

UNIVERSITY OF WATERLOO
School of Accountancy

AFM 491
Advanced Financial Accounting

Omer Pamukcu & Patricia C. O'Brien
Fall 2006

Course Syllabus and Outline

Contact Information:

Professor:	Pamukcu	O'Brien
Section(s):	001 & 002	003
Office:	HH386B	HH383D
Office hours:	MW 1-2:30 & by appointment	MW 10-12 & by appointment
UW telephone extension:	3-7119	3-5423
Class times:	MW 10-11:20 MW 11:30-12:50	MW 1:30-2:50
Class location:	HH178	RCH 308

For electronic contact, please use UW-ACE (see below), not our personal e-mail addresses.

Course Description:

This course will introduce you to three advanced accounting topics: (1) intercorporate ownership, including consolidated financial statements, (2) foreign transactions and operations, and (3) accounting for not-for-profit entities. We will spend roughly two-thirds of the course on the first topic, and the remainder on the other two.

Text and other materials:

Hilton, Murray W. and Darrell Herauf, *Modern Advanced Accounting in Canada* (4th ed.), McGraw-Hill Ryerson, Ltd., Toronto (2003).

The CICA Virtual Professional Library, The Canadian Institute of Chartered Accountants. Available from on-campus machines at <http://edu.knotia.ca>, and through the library at <http://library.uwaterloo.ca>. If you are off-campus, use the library proxy server via the "Connect from home" link.

UW-ACE website. Please use the website's mail function to contact the instructors, or use the discussion forum (under the Lessons tab) for questions of interest to the whole class. The website contains this syllabus, lecture materials, copies of old midterm exams, solutions to assigned problems, and solutions to course assignments, quizzes and exams.

Class preparation:

Class sessions will combine lecture, problem-solving and discussion. To prepare for each class session, you should read the assigned chapter, study the self-study problems in it, and attempt the assigned end-of-chapter problems and cases indicated in the course outline at the end of this syllabus. We will make solutions to the assigned problems and cases available to you via our course website, generally at the end of the week for which the problems are assigned. We urge you to make a serious attempt to solve each problem or case before you consult the solution.

Evaluation:

We will calculate your course grade using the follow weights for the various components:

In-class assignments	5%
3 quizzes	5%
Class participation	10%
Midterm 1 – October 6	20%
Midterm 2 – November 10	20%
Final exam	<u>40%</u>
Total	100%

At the end of the course, we will adjust each component of the grade (assignments, quizzes, participation, and each exam) to have the same mean, before computing the weighted average across components. We will determine this overall mean at the end of the term.

In-class assignments

From time to time during the term, we will give you questions in class to complete and turn in at the end of class. We will not give you advance notice of the dates of these assignments. If you miss a class with an assignment, your score for that assignment will be zero. We will drop your lowest assignment mark before computing the equal-weighted average for all assignments.

Quizzes

The three quizzes are tentatively scheduled for weeks 3, 8 and 11. We will inform you in advance of the exact dates and of the topics covered. We will not offer make-up quizzes; a missed quiz will receive a mark of zero. We will compute your quiz mark as the equal-weighted average of your two highest quizzes. We will start the quizzes promptly at the beginning of the class and will not allow latecomers additional time.

Class participation

Participation marks will be awarded at the instructor's discretion. We expect you to attend all classes, but attendance alone earns no class participation marks. You can earn a good class participation mark by contributing frequently and substantively to class discussions. To ensure that you receive credit for participation, we advise you to bring a name card to place on your desk in each class. If you attend a section other than the one in which you are registered, be sure to inform us before class so that we can record your participation properly.

Examinations

You will find the midterm exam dates and the chapters covered by each exam on the course outline later in this document. The final exam will be scheduled by the Registrar's office during the regular exam period. Please keep in mind that travel plans are not an acceptable reason for requesting alternative arrangements.

You may bring an ordinary calculator, pencils, pens, and erasers to exams. ***Important: Do not bring paper, or any form of electronic communication device to any AFM 491 exam.***

We will not offer a make-up exam for either of the midterms. If you miss a midterm exam for a valid, documented reason, we will increase the weight of your score on the final exam to compensate. We will offer make-up final exams only on the deferred exam date, Saturday, Dec. 23, and only for valid, documented reasons. If you cannot provide acceptable documentation of a valid reason for missing an exam, your score for that exam will be zero.

Requesting a regrade

We will post solutions on the course web site for the assignments, quizzes and exams. If you believe that we graded your submission (assignment, quiz or exam) incorrectly, you may request a regrade within one week of the day you receive the graded submission from us. You must accompany your request with a brief written summary of the error in grading and the revision you believe is appropriate. Under no circumstances will we consider general comments and questions like "I believe I deserve more" or "Could you check and see whether I deserve more marks?". Your summary must identify a specific concern. We also will not adjust your mark after the fact for illness, even if documented. If you take an exam, we will regard this as evidence that you felt well enough to take the exam, and will not adjust your mark after the fact.

Note on avoiding academic offenses:

When you submit written work, unless you explicitly acknowledge someone else as the source, you implicitly claim it to be your own. If you borrow someone else's ideas, methods, phrasing or other intellectual property without attribution, you are committing plagiarism, a serious academic offense. Here are our policies regarding collaboration.

- 1) You may collaborate on preparing for class, quizzes and exams.
- 2) You may not collaborate in any way during any quiz or exam. Collaboration includes either giving or receiving assistance. We require you to sign a statement on each exam paper stating that you have neither given nor received assistance, and that all your answers are solely your own work. If you do not sign the statement, we will not mark the exam, and your score on that exam will be zero.

Please be aware of the Faculty of Arts policy on academic offences, quoted below. Copies of University policies, including Policy #71 mentioned below, are available through the UW website at http://www.adm.uwaterloo.ca/infosec/Policies/Policies_num.html.

"All students registered in courses in the Faculty of Arts are expected to know what constitutes an academic offense, to avoid committing academic offenses, and to take

responsibility for their academic actions. When the commission of an offense is established, disciplinary penalties will be imposed in accord with Policy #71 (Student Academic Discipline). For information on categories of offenses and types of penalties, students are directed to consult the summary of Policy #71 (Student Academic Discipline) which is supplied in the Graduate Calendar. If you need help in learning how to avoid offenses such as plagiarism, cheating, and double submission, or if you need clarification of aspects of the discipline policy, ask your course instructor for guidance. Other resources regarding the discipline policy are your academic advisor and the Graduate Associate Dean.

“Students who believe that they have been wrongfully or unjustly penalized have the right to grieve; refer to Policy #70, Student Grievance,
<http://www.adm.uwaterloo.ca/infosec/Policies/policy70.html>.”

If you are in doubt about our policies or UW Policies # 70 or 71, please ask us for assistance. Another helpful resource is: http://arts.uwaterloo.ca/arts/ugrad/academic_responsibility.html.

Outline and Class Schedule:

The assigned chapters, problems and cases are in the Hilton & Herauf text. As discussed above under class preparation, you should read the chapter and work the assigned problems and cases prior to the class session for which we have assigned them, and before consulting the solutions.

Week	Dates	Topics & Events	Chapter	P=Problem, C=Case
1	Sep 11 & 13	Course Info; Investments in Equity Securities; Business Combinations	2 & 3	P2-2, P2-4, P2-7, P2-9, P3-2, P3-8, C3-1, C3-3
2	Sep 18 & 20	Consolidation at Acquisition; Equity Method	4 & 5	P4-2, P4-5, P4-7, C4-5, P5-1, P5-2, P5-10, C5-2
3	Sep 25 & 27	Consolidation after Acquisition; Quiz	6	P6-1, P6-3, P6-4, P6-11, P6-13, C6-1
4	Oct 2 & 4	Intercompany Transactions - Assets for Sale	7	P7-2, P7-4, P7-10, C7-1
	Oct 6	Midterm 1, 4:30-6:30 pm	2--7	
	Oct 9	Thanksgiving - No Classes		
5	Oct 11 & 16	Intercompany Transactions - Debt & Depreciable Assets	8 & pp. 462-4	P8-5, P8-10, P8-15, C8-1
6	Oct 18 & 23	Consolidated Cash Flows	9	C9-1, P9-2, P9-5, P9-11, P9-18
7	Oct 25 & 30	SPEs, VIEs, JVs and Control; Future Income Tax	10	P10-4, P10-11, P10-12, P10-18, C10-2
8	Nov 1 & 6	International Accounting; Foreign Currency Transactions; Quiz	1 & 11	P1-1, P1-5, P11-3, P11-15
9	Nov 8	Review/Makeup Class		
	Nov 10	Midterm 2, 4:30-6:30 pm	1-11 (not incl. hedging)	
	Nov 13	Hedging Currency Risk	11	P11-5, P11-6, P11-11, C11-1
10	Nov 15 & 20	Hedging Currency Risk; Translation & Consolidation of Foreign Operations	11 & 12	C12-1, P12-4, P12-12
11	Nov 22 & 27	Translation & Consolidation of Foreign Operations; Not-for-profit Accounting; Quiz	12 & 13	P12-10, C12-3, P13-6, P13-9, P13-10
12	Nov 29 & Dec 4	Not-for-profit Accounting; Review	13	C13-1, C13-5,
	Dec 8-22	Final Exam Period	1-13	
	Dec 23	Deferred exam date		