

UNIVERSITY OF WATERLOO
School of Accountancy

Accounting 608
US GAAP

Patricia C. O'Brien
Spring 2004

Course Syllabus and Outline

Contact Information:

Office: HH 383D
Office hours: TBA; and by appointment.
Phone: 519-888-4567 ext. 5423
e-mail: pobrien@uwaterloo.ca

Please be sure that your identity is clear if you send me a message by e-mail. I generally delete anonymous e-mails without opening them.

Course Objectives:

My goal is to provide a practical, hands-on introduction to U.S. GAAP for Canadian accountants. We will focus on understanding institutional differences between Canada and the U.S., and on developing tools and resources for researching US practice issues. Rather than attempt to catalogue all current GAAP differences – a futile exercise given the rate of change in both countries' GAAP – we will explore the legal, regulatory, legislative and other forces that shape those differences. We will use cases and a term project to explore historical practice differences as well as topics under current debate.

Text and other materials:

GAAP 2004, by Delaney, Epstein, Nach and Weiss Budack, (Hoboken, New Jersey, John Wiley & Sons, Inc., 2003).

The CICA Virtual Professional Library, The Canadian Institute of Chartered Accountants (network subscription, 2003-2004).

Financial Accounting Research System, US Financial Accounting Standards Board (network subscription, 2003-2004).

The course website at: <http://uwace.uwaterloo.ca> has weekly assignments, cases and other materials, plus links to other web resources.

Evaluation:

I will calculate your course grade as follows:

Assignments	25%
Class participation	25%
Term project	50%

I do not grade individual assignments or class participation on a “curve.” After the end of the course, I may curve the final course grades to bring them into line with a reasonable range. Please understand that I will do this only at the end of the course. I will try to give you meaningful feedback on your performance throughout the course, but I strongly discourage attempts to compute “grades” prior to the end of the course.

Assignments:

Regular weekly assignments will help you become familiar with various tools, while you learn about US GAAP standards and practice. Submit your written assignment electronically by noon on the due date. I will not accept late assignments under any circumstances. I will drop each student’s two lowest assignment scores prior to computing the final course grade. This policy gives you a buffer against unforeseen circumstances, so please use this feature wisely.

I allow only very limited collaboration on written assignments. Please read the section below entitled "Note on avoiding academic offenses," including my rules on collaboration, very carefully.

Class participation:

I will mark class participation in every class session, whether case, lecture or discussion. The best way to earn a good class participation score is to be well prepared for every session, and to try to contribute in a positive way to further learning in the class. This does not mean always having the “correct” answer – if one exists – because many issues we will discuss are debatable.

Good class participation means being prepared for and actively involved in the class. Most important are thorough familiarity with the assigned readings or case materials, and willing engagement in discussion. In class, remember that it is impossible to demonstrate thorough preparation with silence; similarly, it is quite easy to demonstrate poor preparation with abundant uninformed comments. Both of these are poor class participation strategies.

Several of the weekly assignments require different members of the class to take on different parts of the assignment. You should be familiar with all of the material for that class, but you should focus your attention on the specific piece to which you have been assigned. Anticipate that I will ask you to discuss your assigned piece in class.

Term project:

Please see the separate term project document.

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 my policies regarding collaboration.

- 1) You may collaborate on the class assignments, in a limited way, with others who are currently taking the course. You may brainstorm, discuss the facts and questions from the readings, and discuss general approaches to answering the questions. After you finish talking, each of you must write up your answer independently. You may not share written notes, spreadsheets, or calculations. If you realize that a solution you discussed with others is incorrect, you may alert them to that fact and generally outline the error, but you may not give them your solution.
- 2) If you collaborate in this limited way, you must name your collaborators on your assignment. There is no penalty for doing so; there are potentially severe penalties for not doing so.
- 3) In solving cases, you may consult public data and documents about the companies covered in the cases, but you must cite your sources.
- 4) You may not consult students who have used these cases at other universities, or on-line or other resources offering notes on, or solutions to, these cases.
- 5) You may collaborate on the term project in the same limited way as on the assignments, i.e. you may brainstorm and discuss general approaches. However, since the term project by definition will not involve the same companies for any two people in the class, collaboration will be of limited value. If you obtain significant assistance from any other person, you should document the assistance and source as you would any other reference.

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.”

If you are in doubt about my policies or UW Policy #71, please ask me for assistance. Another

helpful resource is: <http://watarts.uwaterloo.ca/~sager/plagiarism.html>.

Outline and Class Schedule

Please see the course website for details about readings and assignments, and for the term project description.

Date	#	Part 1	Part 2	Project
4-May-04	1	Intro to course	<u>Bigger than Enron</u>	<i>Read term project description; get started.</i>
11-May-04	2	Financial Reporting Regulation: Sarbanes-Oxley	GAAP Heirarchy	<i>Select project companies; select accounting issue; get financials; verify that financials are complete, and cos. satisfy project requirements.</i>
18-May-04	3	GAAP Heirarchy: eBay & Time-Warner	SEC filings	<i>Register companies & accounting issue.</i>
25-May-04	4	SEC filings	Principles vs. Rules	
1-Jun-04	5	Principles vs. Rules – Leases: HBC & Leon's, JCP & Target	Principles vs. Rules	<i>Complete GAAP research.</i>
8-Jun-04	6	Principles vs. Rules – R&D & Software: Sierra On-line	General Acceptance	
15-Jun-04	7	General Acceptance - Oil & gas: Dover Petroleum & Empiric Energy	General Acceptance	

Date	#	Part 1	Part 2	Project
22-Jun-04	8	General Acceptance - Stock-based compensation: Yahoo! & RIM	Conceptual Framework	<i>Complete analysis of companies' disclosures.</i>
29-Jun-04	9	Conceptual Framework - Revenue recognition: Qwest	Conceptual Framework	
6-Jul-04	10	Conceptual Framework - Asset valuation: Inco	Recognition & Disclosure	<i>Complete draft & exhibits.</i>
13-Jul-04	11	Recognition & Disclosure - Financial instruments: MG	Recognition & Disclosure	<i>Revise, refine, edit.</i>
20-Jul-04	12	Recognition & Disclosure - VIEs: Capital One, MBNA	Wrap up	
30-Jul-04				<i>Term project due at noon.</i>