

**Commerce 4AC3
Financial Accounting IV
Winter 2024 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.

INSTRUCTORS AND CLASS INFORMATION

Wednesdays (CO1) 11:30 am to 2:20 pm

Office Hours: TBD and by appointment

Instructor:

Yvonne Kwok, CPA, CA

DSB 418

Email: kwokyv@mcmaster.ca

Teaching assistant:

TBD

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

1. Avenue registration for course content, readings and case materials
 - <http://avenue.mcmaster.ca>

Modern Advanced Accounting in Canada, 10th Edition; Hilton, Herauf; McGraw-Hill Ryerson

This term our course will take part in the Inclusive Access Program with the Campus Store. In this course the required materials are Modern Advanced Accounting In Canada W/ Connect 12 Month Access – this textbook will be used extensively in the course and the accompanying Connect access code will be used to test your knowledge of the materials. You will receive access to your etext and Connect in a digital format on the first day of class through Avenue to Learn

The Campus Store has negotiated special pricing on this etext as part of the Inclusive Access program. The cost to students will be \$93.95

We will use Connect in this course to help ensure better learning outcomes in the course. Each week you will be assigned required assignments using Connect that will be included as part of your final grade. These assignments will help to ensure your understanding of the course concepts.

The cost of the required materials will be charged to your student account after the opt out deadline for this term has passed (January 19, 2024). A charge from the Campus Store will appear on your Mosaic account, and the payment will be due within 30 days. You can find more information about charges to your student account on [McMaster Registrar's website](#). If you're not sure how to view your Student Account in Mosaic, [watch this short video](#). [If you do not want to take advantage of the Inclusive Access program, you can opt out using the link below. You must make this change by the deadline, and you will receive an email confirming that you have successfully opted out. You can make changes \(opt in/out\) as many times as you want before the deadline.](#)

WINTER 2024 OPT OUT DEADLINE: January 19, 2024

<https://bit.ly/W24-COMMERCE4AC3>

To keep access to your materials for the semester, make sure you access them through Avenue before the opt out date. There is nothing else to do but pay for the materials when they are charged to your account.

You will receive an email before the opt-out date reminding you of the deadline. If you opt out, you will no longer have access to the etext and Connect

This initiative with the Campus Store will help ensure that we can start our course off with everyone having access to the required course materials. I hope it will help ensure your success in this course.

2. CPA Canada Handbook

3. Avenue Postings

CONDUCT OF CLASSES AND GENERAL APPROACH

LEARNING ACTIVITIES	DELIVERY	DESCRIPTION	TOOL(S)
Self-study		Readings, modules, discussions	Textbook / Avenue to Learn / Tophat On your own time before lectures
Lectures	In-person	Live sessions led by your instructor	Avenue to Learn/ Tophat Weekly during scheduled class time

COMM 4AC3 (C01) (Winter 2024): <https://app.tophat.com/e/047543>

In-class lectures, technical problem solving, case studies, and classroom discussions will be used. Lectures 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. 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 synchronous lecture. Other problems will also be introduced in class from time to time. 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 instructor as well.

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	35%
Comprehensive final examination	35%
Case Assignment	10%
Class participation	10%
Chapter Assignments	10%
	100%

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.

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 class time, 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.

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

Communication and Feedback

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.

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 according to the due dates. These online assignments are integrated with Avenue to facilitate access by students.

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 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 2.5 hours in length and **comprehensive**. More information about the examination will be provided in class.

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.

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:

- plagiarism, e.g. the submission of work that is not one’s own or for which other credit has been obtained.
- improper collaboration in group work.
- 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>

ON-LINE PROCTORING

Some courses may use online proctoring software for tests and exams. This software may require students to turn on their video camera, present identification, monitor and record their computer activities, and/or lock/restrict their browser or other applications/software during tests or exams. This software may be required to be installed before the test/exam begins.

CONDUCT EXPECTATIONS

As a McMaster student, you have the right to experience, and the responsibility to demonstrate, respectful and dignified interactions within all of our living, learning and working communities. These expectations are described in the [Code of Student Rights & Responsibilities](#) (the “Code”). All students share the responsibility of maintaining a positive environment for the academic and personal growth of all McMaster community members, **whether in person or online.**

It is essential that students be mindful of their interactions online, as the Code remains in effect in virtual learning environments. The Code applies to any interactions that adversely affect, disrupt, or interfere with reasonable participation in University activities. Student disruptions or behaviours that interfere with university functions on online platforms (e.g. use of Avenue 2 Learn, WebEx or Zoom for delivery), will be taken very seriously and will be investigated. Outcomes may include restriction or removal of the involved students’ access to these platforms.

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 should submit their request to their Faculty Office **normally within 10 working days** of the beginning of term in which they anticipate a need for accommodation 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.

COPYRIGHT AND RECORDING

Students are advised that lectures, demonstrations, performances, and any other course material provided by an instructor include copyright protected works. The Copyright Act and copyright law protect every original literary, dramatic, musical and artistic work, **including lectures** by University instructors.

The recording of lectures, tutorials, or other methods of instruction may occur during a course. Recording may be done by either the instructor for the purpose of authorized distribution, or by a student for the purpose of personal study. Students should be aware that their voice and/or image may be recorded by others during the class. Please speak with the instructor if this is a concern for you.

GENERATIVE AI

Students are not permitted to use generative AI in this course. In alignment with McMaster academic integrity policy, it “shall be an offence knowingly to ... submit academic work for assessment that was purchased or acquired from another source”. This includes work created by generative AI tools. Also state in the policy is the following, “Contract Cheating is the act of “outsourcing of student work to third parties” (Lancaster & Clarke, 2016, p. 639) with or without payment.” Using Generative AI tools is a form of contract cheating. Charges of academic dishonesty will be brought forward to the Office of Academic Integrity.

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

Note: CASE STUDIES WILL BE POSTED ON AVENUE. THE FOLLOWING ARE SUGGESTED QUESTIONS BY CHAPTER FOR REVIEW AND PRACTICE. YOU ARE STRONGLY ENCOURAGED TO PRACTICE ADDITIONAL CHAPTER PROBLEMS FOR LEARNING PURPOSES.

WEEK	TOPICS
1 Jan 10	Chapter 2: Investments in Equity Securities P2-1, 2, 3, 5
2 Jan 17	Chapter 3: Business Combinations P3-1, 2, 3, 5, 6
3 Jan 24	Chapter 4: Consolidated Financial Statements on Date of Acquisition P4-1, 3, 4, 8
4 Jan 31	Chapter 5: Consolidated Financial Statements Subsequent to Acquisition P5-1, 2, 3, 4, 5, 7, 9
5 Feb 7	Chapter 6: Intercompany Inventory and Land Profits P6-1, 2, 3, 4, 5

6 Feb 14	Chapter 7 (A): Intercompany Profits in Depreciable Assets P7-1, 2, 3, 4, 5, 8
7 Feb 21	Recess
8 Feb 28	Midterm (DETAILS TO BE ANNOUNCED)
9 Mar 6	Chapter 8: Consolidated Cash Flows and Ownership Issues P8-4, 6, 10, 18
10 Mar 13	Chapter 9: Other Consolidation Reporting Issues P9-1, 7, 11, 12
11 Mar 20	Chapter 10: Foreign Currency Transactions P10-1, 2, 3, 4, 6, 7
12 Mar 27	Ch 11: Translation and Consolidation of the Financial Statements of Foreign Operations P11-1, 2, 7, 8, 11, 13
13 April 3	Ch 12: Accounting for Not-For-Profit Organizations & Governments P12-1, 2, 3, 4, 8

14 April 10	Exam Review
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