SYLLABUS
ACC 331 – Advanced Financial Accounting I
WINTER (Jan-Feb) 2015
MEETING TIME: Tuesdays: 6:00 p.m. - 10:30 p.m.
INSTRUCTOR: Britt Blackwell, MBA
OFFICE HOURS: I will try to arrive one half hour before scheduled class time. Other
times arranged as needed. PHONE: 308-398-7483
CELL: 308-550-0705 (Until 10:00 PM)
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Use for class related e-mails ONLY

CATALOG DESCRIPTION: The course will build upon the concepts covered in prior
accounting courses. The focus will primarily be on financial accounting concepts and methods
of analysis applicable to accounting for partnerships, branches, and combined, consolidated
financial statements.

COURSE OBJECTIVE: To establish branch office accounting systems, record revenue and
expense transactions, and billing branches for inventory shipments. Prepare combined financial
statements, record business combination while defining purchases method and computing
Goodwill. Prepare consolidated financial statements and define conditions required for
consolidation. Be able to compute minority share using the equity method and recognize/make
adjusting entries for intercompany transactions. Make sub equity change entries and adjusting
entries for international transactions and prepare international financial statements.

PREREQUISITE: Accounting 232 with a C or higher or by permission.

TEXT: REQUIRED:

Establishment of an account at McGraw-Hill Connect to access homework and Test
assignments and submissions is required.

CALCULATORS: Basic 6 function calculators may be used for any class activity including Exams

METHODS OF INSTRUCTION: Primarily through lecture, demonstration, and homework review. Questions are encouraged and participation is expected

ATTENDANCE: Most chapters in this course build upon the foundation of earlier chapters. Absences impair ability to master new material; the result will be lower grades without an imposed penalty. If the student expects to learn, (s)he must attend class

METHODS OF LEARNING: Reading for the chapter should be done prior to the scheduled lecture on that chapter. This initial reading should be done in order to become familiar with the issues and to identify potential problem areas. After the lecture over the chapter, reread for mastery. For the majority of students, failure to do homework results in failure to master the course content. Be prepared to solve assigned problems in class when called upon. It is best to try to do the assignments without referring to the text unless absolutely necessary. As problems are discussed, make corrections in a different color; this will help identify problem areas to study for exams. Each chapter begins with a list of “Learning Objectives.” At the conclusion of each chapter, refer back to these objectives and confirm that you have mastered each of them. I encourage you to form study groups to prepare for in-class activities and exams.

EXAMS: There will be 8 unit exams. Exams will be on line. Be advised – On line exams are more challenging than in-class exams. On-Line exams must be submitted as announced. Make-up of an exam is allowed at the sole discretion of the instructor and only under the most extreme circumstances, In other words, don't miss scheduled exams.

GRADES: The final grade will be determined as follows:

- 8 exams 80 % of Grade (@ 100) 800 plus
- 7 Homework Assignments 20% of Grade (@100) 700

Grading Scale

A+ 96-100  A 90-95  B+87-89  B 80-86  C+76-79  C70-76
D+ 67-69   D 60-66  F Below 60

ACADEMIC DISHONESTY: The Doane College Academic Integrity Policy will be adhered to in this class. All projects and tests will represent your own work. Any use of others’ ideas and words without proper citation is plagiarism and will result in penalties to be determined by the
instructor and/or the dean of undergraduate studies. Students may work together to complete homework assignments, but work should be substantially one’s own. In-class exams are to be the work of each individual only.

STUDENT INFORMATION: The Family Educational and Privacy Rights Act (FERPA), places strict restrictions upon school personnel, including instructors, regarding disclosure of personal information, including grades. Students may request exam results or grades by e-mailing a request from their Doane e-mail account. Please do not ask to receive exam results or grades via phone or another e-mail address. The instructor reserves the right to revise the schedule and/or assignments as the term develop. I am in the process of reviewing the chapters and assignments which may well change. It is the student's responsibility to keep up to date with any revisions.

CURRICULUM

Chapter 1

Understand and explain different methods of business expansion, types of organizational structures, and types of acquisitions.
Make calculations and prepare journal entries for the creation and purchase of a business entity.
Understand and explain the differences between different forms of business combinations.
Make calculations and prepare journal entries for different types of business combinations through the acquisition of stock or assets.
Make calculations and business combination journal entries in the presence of a differential, goodwill, or a bargain purchase element.
Understand additional considerations associated with business combinations. Students will be able to calculate and journalize.

Chapter 2

Understand and explain how ownership and control can influence the accounting for investments in common stock.
Prepare journal entries using the cost method for accounting for investments.
Prepare journal entries using the equity method for accounting for investments.
Understand and explain differences between the cost and equity methods.
Prepare journal entries using the fair value option.
Make calculations and prepare basic elimination entries for a simple consolidation. Prepare a consolidation worksheet.
Chapter 3

Understand and explain the usefulness and limitations of consolidated financial statements. Understand and explain how direct and indirect control influence the consolidation of a subsidiary. Understand and explain rules related to the consolidation of variable interest entities. Understand and explain differences in consolidation rules under U.S. GAAP and IFRS. Understand and explain differences in the consolidation process when the subsidiary is not wholly owned. Understand and explain the differences in theories of consolidation. Make calculations and prepare basic elimination entries for the consolidation of a less-than-wholly-owned subsidiary. Prepare a consolidation worksheet for a less-than-wholly-owned consolidation.

Chapter 4

Understand and make equity-method journal entries related to the differential. Understand and explain how consolidation procedures differ when there is a differential. Make calculations and prepare elimination entries for the consolidation of a wholly owned subsidiary when there is a complex positive differential at the acquisition date. Make calculations and prepare elimination entries for the consolidation of a wholly owned subsidiary when there is a complex bargain-purchase differential. Prepare equity-method journal entries, elimination entries, and the consolidation worksheet for a wholly owned subsidiary when there is a complex positive differential. Understand and explain the elimination of basic intercompany transactions. Understand and explain the basics of push-down accounting.

Chapter 5

Understand and explain how the consolidation process differs when the subsidiary is less than-wholly owned and there is a differential. Make calculations and prepare elimination entries for the consolidation of a partially owned subsidiary when there is a complex positive differential. Understand and explain what happens when a parent company ceases to consolidate a subsidiary. Make calculations and prepare elimination entries for the consolidation of a partially owned subsidiary when there is a complex positive differential and other comprehensive income. Understand and explain additional considerations associated with consolidation.
Chapter 6

Understand and explain intercompany transfers and why they must be eliminated. Understand and explain concepts associated with inventory transfers and transfer pricing. Prepare equity-method journal entries and elimination entries for the consolidation of a subsidiary following downstream inventory transfers. Prepare equity-method journal entries and elimination entries for the consolidation of a subsidiary following upstream inventory transfers. Understand and explain additional considerations associated with consolidation.

Chapter 7

Understand and explain concepts associated with transfers of long-term assets and services. Prepare equity-method journal entries and elimination entries for the consolidation of a subsidiary following an intercompany land transfer. Prepare equity-method journal entries and elimination entries for the consolidation of a subsidiary following a downstream land transfer. Prepare equity-method journal entries and elimination entries for the consolidation of a subsidiary following an upstream land transfer. Prepare equity-method journal entries and elimination entries for the consolidation of a subsidiary following a downstream depreciable asset transfer. Prepare equity-method journal entries and elimination entries for the consolidation of a subsidiary following an upstream depreciable asset transfer.

Chapter 8

Understand how to make calculations using foreign currency exchange rates. Understand the accounting implications of and be able to make calculations related to foreign currency transactions. Understand how to hedge international currency risk using foreign currency forward exchange financial instruments. Know how to measure hedge effectiveness, make inter-period tax allocations for foreign currency transactions, and hedge net investments in a foreign entity.