

BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY  
Operating Unit: Business  
Program: Financial Management  
Option: Advanced Accounting

## Course Outline

**FMGT 7120**  
**Advanced Accounting**

**Start Date:** September, 1999

**End Date:**

**Course Credits:** 4  
**Total Hours:** 60  
**Total Weeks:** 15

**Term/Level:** 4

Hours/Week: 4      Lecture: 2      Lab: 2      Shop:      Seminar:      Other:

### Prerequisites

**FMGT 7120 is a Prerequisite for:**

### Course No. Course Name

FMGT 3110 Financial Accounting

### Course No. Course Name

FMGT 8120 Accounting Theory

FMGT 8910 Integrative Business Management Practices

## Course Calendar Description

Students will be expected to acquire a working knowledge of the current CICA Handbook recommendations as well as alternative approaches to each issue addressed. They will apply this knowledge to situations presented in case studies or complex questions. In reviewing assignments and analyzing case studies, particular emphasis will be placed on how the accountant exercises professional judgement to resolve a problem, what resources may be available to assist him/her to reach an appropriate solution, and finally how the results should be communicated to the client.

## Course Goals

- Understand the fundamental principles and concepts underlying each of the areas covered.
- Research and solve complex accounting problems, whether these problems are presented as specific technical questions or as a series of issues in an unstructured situation.

## Evaluation

|                     |      |
|---------------------|------|
| Final               | 50%  |
| Mid-term            | 40%  |
| Quizzes/Assignments | 10%  |
| TOTAL               | 100% |

## Course Learning Outcomes/Competencies

Upon successful completion of this course, students should have obtained many skills which are necessary to become a public accountant. They are categorized as follows:

### Intellectual Skills the ability to:

- Analyze the environment surrounding a situation including the identification of: 1) the users of the financial information, and 2) the potential ramifications to each of those users resulting from the selection of a particular accounting policy.
- Solve problems in unfamiliar and changing situations.
- Develop alternative solutions to a problem.
- Recommend meaningful and practical solutions that respond to users' needs.
- Communicate clearly and effectively.

### Technical Skills

The student should be able to perform the following functions or show mastery of the following skills:

- Explain the application of GAAP as it relates to objectives and criteria of financial reporting and the characteristics of the industry being reported on.
- Determine the effects of various partnership profit or loss distribution agreements and record such distributions.
- Determine the effects of various agreements to admit new partners and record such admittance.
- Determine the effects of various agreements for the withdrawals of partners and record such withdrawals.
- Record the liquidation of a partnership assuming various financial positions of the partners within the partnership.
- Discuss GAAP for not-for-profit organizations and explain the characteristics of such organizations.
- Identify reporting objectives of not-for-profit organizations.
- Maintain and report financial information on a fund accounting basis.
- Explain and account for the problems of accounting for international activities and foreign currency transactions.
- Record foreign currency transactions including the effect of fluctuating and continuous trend exchange rates and hedging transactions.

**Course Outcomes and Sub-Outcomes (cont'd.)**

- Translate foreign operations using each of the following methods; temporal; current-rate; current/non-current as they relate to monetary/non-monetary items.
- Report translation gains and losses under GAAP.
- Explain the problems of intercorporate investment and the reporting of investments in affiliates and subsidiaries.

Prepare consolidation worksheets and consolidated financial statements at the time of acquisition and for subsequent periods for a parent and subsidiary(ies) based on cost-method accounting and on equity-method accounting by the parent. Explain business combinations through the purchase of net assets and/or the purchase of shares, estimation of fair value and the handling of negative goodwill.

- Prepare reports on wholly-owned subsidiaries subsequent to the date of acquisition.
- Report on non wholly-owned subsidiaries on dates subsequent to the date of acquisition.
- Record and report on: intercompany sale of assets on the books of both the parent and subsidiary; extraordinary items between companies; tax effect of intercompany dividends; intercompany bond holdings.
- Account for changes in parent company's share of ownership in the subsidiary.
- Account for consolidation of foreign operations.
- Account for segmented information.
- Account for interim financial information.

**Course Content Verification**

I verify that the content of this course outline is current, accurate, and complies with BCIT Policy.

\_\_\_\_\_  
Program Head/Chief Instructor

\_\_\_\_\_  
September 1, 1999  
Date

Note: Should changes be required to the content of this course outline, students will be given reasonable notice.

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FMGT 7120

Advanced Accounting

**Instructor(s)**

Scott Sinclair, CA

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**Learning Resources**

**Required:**

Byrd & Chen, *Advanced Financial Accounting* (Third Edition). Prentice Hall Canada Inc.

CICA Handbook and selected handouts.

**BCIT Policy Information for Students**

Course Notes (Policies and Procedures)

**Conduct & Attendance:**

Refer to pages 4-6 of the current BCIT calendar.

1. Conduct is outlined on pages 1, 4, and 5.
2. Attendance - attendance requirements will be enforced as per the BCIT policy on pages 5 and 6 of the calendar. Excessive absence will be deemed to be missing more than two (2) labs or seminars within the student's control.

Upon notification of excessive absence and failure to provide adequate explanation, the student will be disqualified from writing the final examination.

**Cheating, Plagiarism:**

Acts of cheating, plagiarism and dishonesty are not tolerated; the degree of punitive action may range from a written warning to withdrawal from the program. These penalties may also be applied to students who knowingly contribute to the act of dishonesty, cheating and plagiarism. (Refer to pages 5 and 6 of the current BCIT calendar.)

**Assignment Details**

The most effective way of learning this material is by doing problems. Questions will be assigned on a weekly basis. It is imperative you attempt them **before** attending class. This is a very challenging and demanding course. It will require a significant amount of out-of-class time.

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Schedule

FMGT 7120

Advanced Accounting

Option: Advanced Accounting

| Week of/<br>Number | Outcome/Material Covered   | Reference/<br>Reading  |
|--------------------|--|--|
| 1                  | Professional judgment and financial reporting/Standard setting         | Handout<br>CICA Handbook Section 1000                        |
| 2                  | Business Combinations and Long Term Investments                        | Chapters 1, 2, and 3<br>CICA Handbook Sections 1580,<br>1590 |
| 3                  | Consolidated Balance Sheet   | Chapter 4<br>CICA Handbook Section 3050                      |
| 4                  | Consolidated Income Statement with No Unrealized Profits               | Chapter 5  |
| 5/6                | Consolidated Income Statement including Unrealized Profits             | Chapter 6<br>CICA Handbook Section 1600                      |
| 7                  | <b>MID-TERM EXAM</b>   |  |
| 8                  | Consolidation - Advanced Topics  | Chapter 7  |
| 9                  | Foreign Currency:<br>Basic Concepts and Translation of Transactions    | Chapter 8<br>CICA Handbook Section 1650                      |
| 10                 | Foreign Currency: Translation of Foreign Currency Financial Statements | Chapter 9  |
| 11                 | Consolidating Foreign Subsidiaries                                     | Handout  |
| 12                 | Not-for-Profit Organizations Fund Accounting                           | Chapter 14<br>CICA Handbook Sections 4400,<br>4410,4420      |
| 13                 | Partnerships   | Chapter 10 Handout   |
| 14                 | Segmented Information Interim Financial Reporting                      | Chapters 12 and 13<br>CICA Handbook Sections 1701,<br>1750   |
| 15                 | <b>FINAL EXAM</b>  |  |