	Exercises: 1, 2, & 7 Problems: 2 & 9	50
UNIT EXAM 1	Open Book Exam On Chapters 1—6		100
MIDTERM EXAM	Proctored Exam on Chapters 1 - 6		100
3	7. Special Issues In Accounting For An Investment In A Subsidiary	Exercises: 1, 2, & 7 Problems: 7 & 8	50
	8. Subsidiary Equity Transactions; Indirect And Mutual Holdings	Exercises: 1, 4, & 10 Problems: 5 & 9	50
	9. The International Accounting Environment	Exercises: 1, 2, 3, 4, & 5	50
4	10. Foreign Currency Transactions	Exercises: 1, 4, & 6 Problems: 5 & 6	50
	11. Translation Of Foreign Financial Statements	Exercises: 2, 5, & 6 Problems: 1 & 5	50
	12. Interim Reporting and Disclosures About Segments of an Enterprise	Exercises: 1, 3, & 7 Problems: 5 & 9	50
UNIT EXAM II	Open Book Exam On Chapters 7—12		100
FINAL	Proctored Final Exam On Chapters		

UNIT	CHAPTERS	ASSIGNMENTS	POINTS
	7—12		100

GRADE COMPOSITION:

<u>Units/Study Lessons</u>	<u>Points</u>
Unit 1	150
Unit 2	150
Unit 3	150
Unit 4	150
Unit Exams	
Unit 1	100
Unit 2	100
Midterm Exam	100
Final Exam	<u>100</u>
Total	<u>1,000</u>

NOTE: In order to pass this course, you must get a passing grade (“D” or better), on at least one of the exams and have enough cumulative points to earn a passing grade.

GRADING SYSTEM:

A= Clearly stands out as an excellent performer.

Has unusually sharp insight into material and initiates thoughtful questions. Sees many sides of an issue. Articulates well and writes logically and clearly. Integrates ideas previously learned from this and other disciplines; anticipates next steps in progression of ideas.

Example:

“A” work should be of such a nature that it could be put on reserve for all students to review and emulate. The “A” student is, in fact, an example for others to follow.

A - = Stands out as an excellent performer.

Has sharp insight into material and initiates thoughtful questions. Sees many sides of an issue. Articulates well and writes logically and clearly. Integrates ideas previously learned from this and other disciplines; anticipates next steps in progression of ideas.

Example:

“A-” work should be of such a nature that it might be put on reserve for other students but with reservations; an “A-” should be considered a very high grade.

B+ = Grasps subject matter at a level considered to be very good.

Participates consistently in class discussion. Writes very well. In on-ground environments, speaks very well. Accomplishes much more than the minimum requirements. Produces consistently high quality work.

Example: “B+” work indicates a very high quality of performance and is given in recognition for solid work; a “B+” should be considered a high grade.

B = Grasps subject matter at a level considered to be good.

Participates actively in class discussion. Writes well. In on-ground environments, speaks well. Accomplishes more than the minimum requirements. Produces high quality work. This is the minimum passing grade for graduate work.

Example: “B” work indicates a high quality of performance and is given in recognition for solid work; a “B” should be considered a very good grade.

B - = Often grasps subject matter at a level considered to be good.

Often participates in class discussion. Often well. In on-ground environments, speaks well. Accomplishes more than the minimum requirements. Usually, but not always, produces high quality work.

Example: “B-” work indicates very good performance and is given in recognition for usually solid work; a “B-” should be considered a good grade.

C+ = Demonstrates a just more than satisfactory comprehension of the subject matter.

Accomplishes all of the minimum requirements, and displays above average initiative. Communicates orally and in writing at an above average level for a college student. Has an understanding of all basic concepts.

Example: “C+” work represents above average work. A student receiving a “C+” has more than met the requirements, including deadlines, of the course.

C= Demonstrates a satisfactory comprehension of the subject matter.

Accomplishes only the minimum requirements, and displays little or no initiative. Communicates orally (on-ground environments) and in writing at an acceptable level for a college student. Has an acceptable understanding of all basic concepts.

Example: “C” work represents average work. A student receiving a “C” has met the requirements, including deadlines, of the course.

C - = Demonstrates a barely satisfactory comprehension of the subject matter.

Accomplishes only the minimum requirements, and displays less than average initiative. Communicates orally and in writing at a barely acceptable level for a college student. Has a marginal understanding of all basic concepts.

Example: “C-” work represents below average work. A student receiving a “C-” has barely met the requirements, including deadlines, of the course.

D+=Quality and quantity of work is below average, but verging on acceptable.

Accomplishes the most basic requirements of the course with skill that approaches the acceptable level.

Example: “D+” work is passing and approaches, but does not meet the average expectations.

D= Quality and quantity of work is below average and barely acceptable.

Accomplishes the most basic requirements of the course with below average skill.

Example: “D” work is passing by a slim margin and questions the student’s ability to succeed in more advanced coursework.

D - =Quality and quantity of work is well below average and marginally acceptable.

Accomplishes the most basic requirements of the course and executes them poorly.

Example: “D-“ work is passing, but strongly questions the student's ability to continue on with more advanced level of coursework.

F= Quality and quantity of work is unacceptable.

Academic credit is not earned for an F.

Example: “F” work does not qualify the student to progress to a more advanced level of course work.

LIBRARY RESOURCES:

As a student of Upper Iowa University, library resources (online journal databases, e-books, newspaper access, citation help, etc.) are available. If travel to the campus is not feasible, you can access the library through the University’s website. Go to: www.uiu.edu/library. **To request usernames/passwords for remote library access contact the UIU Library either by phone (563)425-5270, (563)425-5356, or [(563)425-5261, library weekend hours] or, email library@uiu.edu** by clicking on the link. Please be sure to include your student ID number to help verify that you are an Upper Iowa University distance learner. (Hint: consider requesting accesses BEFORE you need the service.) Library help sheets can be found on myUIU.

OTHER HELPFUL WEBSITES:

Research and Writing: <http://owl.english.purdue.edu/> . Contains tips on how to write a research paper.

Bartleby.com: www.bartleby.com/reference. This site has excellent references, such as *American Heritage Dictionary*, *Roget’s Thesaurus*, *Elements of Style* and *Bartlett’s Quotations*.

Britannica.com: www.britannica.com. Plug in any subject, get articles and related Web sites.

Google: www.google.com. This site is a great all-purpose search engine on the Web.

The Internet Public Library: www.ipl.org. A great site to start research and has reference, newspaper, and magazine links. Also contains archives of academic papers and tutorials on how to improve writing.

CHEATING, ACADEMIC DISHONESTY AND PLAGIARISM:

Because cheating, academic dishonesty and plagiarism are affronts to the University community as a whole and a denial of the offender's own integrity, they will not be tolerated. Cheating includes but is not limited to:

- the use of unauthorized books, notes or other sources in the giving or securing of help in an examination or other course assignments,
- the copying of other students' work or allowing others to copy your work,
- the submission of work that is not your own or allowing others to submit your work as theirs,
- the submission of the same work for two or more classes without the approval of any instructors involved.

Academic dishonesty includes, but is not limited to:

- sharing academic materials knowing they will be used inappropriately,
- having access to another person's work without permission,
- providing false or incomplete information on an academic document,
- changing student records without approval.
- obtaining and using texts intended for instructor use only.

Plagiarism includes, but is not limited to:

- the presentation of another's published or unpublished work as one's own,
- taking words or ideas of another and either copying them or paraphrasing them without proper citation of the source,
- using charts, graphs, statistics or tables without proper citation.

Detected cheating, academic dishonesty, or plagiarism will result in consequences that may, at the instructor's discretion, include course failure. In addition, an offender may be reported to the Senior Vice President for the Extended University, the Dean of the Extended University, or designee for possible disciplinary action, which may include suspension or dismissal from the University. Upper Iowa University may make use of various plagiarism detection services. Individuals, by enrolling in courses offered by the University, consent to submission by the University of course-related assignments to such services and the retention of a copy of such assignments by the service.

Cheating, academic dishonesty and plagiarism infractions are tracked by the Dean of the Extended University, and cumulative evidence collected from multiple incidents will be considered when making suspension or dismissal decisions.

Extended University Catalog 2008/09 page 98.

http://www.uui.edu/catalogs/eu/policies_1.html#conduct

ATTENDANCE:

Even though a student does not attend a regular classroom in the traditional sense and keep up with a set schedule of assignments, it should be pointed out how important it is to keep yourself on a regular timely schedule if possible to complete and send in units. It is too easy to set work aside and decide to do it later. Suddenly, the need to complete assignments and get them in by deadlines can become stressful and, at times, impossible. The key would be to set time aside on a regular basis and submit work in a timely manner.

WITHDRAWAL:

If you wish to withdraw prior to the last day of the enrollment period you must contact the Independent Study office by phone or in writing. After your original six month enrollment period you no longer have the option to withdraw from the course. You must finish the course or have a final grade assigned based on the coursework submitted.

SPECIAL NEEDS:

If you require accommodation for special needs, please provide documentation to: Academic Advising Coordinator.

This syllabus is tentative and subject to change.