

**Commerce 4AC3
Advanced Financial Accounting
Winter 2020 Course Outline**

**Accounting and Financial Management Services Area
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 accounting. 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

**Section 1: Thursday 8:30am – 11:20am (MDCL 1009)
Section 2: Thursday 2:30pm – 5:20pm (BSB 117)**

Instructor: Kevin Veenstra, PhD, MAcc, CPA, CA, CMA, CFA
Email: veenstk@mcmaster.ca

Office: DSB 324
Office Hours: Thursdays, 11:45am – 2:00pm or by appointment

Course Home page: <http://avenue.mcmaster.ca>
Select: Commerce 4AC3: Advanced Financial Accounting

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:	No	Oral skills:	Yes
Evidence-based:	Yes	Experiential:	No	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 Accounting.

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 detailed learning objectives.

REQUIRED COURSE MATERIALS AND READINGS

Modern Advanced Accounting in Canada, 9th Edition; Hilton, Herauf; McGraw-Hill Ryerson, ISBN 978-125965469-5.

Two available options. Either option is fine.

E-text (Connect with Smartbook); available in the bookstore; includes access to Connect for additional questions/resources.

Print text plus Connect with Smartbook; available in the bookstore.

CONDUCT OF CLASSES AND GENERAL APPROACH

Approximately the first 45 minutes of four classes will be dedicated to an in-class quiz (where applicable; as outlined on last page below). The in-class quiz will consist of material covered in class the previous week. The remaining 125 minutes of class will consist of a combination of lecture, case studies, and classroom discussion. Classes will be used to introduce, explain and otherwise clarify new topics and issues. Class lectures are in addition to the textbook. ***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.

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 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

Components and Weights

Nature of Evaluation	Date	Weight
Midterm	Thursday, February 27, 2020	30%
Class Participation	As noted below	15%
In-class Quizzes	As noted below	15%
Final Exam	During exam period	40%
Total		100%

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

<http://www.mcmaster.ca/policy/Students-AcademicStudies/examinationindex.html>

The official McMaster University photo identification card **must** be presented at each examination.

Class Participation

Class participation marks will be based on participation during homework take-up and discussions in class. For homework take-up, students are expected to have read the cases/questions in advance. Students should be prepared to contribute to class discussion by being able to respond to questions and issues raised by other students and the instructor.

In order to provide students with feedback regarding participation, a name card/self-evaluation sheet (name card) will be distributed in the first class and will be required to be completed by the student each class. The name card will be collected and reviewed by the instructor each class and re-distributed the next class. While the student's final participation grade will be awarded by the instructor, the student evaluation will be considered for the decision. Failure to maintain and complete the self-evaluation card will result in a grade of zero for the class participation component of your final grade.

The success of the course for students depends on active, thoughtful participation and preparation by the members of the class. Attendance is a pre-requisite for participation. The mark each student receives will reflect the quantity and quality of that student's contribution to the course. Your participation will be graded based on the following scale:

Significant and meaningful contributions	8-10
Regular and useful contributions	6-8
Occasional contributions	4-6
Regular attendance, minimal contribution	2-4
Irregular attendance	0-2

In-class Quizzes

There will be 4 quizzes throughout the term. There will be no make-up quizzes if a quiz is missed. The best 3 out of 4 quizzes will be counted in the final grade.

Midterm Test

The midterm will be written on **Thursday, February 27th** and will be two hours in length. The test will cover the work covered up to and including the week before the midterm test. Students should be able to answer both quantitative and discussion-type questions.

There will be no makeup for the 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).

Final Exam

The final examination is scheduled by the Academic Programs Office. The examination will be 2.5 hours in length and **comprehensive**. More information about the examination will be provided in class.

Communication and Feedback

Students who wish to correspond with the instructor 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.

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

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 DeGroote website at the link below;

<http://ug.degroote.mcmaster.ca/forms-and-resources/misled-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>

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.

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.

Remarks

- i. Please see Avenue for any updates and course material on a daily basis.
- ii. Any attempt to submit a falsified MSAF for this course for a missed test or midterm exam constitutes academic dishonesty and charges will be filed with the Office of Academic Integrity.
- iii. We only respond to emails sent from students' McMaster email accounts. Ensure that your Mac account is activated and has space to receive emails. We reply to emails only once, and if it returns to us as "undeliverable mail" we do not attempt any further replies. Do not use the email provided by Avenue. We do not check Avenue for emails. We do not respond to emails asking questions to which the answer is readily available in the course outline or Avenue.

RECORDING LECTURES

Lectures and course materials prepared by the instructor are considered by the University to be an instructor's intellectual property covered by the Canadian Copyright Act. Students wishing to record a lecture or other course material in any way are required to ask the instructor's explicit permission, and may not do so unless permission is granted (note: students who have been previously granted permission to record lectures as an accommodation for a disability are, of course, excepted). This includes tape recording, filming, photographing PowerPoint slides, Avenue materials, etc.

If permission is granted by the instructor (or via Accessibility Services), it is intended for the individual student's own study purposes and does not include permission to "publish" them in anyway. It is absolutely forbidden for a student to publish an instructor's notes to a website or sell them in any other form without formal permission.

COURSE SCHEDULE

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WEEK	DATE	TOPICS
1	January 9	Chapter 2: Investments in Equity Securities
2	January 16	Problems: 2-2, 2-4, 2-5 Chapter 3: Business Combinations
3	January 23	Problems: 3-5, 3-11, 3-12 Chapter 4: Consolidated Statements on Date of Acquisition Assigned case to be taken up in class: King/Queen (not in text; see Avenue) In-class Quiz # 1: Chapters 2 and 3
4	January 30	Problems: 4-3, 4-10, 4-15 Problem: 5-2 Chapter 5: Consolidation Subsequent to Acquisition Date Assigned case to be taken up in class: Case 5-4 (Beaver Ridge Oilers)
5	February 6	Problems: 5-2, 5-4, 5-7 Problem: 6-15 (exclude Part D) Chapter 6: Intercompany Inventory and Land Profits Assigned case to be taken up in class: Case 4-4 (Valero) In-class Quiz # 2: Chapters 4 and 5
6	February 13	Problems: 6-1, 6-7, 6-14 Problem: 7-8 (part A) Chapter 7: Intercompany Profits in Depreciable Assets (exclude Intercompany Bondholdings)
	February 20	Reading week. No classes.

WEEK	DATE	TOPICS
7	February 27	Midterm Review Class
	February 27	The midterm is 2 hours long and covers material up to and including Class 6. It will be held from 6 p.m. to 8 p.m. (room T13 123). If you cannot attend the exam at this time, you must inform your professor by email by Friday, February 14. Also, you must provide proof that you are unable to attend such as a copy of your timetable indicating you have class at this time or documentation from your employer.
8	March 5	Problems: 7-1, 7-3 Problem: 8-13 (see solution in lecture slides) Chapter 8: Ownership Issues (excluding cash flows) Note: there is a self-study for this week. It can be performed either before/after class 7. You are not responsible for consolidated cash flows but the material may be useful for your professional program. In-class Quiz # 3: Chapters 6 and 7
9	March 12	Problems: 8-2, 8-5, 8-6, 8-16(a), 8-18 Problem: 9-5 Problem: 9-2 Chapter 9: Other Consolidation Reporting Issues
10	March 19	Problems 9-6, 9-10, 9-12, 9-13, 9-14 Chapter 10: Foreign Currency Transactions Assigned case to be taken up in class: Case 9-2 (Mr. Reno)
11	March 26	Problems: 10-6 (parts A, B,C), 10-8 Chapter 11: Translation and Consolidation of Foreign Operations Assigned case to be taken up in class: Case 11-2 (Nova)
12	April 2	Problems: 11-1, 11-7 Chapter 12: Accounting for Not-for-Profit and Public Sector Organizations In-class Quiz # 4: Chapters 8, 9, 10 and 11
	TBD	Final Exam Period: Monday, April 13th to Tuesday, April 28th