

**Commerce 4AC3
Financial Accounting IV
Fall 2019 Course Outline**

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

COURSE OBJECTIVES

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

Mondays (CO1) 2:30 am to 5:20 pm
Wednesdays (CO2) 2:30 pm to 5:20 pm

Instructor: Yvonne Kwok, CPA, CA
Email: kwokyv@mcmaster.ca

Office Hours: Mondays 12:30 pm to 1:30 pm or by appointment

COURSE ELEMENTS

Credit Value:	3	Leadership:	Yes	IT skills:	No	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:	No	Final Exam:	Yes	Guest speaker(s):	Yes

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.

REQUIRED 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.

<i>Communication and Feedback</i>
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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 Area Administrative Assistants. Instructors are required to provide evaluation feedback for at least 10% of the final grade to students prior to Week #9 in the term. Instructors may solicit feedback via an informal course review with students by Week #4 to allow time for modifications in curriculum delivery.

Test

This portion is worth 10% of your overall grade in the course. The test will cover the foundational concepts of consolidation. Details of the test will be discussed in depth during the lecture. There will be no makeup for if the student misses the test. Students missing the in quiz

without a valid reason or without following the correct procedures will receive zero for the test. For students missing the test with a valid reason, the weight will be transferred to the final examination. (See “Request for relieve from missed academic term work” in this course outline).

Midterm

A midterm test will be written on a date to be announced. The test will cover the work covered up to and including the week before the midterm test. Students should be able to answer multiple choice, discussion questions and comprehensive consolidation questions. More detail will be provided in class.

There will be no makeup for missed midterm test. Students missing the midterm without a valid reason or without following the correct procedures will receive zero for the test. For students missing the test with a valid reason, the weight will be transferred to the final examination. (See “Request for relieve from missed academic term work” in this course outline).

Assignment and Cases

Online assignments cover various chapters. These online assignments are submitted individually and this portion is worth 5%.

Case writing skills are an integral component of success on the professional accounting examinations. As such, case studies are integrated into many of the classes for this course. For case studies, students are expected to have read the assigned case in advance to identify issues, alternatives, and recommendations. Students should be prepared to contribute to class discussion on the case by raising questions and issues on their own initiative and by being able to respond to questions and issues raised by other students and the Instructor.

In week 6, the Instructor will distribute a hand-in case assignment. The case assignment is worth 10% of the final mark and is to be done in teams of 4 to 6 students (groups to be assigned by the Instructor). The case assignment will integrate concepts at an advanced financial reporting level and will be due for submission (hard copy) at the start of class 13.

Final Exam

The final examination is scheduled by the Academic Programs Office. The examination will be three hours in length and **comprehensive**. More information about the examination will be provided in class.

ACADEMIC INTEGRITY

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

REQUESTING RELIEF FOR MISSED ACADEMIC WORK

Students may request relief from a regularly scheduled midterm, test, assignment or other course components. Please refer to the policy and procedure on the DeGroot website at the link below;

<http://ug.degroot.mcmaster.ca/forms-and-resources/missed-course-work-policy/>

STUDENT ACCESSIBILITY SERVICES

Students who require academic accommodation must contact Student Accessibility Services (SAS) to make arrangements with a Program Coordinator. Academic accommodations must be arranged for each term of study. Student Accessibility Services can be contacted by phone 905-525-9140 ext. 28652 or e-mail sas@mcmaster.ca.

For further information, consult McMaster University’s Policy for Academic Accommodation of Students with Disabilities:

<http://www.mcmaster.ca/policy/Students-AcademicStudies/AcademicAccommodation-StudentsWithDisabilities.pdf>

ACADEMIC ACCOMMODATION FOR RELIGIOUS, INDIGENOUS OR SPIRITUAL OBSERVANCES (RISO)

Students requiring academic accommodation based on religious, indigenous or spiritual observances should follow the procedures set out in the RISO policy. Students requiring a RISO accommodation should submit their request, including the dates/times needing to be accommodated and the courses which will be impacted, to their Faculty Office normally within 10 days of the beginning of term or to the Registrar's Office prior to their examinations. Students should also contact their instructors as soon as possible to make alternative arrangements for classes, assignments, and tests.

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.

ACKNOWLEDGEMENT OF COURSE POLICIES

Your enrolment in Commerce 4AC3 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.

COURSE SCHEDULE

Commerce 4AC3 Fall 2019 Course Schedule

Note: CASE STUDIES WILL BE POSTED ON AVENUE

WEEK	TOPICS
1 Sept 2	Chapter 2: Investments in Equity Securities P2-1, 2, 3, 5
2 Sept 9	Chapter 3: Business Combinations P3-1, 2, 3, 5, 6
3 Sept 16	Chapter 4: Consolidated Statements on Date of Acquisition P4-1, 3, 4, 8
4 Sept 23	Chapter 5: Consolidated Statements Subsequent to Acquisition P5-1, 2, 3, 4, 5, 7, 9 Pre mid-tem Test
5 Sept 30	Chapter 6: Intercompany Inventory and Land Profits P6-1, 2, 3, 4, 5
6 Oct 7	Chapter 7 (A): Intercompany Profits in Depreciable Assets P7-1, 2, 3, 4, 5, 8
7 Oct 14	Recess

WEEK	TOPICS
8 Oct 21	Midterm
9 Oct 28	Chapter 8: Consolidated Cash Flows and Ownership Issues P8-4, 6, 10, 18
10 Nov 4	Chapter 9: Other Consolidation Reporting Issues P9-1, 7, 11, 12
11 Nov 11	Chapter 10: Foreign Currency Transactions P10-1, 2, 3, 4, 6, 7
12 Nov 18	Ch 11: Translation and Consolidation of the Financial Statements of Foreign Operations P11-1, 2, 7, 8, 11, 13
13 Nov 25	Ch 12: Accounting for Not-For-Profit Organizations & Governments P12-1, 2, 3, 4, 8
14 Dec 2	Review CUMULATIVE FINAL EXAM (TBD)