

BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

COURSE OUTLINE

COURSE NAME Advanced Accounting

COURSE NUMBER FMGT 7120

DATE January, 1996

Prepared by S. M. Sinclair

Taught to 2nd Year

School Business

School Business

Program Financial Management

Program Financial Management

Date Prepared December, 1995

Option Advanced Accounting

Term Winter Hrs/Wk 4 Credits \_\_\_\_\_

No. of Weeks 20 Total Hours 80

Instructor(s) Scott Sinclair, C.A. Office SE6 - 335 Local 7057

Office Hours To be announced

**PREREQUISITES**

FMGT 3110

**COURSE OBJECTIVES**

Upon successful completion of this course, the student should be able to perform the following functions or show mastery of the following skills:

1. Explain and discuss the application of GAAP as it relates to objectives and criteria of financial reporting and the characteristics of the industry being reported on.
2. Explain the objectives and criteria of financial reporting and the impact of the characteristics of the industry.
3. Determine the effects of various partnership profit or loss distribution agreements and to record such distributions.
4. Determine the effects of various agreements to admit new partners and record such admittance.
5. Determine the effects of various agreements of withdrawals of a partner and to record such withdrawals.

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**COURSE OBJECTIVES** (cont'd.)

6. Record the liquidation of a partnership under various financial positions of the partners within the partnership and outside the partnership.
7. Discuss GAAP for nonprofit organizations and to explain the characteristics of such organizations.
8. Identify reporting objectives of nonprofit organizations and their primary and secondary reporting issues.
9. Maintain and report on fund accounting basis of record maintenance as may be maintained by a municipality.
10. Explain and account for the problems of accounting for international activities and foreign currency transactions.
11. Record foreign currency transactions including the effect of fluctuating and continuous trend exchange rates and hedging transactions.
12. Translate foreign operations using each of the following methods: Temporal; Current-Rate; Current/Non-current as they relate to monetary/nonmonetary items.
13. Report translation gains and losses under GAAP.
14. Explain and discuss the problems of intercorporate investment and the reporting of investments in affiliates and subsidiaries.
15. 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.
16. Explain business combinations through purchase of net assets and purchase of shares, estimation of fair value and the handling of negative goodwill.
17. Prepare reports on wholly-owned subsidiaries subsequent to the date of acquisition.
18. Report on non wholly-owned subsidiaries on dates subsequent to the date of acquisition.
19. 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.
20. Account for changes in the parent company's share of ownership in the subsidiary.
21. Determine reportable segments for segmented information disclosure.

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## EVALUATION

Final	<u>40</u>	%
Mid-term	<u>40</u>	%
Quizzes	<u>20</u>	%
Total	<u>100</u>	%

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## REQUIRED TEXT

Beechy, Thomas H., *Canadian Advanced Financial Accounting* (Revised Third Edition),  
Dryden-Harcourt Brace & Company, Canada

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## REFERENCE TEXTS AND RECOMMENDED EQUIPMENT

Access to the C.I.C.A. Handbook would be beneficial for students continuing into a program offered by one of the professional accounting bodies.

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## COURSE SUMMARY

It is hoped that students completing this course will be able to deal with situations commonly encountered by the professional accountant. Identification of problems, discussion of alternative solutions and formation of workable conclusions will be stressed throughout the course.

**COURSE OUTLINE**  
(continued)

<b>Dates</b>	<b>Lecture Topics</b>	<b>Text References</b>	<b>Assignments</b>
Jan. 5	Professional judgement and financial reporting	Chapters 1 & 2	None
Jan. 12	Professional judgement (cont'd) Introduction to Intercorporate Investments	Chapter 7	None
Jan. 19	Intercorporate Investments (cont'd) Business Combinations	Chapter 8	Problems 7-7, 8-4
Jan. 26	Wholly-owned subsidiaries	Chapter 9	Problems 8-5, 8-6
Feb. 2	Consolidation of non wholly-owned subsidiaries	Chapter 10	Problems, 9-4, 9-5, 9-6
Feb. 9	Consolidation of non wholly-owned subsidiaries (cont'd)	Chapter 10	Problems 10-7, 10-8
Feb. 16	Consolidated Financial Statements	Chapter 11	Problems 10-11, 11-4
Feb. 23	Consolidated Financial Statements (cont'd)	Chapter 11	Problems 11-17, 11-31, 11-27
Mar. 1	<b>MID-TERM EXAM</b>		
Mar. 8	Fund Accounting Public Sector Accounting Non-Profit Organizations	Chapters 4, 5 & 6	To be assigned
Mar. 15	<b>MID-TERM BREAK</b>		
Mar. 22	Fund Accounting (cont'd) Foreign Currency	Chapter 6 Chapter 16	Problems 6-4, 6-6, 6-9
Mar. 29	Foreign Currency (cont'd)	Chapter 16	Problems 16-9, 16-10
April 5	<b>GOOD FRIDAY</b>		
April 12	Foreign Currency (cont'd)	Chapter 17	Problem 17-6
April 19	Foreign Currency (cont'd)	Chapter 17	Problem 17-8 <sup>1</sup>
April 26	Partnerships	Handout	To be assigned
May 3	Partnerships (cont'd)	Handout	To be assigned

**COURSE OUTLINE**  
(continued)

<b>Dates</b>	<b>Lecture Topics</b>	<b>Text References</b>	<b>Assignments</b>
May 10	Segmented Information	Chapter 14	Problems 14-1, 14-2
May 17	Review		
May 24	<b>FINAL EXAM</b>		

**NOTE:**

Additional problems will be completed and reviewed in the seminars.

Please ensure you have attempted the assigned problems prior to attending class. In this way, the classroom discussion will be most beneficial.

**CONDUCT & ATTENDANCE:**

Refer to pages 1 & 2 of the current BCIT calendar.

1. Conduct is outlined on page 1.
2. Attendance — attendance requirements will be enforced as per the BCIT policy on page 2 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 1 and 2 of the current BCIT calendar.)