

**Bus & Com ACC500**  
**Advanced Accounting**  
**Summer 2010 Course Outline**

**Accounting and Financial Management Services Area**  
**DeGroote School of Business**  
**McMaster University**

**COURSE OBJECTIVE**

The main objectives of the course are: **(1)** to discuss and evaluate selected financial reporting issues, emphasizing fundamental principles and concepts, as well as technical competency; **(2)** to develop case analysis and writing capabilities; **(3)** to incorporate other areas of study into the accounting context through comprehensive cases; **(4)** and to update students knowledge of the latest IFRS and PE GAAP standards.

This course will provide an overview of the Performance Measurement and Reporting competency and the proficiency level that Chartered Accountant (CA) candidates are expected to demonstrate on the profession's Uniform Final Evaluation (the UFE).

**INSTRUCTOR AND CONTACT INFORMATION**

<p><b>Instructor:</b> <b>Office:</b> <b>Email:</b></p>	<p>Eckhard Schumann, CA•IFA          DSB 324  <a href="mailto:schumann@mcmaster.ca">schumann@mcmaster.ca</a>          Please note: 1. Indicate course code in subject line.                            2. Only emails originating from <b>official McMaster University email accounts</b> will be opened.</p>
<p><b>Phone:</b> <b>Office hours:</b></p>	<p>905-525-9140 x 23991          Tuesdays by appointment</p>
<p><b>Section 1:</b> <b>Section 2:</b></p>	<p>Tuesday, 13:30 – 16:30            DSB/B105          Tuesday, 18:30 – 21:30            DSB/B105</p>
<p><b>Administrative Assistant:</b></p>	<p>Please note: <b>Students are not allowed to switch between sections without permission</b></p> <p>Alicja Siek  <a href="mailto:siekal@mcmaster.ca">siekal@mcmaster.ca</a>          Office: DSB 303          Office hours: 09:00 – 16:00          Tel: 905-525-9140 x 24630</p>

## COURSE ELEMENTS

Credit Value:	3	Leadership:	Yes	IT skills:	No	Global view:	Yes
ELM:	Yes	Ethics:	Yes	Numeracy:	Yes	Written skills:	Yes
Participation:	Yes	Innovation:	Yes	Group work:	Yes	Oral skills:	Yes

## COURSE DESCRIPTION

This course examines various accounting topics. Emphasis is placed on integrating accounting topics, as well as integrating accounting topics with other areas of study, e.g. taxation and finance. Students are taught to apply their technical knowledge and professional judgement a variety of practical situations through the use of cases. The course will consist of readings, lectures, cases and discussions.

## LEARNING OUTCOMES

Upon completion of this course, students will be able to complete the following key tasks:

- Evaluate accounting standards and problems from a first principles perspective.
- Apply accounting standards and first principles to case situations.
- Greater understanding and knowledge of selected financial accounting topics, including Accounting Guidelines and EIC's.

## REQUIRED AND RECOMMENDED COURSE MATERIALS AND READINGS

### Required Materials

- **CICA Handbook:** Accounting (latest edition).

Both publications are available for free through the Innes Library.

- **Other material** – lecture notes and summaries, case problems and solutions, and sundry other items – will be reproduced and handed out throughout the term or will be distributed electronically.

### Recommended Materials

- Kieso, et.al., *Intermediate Accounting*, Vol. 1 and 2, Latest Canadian Edition, Wiley. (Kieso)
- Wiecek and Young, *IFRS Primer, International GAAP Basics*. Wiley. (Primer)
- Ernst & Young, *International GAAP 2008/9*. Vol. 1 and 2, Wiley. (E&Y)
- Epstein and Jermakowicz, *IFRS 2009, Interpretation and application of International Financial Reporting Standards*. Wiley.
- Hilton and Herauf, *Modern Advanced Accounting in Canada*, 6<sup>th</sup> Edition. McGraw-Hill. (Hilton)

The recommended list is meant as a reference guide to students only.

<b>EVALUATION</b>
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Learning in this course results primarily from readings, in-class discussion, case analysis and discussion. All work will be evaluated on an individual basis except for the group project. In these projects, group members will share the same grade. The instructor will decide on any individual's adjustment to the group project grade based on feedback from the group members. Your final grade will be calculated as follows:

### ***Components, Weights and Due Dates***

Midterm test	30%	June 29, 2010 in class
Group project	25%	July 13, 2010
Final exam	<u>45%</u>	July 28, 2010, 7:00pm – 10:00pm
Total	<u>100%</u>	

NOTE: The use of any standard calculator is allowed during examinations in this course.

### ***Conversion***

At the end of the course your overall percentage grade will be converted to your letter grade in accordance with the following conversion scheme.

LETTER GRADE	PERCENT	LETTER GRADE	PERCENT
A+	90 - 100	C+	67 - 69
A	85 - 89	C	63 - 66
A-	80 - 84	C-	60 - 62
B+	77 - 79	D+	57 - 59
B	73 - 76	D	53 - 56
B-	70 - 72	D-	50 - 52
		F	00 - 49

### ***Midterm Test (30% of Course Grade)***

The midterm test will take place on Tuesday, June 29, 2010 during normal class time. The location will be announced.

The midterm will be a **closed book test**. It can consist of multiple choice questions, short discussion questions and cases. The duration of the test is 3 hours. The applicable topics for the midterm will be those covered up to and including June 22, 2010. More detail will be provided in class.

### ***Group Project (25% of course grade)***

The group project is due on July 13, 2010 at the beginning of class.

The group project will consist of a case(s). The case will be provided within the first two weeks of class. It will be completed on a group basis. Groups will be formed by the instructor. Students are not allowed to switch groups. It is not an individual project and students will not be allowed to do it individually.

All group members are responsible for the whole project. If students prefer to assign different tasks to individual group members, each group member has the responsibility to ensure that he/she is satisfied with all parts of the project. If a student's name appears on the project, that student is responsible for the **whole** project.

All members must contribute equally to the project. Individual member contributions must clearly be stated on a separate page. Please note that it is an academic offence to include your name, or allow someone else's name to be included on a project, when you or that person did not contribute substantially to that project.

Plagiarism of any kind will not be tolerated. No group is allowed to seek the help of any person outside of the group. It is an academic offence to seek or use parts or all of any solution prepared by a person outside of your group, irrespective of the source.

It is strongly recommended that groups keep copies of all notes and draft projects as proof of work done to complete the project.

The instructor has the right to require groups to submit the assignment through turnitin.com.

### ***Final Examination (45% of Course Grade)***

An **open book (CICA Handbook or equivalent instructor approved) exam** will be held on July 28, 2010 from 7:00pm to 10:00pm. **The exam will be comprehensive.** All or the main part (80 to 90%) of the exam will be a case testing your ability to apply your knowledge of topics studied in this course to a situation where facts and user needs are important to resolving the issues in the case.

## CASE STUDY WORKSHOP

This course includes a **MANDATORY** case study workshop. The workshop will be presented by the Professional Accounting Supplementary School (PASS). (See <http://passufe.com/> for more detail regarding PASS). The workshop will be held on Friday May 14 from 9:45am – 4:30pm and Friday May 21 from 9:00am – 4:00pm. Students need only attend **ONE** of the sessions. There will be sign-up sheets distributed during the first class. Once a session is full, students will have to attend the other session. No exceptions will be made.

## ACADEMIC DISHONESTY

It is the student's responsibility to understand what constitutes academic dishonesty. Please refer to the University Senate Academic Integrity Policy at the following URL:

<http://www.mcmaster.ca/univsec/policy/AcademicIntegrity.pdf>

This policy describes the responsibilities, procedures, and guidelines for students and faculty should a case of academic dishonesty arise. Academic dishonesty is defined as to knowingly act or fail to act in a way that results or could result in unearned academic credit or advantage. Please refer to the policy for a list of examples. The policy also provides faculty with procedures to follow in cases of academic dishonesty as well as general guidelines for penalties. For further information related to the policy, please refer to the Office of Academic Integrity at:

<http://www.mcmaster.ca/academicintegrity>

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<http://library.mcmaster.ca/about/copying.pdf>

## MISSED EXAMS / TESTS

Where students miss a regularly scheduled midterm for legitimate reasons as adjudicated by the Academic Programs Office (APO), the weight for that test will be distributed across other evaluative components of the course at the discretion of the instructor. Documentation explaining such an absence must be provided to the APO within five (5) working days upon returning to school. The approved McMaster Medical Form must be used to document absence for health related reasons. If an exam is missed without a valid reason, students will receive a grade of Zero (0) for that component. University policy states that a student may submit a maximum of three (3) medical certificates per year after which the student must meet with the Director of the program. Please see the following URL for APO forms:

<http://www.degroote.mcmaster.ca/UG/register.html>

Students unable to write at the posted exam time due to the following reasons: religious; work-related (for part-time students only); representing university at an academic or varsity athletic event; and conflicts between two overlapping scheduled midterm exams, have the option of applying for special exam arrangements. Such requests must be made to the APO at least ten (10) working days before the scheduled exam along with acceptable documentation. There will be only one common sitting for the special exam. Instructors cannot themselves allow students to unofficially write make-up exams/tests. Adjudication of the request must be handled by the APO.

## **STUDENTS WITH DISABILITIES**

Students with disabilities are required to inform the Centre for Student Development (CSD) of accommodation needs for examinations on or before the last date for withdrawal from a course without failure (please refer to official university sessional dates). Students must forward a copy of such CSD accommodation to the instructor immediately upon receipt. If a student with a disability chooses NOT to take advantage of a CSD accommodation and chooses to sit for a regular exam, a petition for relief may not be filed after the examination is complete. The CSD website is: <http://csd.mcmaster.ca>

<b>COURSE SCHEDULE – SUBJECT TO CHANGE</b>
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## Bus & Com ACC500 Advanced Accounting Summer 2010 Course Schedule

WEEK	DATE	TOPICS AND READINGS
1 and 2	May 4 and 11	<p>Introduction An overview of the CKE/SOA/UFE examination process Current accounting standards in Canada – IFRS, PE, NPO's, etc. GAAP hierarchy Conceptual Framework, elements of financial statements and foundational principles Presentation of F/S and policies 1st time adoption of IFRS and PE GAAP</p> <p><u>Readings:</u></p> <ul style="list-style-type: none"> <li>▪ Handbook, Part I: IAS Conceptual Framework, IFRS 1 and IAS 1</li> <li>▪ Handbook, Part II: Sec 1000, 1100, 1400, 1500, 1505, 1508, 1520 and 1521</li> <li>▪ Kieso, Chapters 2, 4 and 5</li> <li>▪ Primer, Chapters 1, 2 and 37</li> <li>▪ Epstein, Chapters 1, 2, 3, and 27</li> <li>▪ E&amp;Y, Chapters 2, 3 and 5</li> </ul>
	May 14	Case Study Workshop – 1 <sup>st</sup> Session
3	May 18	<p>Revenue recognition</p> <p><u>Readings:</u></p> <ul style="list-style-type: none"> <li>▪ Handbook, Part I: IAS 11 and 18, IFRIC 13, SIC 31</li> <li>▪ Handbook, Part II: Sec 1000, 1100, 3400 and AcG-2</li> <li>▪ Kieso, Chapter 6</li> <li>▪ Primer, Chapter 6 and 8</li> <li>▪ Epstein, Chapter 7</li> <li>▪ E&amp;Y, Chapter 24 and 28</li> <li>▪ Cases on ELM and in class (as applicable)</li> </ul>
	May 21	Case Study Workshop – 2 <sup>nd</sup> Session

WEEK	DATE	TOPICS AND READINGS
4	May 25	Liabilities, provisions, contingent liabilities and assets, contractual obligations and guarantees Events after B/S date  Comprehensive Case 1  <u>Readings:</u> <ul style="list-style-type: none"> <li>▪ Handbook, Part I: IAS 10 and 37</li> <li>▪ Handbook, Part II: Sec 1510, 3280, 3290, 3820 and AcG-14</li> <li>▪ Kieso, Chapter 13</li> <li>▪ Primer, Chapter 5 and 22</li> <li>▪ Epstein, Chapter 12</li> <li>▪ E&amp;Y, Chapters 27 and 36</li> <li>▪ Cases on ELM and in class (as applicable)</li> </ul>
5	June 1	Inventory Agriculture  Comprehensive Case 2  <u>Readings:</u> <ul style="list-style-type: none"> <li>▪ Handbook, Part I: IAS 2 and 41</li> <li>▪ Handbook, Part II: Sec 3031</li> <li>▪ Kieso, Chapter 8</li> <li>▪ Primer, Chapters 7 and 9</li> <li>▪ Epstein, Chapters 6 and 24</li> <li>▪ E&amp;Y, Chapters 23 and 38</li> <li>▪ Cases on ELM and in class (as applicable)</li> </ul>
6 and 7	June 8 and 15	Property, Plant & Equipment Capitalization of borrowing costs Intangible assets Investments properties Impairment of fixed assets and goodwill Non-current assets for sale and discontinued operations Asset retirement obligations Exploration for and evaluation of mineral resources Comprehensive revaluation of assets and liabilities  Comprehensive Case 3  <u>Readings:</u> <ul style="list-style-type: none"> <li>▪ Handbook Part I: IFRS 5 and 6, IAS 16, 23, 36, 38 and 40, SIC 32</li> <li>▪ Handbook, Part II: Sec 1625, 3061, 3063, 3064, 3110, 3475 and 3850</li> <li>▪ Kieso, Chapters 10, 11, and 12</li> <li>▪ Primer, Chapters 10, 11, 13, 15 and 16</li> <li>▪ Epstein, Chapters 8, 9 and 24</li> <li>▪ E&amp;Y, Chapters 4, 12, 13, 14, 15 and 16</li> <li>▪ Cases on ELM and in class (as applicable)</li> </ul>

WEEK	DATE	TOPICS AND READINGS
8	June 22	Share-based payments Employee benefits Related party transactions  Comprehensive Case 4  <u>Readings:</u> <ul style="list-style-type: none"> <li>▪ Handbook Part I: IFRS 2, IAS 19 and 24, IFRIC 8</li> <li>▪ Handbook, Part II: Sec 3461, 3840 and 3870</li> <li>▪ Kieso, Chapters 15 and 19</li> <li>▪ Primer, Chapters 25, 26 and 29</li> <li>▪ Epstein, Chapters 16 and 23</li> <li>▪ E&amp;Y, Chapters 31, 32 and 35</li> <li>▪ Cases on ELM and in class (as applicable)</li> </ul>
9	June 29	<b>Midterm Test</b>
10	July 6	Government grants Accounting changes and errors  Comprehensive Case 5  <u>Readings:</u> <ul style="list-style-type: none"> <li>▪ Handbook Part I: IAS 8 and 20, SIC 10</li> <li>▪ Handbook, Part II: Sec 1506 and 3800</li> <li>▪ Kieso, Chapter 21</li> <li>▪ Primer, Chapters 14 and 21</li> <li>▪ Epstein, Chapters 21 and 26</li> <li>▪ E&amp;Y, Chapter 29</li> <li>▪ Cases on ELM and in class (as applicable)</li> </ul>
11	July 13	Statement of cash flows Interim financial statements Segment reporting EPS  Comprehensive Case 6  <u>Readings:</u> <ul style="list-style-type: none"> <li>▪ Handbook Part I: IFRS 8, IAS 7, 33 and 34, IFRIC 10</li> <li>▪ Handbook, Part II: Sec 1540</li> <li>▪ Kieso, Chapters 17 and 22</li> <li>▪ Primer, Chapters 3, 27, 28 and 34</li> <li>▪ Epstein, Chapters 4, 18, 19 and 20</li> <li>▪ E&amp;Y, Chapters 30, 33, 34 and 37</li> <li>▪ Cases on ELM and in class (as applicable)</li> </ul>

WEEK	DATE	TOPICS AND READINGS
12	July 20	Financial instruments, cash and receivables Intercompany investments (updated) Joint ventures, Variable Interest Entities and Special Purpose Entities  Comprehensive Case 7  <u>Readings:</u> <ul style="list-style-type: none"> <li>▪ Handbook, Part I: IFRS 3, 7 and 9, IAS 27, 28, 31, 32 and 39, ED9, IFRIC 19, SIC 12 and 13</li> <li>▪ Handbook, Part II: Sec 1582, 1590, 1601, 1602, 3051, 3856 and AcG-15</li> <li>▪ Kieso, Chapters 7, 9, 14 and 16</li> <li>▪ Primer, Chapters 17, 18, 19, 20, 30, 31, 32 and 33</li> <li>▪ E&amp;Y, Chapters 17, 18, 19, 20, 21 and 22</li> <li>▪ Cases on ELM and in class (as applicable)</li> </ul>
13	July 27	<b>No Class</b>
	July 28	<b>Final exam</b>