



Business
Program: Continuing Education
Option:

FMGT 7121
Advanced Accounting

Hours/Week: 3
Lecture:
Lab:
Other:

Total Hours: 54
Total Weeks: 18

Term/Level: Degree
Credits: 4

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Prerequisites

Course No. Course Name:
FMGT 4110 Financial Accounting 2

FMGT is a Prerequisite for:

Course No. Course Name
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.

Evaluation

Final Examination	40%
Mid-term Examination 1	30%
Mid-term Examination 2	30%
TOTAL	100%

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; 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.

Course Record

Developed by: Scott Sinclair, CA, Financial Management Date: November 1997
Instructor Name and Department (signature)

Revised by: Jim May Date: January 2002
Instructor Name and Department (signature)

Approved by: _____ Start Date: _____
Associate Dean/Program Head (signature)

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 10 will be covered in Week 1, but the problems for Chapter 10 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.

Course Outline
FMGT 7121 Advanced Accounting

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Class/Number	Outcome/Material Covered	Text Reference	Assignments Due
1	Partnerships; Organization; Income Sharing and Changes in Ownership	Chapter 10	None
2	Partnerships; Liquidation	Chapter 10	Problem 10-5 Problem 10-7
3	Not-for-Profit Organizations – Fund Accounting; Segregation of Funds; Revenue Recognition: Capital Assets	Chapter 14 Sections 4400 to 4430	Problem 10-8 Problem 10-4
4	Professional Judgment and financial reporting; Segmented information and interim financial reporting	Handout Section 1000 Chapters 12 & 13 Sections 1701 and 1751	Problem 14-1 Problem 14-4
5	Business Combinations and Long Term Investments	Chapters 1 & 2 Handbook Sections 1581, 3010, & 3050	As assigned in class Cases – handouts Problem 12-1
6	EXAMINATION #1 (2 hours)	Lessons 1- 4	Lessons 1- 4
7	Business Combinations: Purchase of Net Assets; Estimating Fair Values: Goodwill	Chapter 3 Sections 1590 & 1601	Problem 2-3 Problem 2-5
8	Consolidated Balance Sheet at Date of Acquisition – wholly owned and non-wholly owned	Chapter 4	Problem 3-3 Problem 3-4 Problem 3-5
9	Consolidated Financial Statements: Subsequent to Acquisition – no unrealized profits: Acquisition	Chapter 5	Problem 4-3 Problem 4-4

	Adjustments; Amortization of Increments and Goodwill; Elimination of Interco. Transactions; Step by step acquisition		
10	Consolidated Financial Statements: Subsequent to Acquisition – with unrealized profits:	Chapter 6	Problem 5-2 Problem 5-3 Problem 5-4

Course Outline
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Class/Number	Outcome/Material Covered	Text Reference	Assignments Due
11	Consolidated Financial Statements: Subsequent to Acquisition – with unrealized profits, with income tax	Chapter 6	Problem 5-6 Problem 6-3 Problem 6-4
12	EXAMINATION #2 (2 hours)	Lessons 5 - 10	Lessons 5 - 10
13	Consolidated Financial Statements: Subsequent to Acquisition – with unrealized profits and income taxes	Chapter 6	As assigned in class
14	Advanced Topics in Consolidations: Consolidations Equity Method, Reciprocal Shareholdings, Subsidiary Preferred Stock, Transactions of Subsidiary Shares	Chapter 7	
15	Foreign Currency Transactions; Transactions and Balances; Accounting for Hedges	Chapter 8 Section 1650	As assigned in class
16	Foreign Current Transactions; Temporal Method; Current Rate Method	Chapter 9	As assigned in class
17	Accounting for International Operations – Consolidating Foreign Subsidiaries	Handout	As assigned in class
18	FINAL EXAMINATION #3 (3 hours)	Lessons 5 - 17	Lessons 5 - 17