

**Commerce 4AC3
Financial Accounting IV
Winter 2025 Course Outline**

**Accounting and Financial Management Services Area
DeGroot 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

Thursdays (CO1) 8:30 am to 11:20 am

Office Hours: TBD and by appointment

Instructor:

Yvonne Kwok, CPA, CA

DSB 418

Email: kwokyv@mcmaster.ca

Teaching assistant:

Stephen Credico credicsm@mcmaster.ca

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

The required materials are *Modern Advanced Accounting In Canada w/ Connect 12 Month Access*, which will be used extensively for learning and assessments. You will receive digital access to these materials via Avenue to Learn on the first day of class at a discounted price of \$94.95.

The cost will be charged to your student account after the Immediate Access deadline on **January 17th**, with payment due within 30 days.

New this term: You can change your Immediate Access options (remove/reinstate your access) any time prior to the deadline via your personalized Course List on the [Campus Store website](#).

If you prefer a print version, you can purchase it through Connect as part of the program.

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

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.

All students must receive feedback regarding their progress prior to the final date by which a student may cancel the course without failure by default.

For Level 1 and Level 2 courses, this feedback must equal a minimum of 20% of the final grade.

For Level 3 courses and above, this feedback must equal a minimum of 10% of the final grade.

Instructors may solicit feedback via an informal course review with students around Week #4/5 to allow time for modifications in curriculum delivery.

Students who have concerns about the course content, evaluation methods, or delivery should first reach out to the course instructor. If your concern remains unresolved after speaking with the instructor, you may then reach out to the relevant Area Chair for further consideration.

Midterm

A midterm test will be written on Saturday March 1, 2025. 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 last class.

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. **It is your responsibility to understand what constitutes academic dishonesty.**

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.

For information on the various types of academic dishonesty please refer to the [Academic Integrity Policy](https://secretariat.mcmaster.ca/university-policies-procedures-guidelines/), located at <https://secretariat.mcmaster.ca/university-policies-procedures-guidelines/>

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

In the event of an absence for medical or other reasons, students should review and follow the Academic Regulation in the Undergraduate Calendar “Requests for Relief for Missed Academic Term Work” and the link below;

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

Note: Per the McMaster University MSAF Policy, the MSAF Policy cannot be used “for academic work such as online assessments (e.g., quizzes, tests, etc.), where the student has already completed the work, or has attempted to complete the work. This includes the viewing and/or partial completion of online assessments (e.g., quizzes, tests, etc.)”.

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 13	Chapter 2: Investments in Equity Securities P2-1, 2, 3, 5 <i>Pre-reading</i> – Review Investments chapter from your Intermediate Financial Accounting
2 Jan 20	Chapter 3: Business Combinations P3-1, 2, 3, 5, 6
3 Jan 27	Chapter 4: Consolidated Financial Statements on Date of Acquisition P4-1, 3, 4, 8
4 Feb 3	Chapter 5: Consolidated Financial Statements Subsequent to Acquisition P5-1, 2, 3, 4, 5, 7, 9
5 Feb 10	Chapter 6: Intercompany Inventory and Land Profits P6-1, 2, 3, 4, 5
6 Feb 17	Recess (Feb 17 to 25)
7 Feb 24	Chapter 7 (A): Intercompany Profits in Depreciable Assets P7-1, 2, 3, 4, 5, 8 <i>Midterm – Sat. March 1, 2025 at DSB AB102 9:30 am to 12:00 pm</i>

8 March 3	Chapter 8: Consolidated Cash Flows and Ownership Issues P8-4, 6, 10, 18
9 Mar 10	Chapter 9: Other Consolidation Reporting Issues P9-1, 7, 11, 12
10 Mar 17	Chapter 10: Foreign Currency Transactions P10-1, 2, 3, 4, 6, 7
11 Mar 24	Ch 11: Translation and Consolidation of the Financial Statements of Foreign Operations P11-1, 2, 7, 8, 11, 13
12 Mar 31	Ch 12: Accounting for Not-For-Profit Organizations & Governments P12-1, 2, 3, 4, 8
13 April 7	Exam Review
	<i>Semester ends on April 8, 2025</i>