

Commerce 4AC3 Advanced Financial Accounting Fall 2025 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: Monday 8:30am – 11:20am

Section 2: Wednesday 8:30am – 11:20am

Instructor: Kevin Veenstra, PhD, MAcc, CPA, CA, CMA, CFA

Email: veenstk@mcmaster.ca

Office: DSB 324

Virtual Office Hours: 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

This Fall our course will be participating in the Inclusive Access Program through the Campus Store.

Welcome to COMMERCE 4AC3! The course materials for this course will be delivered through the Immediate Access Program in partnership with the Campus Store.

You'll receive digital access to the required textbook on Avenue to Learn starting the first day of class:

MODERN ADVANCED ACCOUNTING IN CANADA W/ CONNECT 12 MONTH ACCESS

The discounted price for this resource is \$95.95. This cost will be shown on your student account at the beginning of the term.

The deadline to make changes to your IA options (remove or reinstate your access) is September 12th, any changes that you make will be reflected on your student account after that deadline.

You can manage your access at any time before the September 12th deadline through your personalized booklist on the Campus Store website.

A reminder email will be sent to your McMaster account before the deadline. If you choose not to participate, you will no longer have access to these materials after the deadline.

The Immediate Access program helps ensure you have everything you need to succeed in this course.

What is Connect? Connect is an online homework and learning management platform from McGraw Hill. Connect helps you stay organized with assignments, target difficult materials to practice and improve your skills and save time on studying.

We will use Connect in this course to help ensure better learning outcomes and efficiency in the course. Each week you will be assigned readings from the textbook.

CONDUCT OF CLASSES AND GENERAL APPROACH

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. The lectures are in addition to the textbook. 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 virtual 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	Friday, October 24, 2025	30%
Class Participation	As noted below	15%
Final Exam	During exam period	55%
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. 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

Midterm Test

The midterm will be written on **Friday, October 24th** and will be **2.5 hours** in length. The test will cover the work covered up to and including the week before the midterm test i.e. chapter 6. Students should be able to answer both quantitative and case-type questions. The midterm will be written in room T13 101. Please refer to details below as to which room you will write in.

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, including all material taught during this course**. More information about the examination will be provided in class.

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 by Week #4 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.

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.degroote.mcmaster.ca/forms-and-resources/missed-course-work-policy/>

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.

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.

AUTHENTICITY/PLAGIARISM DETECTION

Some courses may use a web-based service (Turnitin.com) to reveal authenticity and ownership of student submitted work. For courses using such software, students will be expected to submit their work electronically either directly to Turnitin.com or via an online learning platform (e.g. A2L, etc.) using plagiarism detection (a service supported by Turnitin.com) so it can be checked for academic dishonesty.

Students who do not wish their work to be submitted through the plagiarism detection software must inform the Instructor before the assignment is due. No penalty will be assigned to a student who does not submit work to the plagiarism detection software.

All submitted work is subject to normal verification that standards of academic integrity have been upheld (e.g., on-line search, other software, etc.). For more details about McMaster’s use of Turnitin.com please go to www.mcmaster.ca/academicintegrity.

COURSES WITH AN ON-LINE ELEMENT

Some courses may use on-line elements (e.g. email, Avenue to Learn (A2L), web pages, TopHat, MS Teams, etc.). Students should be aware that, when they access the electronic components of a course using these elements, 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 a course that uses on-line elements will be deemed consent to this disclosure. If you have any questions or concerns about such disclosure please discuss this with the course instructor.

ONLINE 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 OF STUDENTS WITH DISABILITIES

Students with disabilities who require academic accommodation must contact [Student Accessibility Services](#) (SAS) at 905-525-9140 ext. 28652 or sas@mcmaster.ca to make arrangements with a Program Coordinator. For further information, consult McMaster University’s [Academic Accommodation of Students with Disabilities](#) policy.

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.

EXTREME CIRCUMSTANCES

The University reserves the right to change the dates and deadlines for any or all courses in extreme circumstances (e.g., severe weather, labour disruptions, etc.). Changes will be communicated through regular McMaster communication channels, such as McMaster Daily News, A2L and/or McMaster email.

RESEARCH USING HUMAN SUBJECTS

All researchers conducting research that involves human participants, their records or their biological material are required to receive approval from one of McMaster's Research Ethics Boards before (a) they can recruit participants and (b) collect or access their data. Failure to comply with relevant policies is a research misconduct matter. Contact these boards for further information about your requirements and the application process.

McMaster Research Ethics Board (General board): <https://reo.mcmaster.ca/>

Hamilton Integrated Research Ethics Board (Medical board): <http://www.hireb.ca/>

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.

COURSE SCHEDULE

**Commerce 4AC3
Advanced Financial Accounting
Fall 2025 Course Schedule**

WEEK	DATE	TOPICS
1	September 3/8	Chapter 2: Investments in Equity Securities
2	September 10/15	Chapter 3: Business Combinations Problems: 2-8, 3-15, 3-16
3	September 17/22	Chapter 4: Consolidated Statements on Date of Acquisition Assigned case to be taken up in class: King/Queen (not in text; see Avenue) Problems: 4-9, 4-13, 4-14 Please note that September 22 nd class will be cancelled as Prof. Kevin will be away. Students can come to the September 17 th class. Alternatively, Prof. Kevin will record the September 17 th class and can watch later.
4	September 24/29	Chapter 5: Consolidation Subsequent to Acquisition Date Assigned case to be taken up in class: Case 4-4 (Valero) Problems: 5-6, 5-8, 5-9
5	October 1/6	Chapter 6: Intercompany Inventory and Land Profits Assigned case to be taken up in class: Fall 2020 term test case – Guelph Auto Parts Problems: 6-6, 6-12, 6-16 (exclude part D)
6	October 8/20	Chapter 7: Intercompany Profits in Depreciable Assets (excludes intercompany bondholdings for exams); Deferred Income Taxes and Business Combinations Problems: 7-10 (part A) and 9-4
7	October 24	Midterm Time: 9:30 a.m. to 12:00 p.m. Location T13 101. The term test is 2.5 hours and covers material up to and including Chapter 6. If you cannot attend the test at the above time, you must inform your professor by email by October 6th. Also, you must provide details/proof as to why you are unable to attend.

WEEK	DATE	TOPICS
8	October 22/27	Chapter 8: Ownership Issues (excluding cash flows) Note: there is a self-study for this week. It can be performed either before/after class 8. You are not responsible for consolidated cash flows but the material may be useful for your professional program. Problems: 8-10, 8-11, 8-13. Problem: 8-17
9	October 29/November 3	Chapter 9: Other Consolidation Reporting Issues Assigned case to be taken up in class: Case 7-3 (Penston) Problems: 9-8, 9-9, 9-20
10	November 5/10	Chapter 10: Foreign Currency Transactions Assigned case to be taken up in class: Case 9-2 (Mr. Reno) Problems 10-10, 10-16 (parts A, C)
11	November 12/17	Chapter 11: Translation and Consolidation of Foreign Operations Assigned case to be taken up in class: Case 11-2 (Nova) Problems: 11-1, 11-7
12	November 19/24	Chapter 12: Accounting for Not-for-Profit and Public Sector Organizations
13	November 26/December 1	Review Class. I will take up a prior year final exam.
	TBD	Final Exam Period: December 6th to December 19th