



Business  
Program: Accounting Degree  
Option:

**FMGT 7121**  
**Advanced Accounting**

<b>Hours/Week:</b> 4	<b>Total Hours:</b> 54	<b>Term/Level:</b> Degree
<b>Lecture:</b>	<b>Total Weeks:</b> 13	<b>Credits:</b> 4
<b>Lab:</b>		
<b>Other:</b>		

<b>Instructor:</b>	<b>Office Phone:</b>	<b>Office Location:</b>
<b>Home Phone:</b>	<b>E-mail:</b>	<b>Fax:</b>

**Prerequisites**

**FMGT is a Prerequisite for:**

<b>Course No.</b>	<b>Course Name:</b>	<b>Course No.</b>	<b>Course Name</b>
FMGT 4110	Financial Accounting 2	FMGT 8120	Accounting Theory
		FMGT 8910	Integrative Business Mgmt Practice

**Course Goals**

1. Students will understand the fundamental principles and concepts underlying each of the areas covered.
2. Students will be competent researching and solving accounting problems. These problems may be presented as specific technical questions or a series of issues in an unstructured situation (i.e., a set of facts presented by a client).
3. Students will be better prepared to secure employment with an accounting office.

**Course Description**

The professional accountant is required to deal with a number of complex and technical issues in his/her practice. Topics such as consolidations, foreign currency translations, partnerships and not-for-profit accounting have only been introduced in prior courses.

Students will be expected to acquire a good working knowledge of the current CICA Handbook recommendations as well as alternative approaches to each issue addressed. Due to the technical nature of the material, students must become comfortable reading and understanding the CICA Handbook in addition to applying their knowledge to situations presented in case studies or complex questions.

The accountant must exercise professional judgment in resolving many real life situations. In reviewing assignments and analyzing case studies, particular emphasis will be placed on how the accountant resolves a problem, what resources may be available to assist him/her in reaching an appropriate solution and finally how the results should be communicated to the client.

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## Evaluation

Final Examination	50%
Mid-term Examination	<u>50%</u>
TOTAL	100%

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## Course Outcomes and Sub-Outcomes:

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

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.

Translate foreign operations using each of the following methods: temporal; current rate; current/non-current as they relate to monetary/non-monetary items.

Report transaction 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.

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**Course Record**

Developed by: Scott Sinclair, CA, Financial Management Date: \_\_\_\_\_  
Instructor Name and Department (signature)

Revised by: Jim May Date: \_\_\_\_\_  
Instructor Name and Department (signature)

Approved by: ALLAN COBBETT Date: 30/4/01  
Associate Dean/Program Head (signature)



BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

Course Outline Part B

Business  
Program: Accounting Degree  
Option:

**FMGT 7121**  
**Advanced Accounting**

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**Effective Date**

May 2001

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**Instructor(s)**

Jim May

**Office No.:**  
**Fax No.:**

**Phone:** 926-7096  
**Email:** [jmay@bcit.ca](mailto:jmay@bcit.ca)

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**Text(s) and Equipment**

**Required:**

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

CICA Handbook and selected handouts

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**Course Notes (Policies and Procedures):**

**BCIT Policy Information for Students**

Ethics: Acts of cheating, plagiarism and dishonestly will not be tolerated. Refer to BCIT policy 5250 at [www.bcit.ca/~presoff/5250.htm](http://www.bcit.ca/~presoff/5250.htm) for information regarding punitive action that may result from this activity.

Makeup Exams: There will be no makeup exams. You are expected to write all exams on the scheduled dates. If you miss an exam, you will receive zero marks. Exceptions may be made for documented medical reasons or other extenuating circumstances at the discretion of the instructor.

I.D. Required In Exam Centres: Effective December 2000, students will be required to produce photo-identification for admittance to examination centres. Photo I.D. must be placed on the desk while writing the exam, for inspection by invigilators. Students should bring a BCIT OneCard or alternatively two pieces of identification, one of which must be government photo I.D. such as a drivers license. Please see BCIT Policy #5300, Formal Invigilation Procedures.

**Assignment Details:**

You will be asked to participate in class discussing the answers to review questions in the text so be prepared. The review questions relate to the chapter to be covered that week so read the questions before as well as after reading the chapter in advance of the class so you know what to concentrate on. These questions will also be a basis for the exam.

Problems assigned must be completed and handed in for marking after the coverage of that chapter in lecture. For example: Chapter 1 will be covered in Week 1, but the problems for Chapter 1 will be taken up in Week 2.

This course outline and assignments are a guideline only and are subject to changes as conditions dictate. Such changes are at the discretion of the instructor with approval from the associate dean.

Class/Number	Outcome/Material Covered	Text Reference	Assignments Due
1	Business Combinations and Long Term Investments	Handbook Sections 1580 and 3050 Chapters 1 & 2	
2	Business Combinations: Purchase of Net Assets; Estimating Fair Values; Goodwill	Chapter 3	As assigned in class
3	Consolidated Balance Sheet at Date of Acquisition – wholly owned and non-wholly owned	Chapter 4 Sections 1590 and 1600	As assigned in class
4	Consolidated Financial Statements: Subsequent to Acquisition – no unrealized profits: Acquisition Adjustments; Amortization of Increments and Goodwill; Elimination of Intercompany Transactions; Step by step acquisition;	Chapter 5	As assigned in class
5	Consolidated Financial Statements: Subsequent to Acquisition – with unrealized profits:	Chapter 6	As assigned in class
6	Advanced Topics in Consolidations: Consolidations – Equity Method, Reciprocal Shareholdings, Subsidiary Preferred Stock, Transactions of Subsidiary Shares	Chapter 7	As assigned in class
7	<b>EXAMINATION – 3 HOURS</b>	CHAPTERS 1 – 7	

Class/Number	Outcome/Material Covered	Text Reference	Assignments Due
8	Professional Judgment and financial reporting  Segmented information and interim financial reporting	Handout Section 1000  Chapters 12 and 13 Sections 1701 and 1750	
9	Foreign Currency Transactions; Transactions and Balances; Long Term Balances Accounting for Hedges  Foreign Current Transactions; Temporal Method; Current Rate Method	Chapter 8 Section 1650  Chapter 9	As assigned in class
10	Accounting for International Operations – Consolidating Foreign Subsidiaries	Handout	As assigned in class
11	Not-for-Profit Organizations - Fund Accounting; Segregation of Funds; Revenue Recognition: Capital Assets	Chapter 14 Sections 4400/4410/4420/4430	As assigned in class
12	Partnerships; Organization; Income Sharing and Changes in Ownership; Liquidation	Chapter 10 Handout	As assigned in class
13	<b>EXAMINATION #2 - (3 hours)</b>	Lessons 8 – 12	