



**CARLETON UNIVERSITY  
SPROTT SCHOOL OF BUSINESS  
BUSI 3001R –  
ACCOUNTING FOR BUSINESS COMBINATIONS  
FALL 2017N**

**COURSE OUTLINE**

<i>Instructor</i>	Bijan Toufighi CPA, CA, CPA(IL)
<i>Office</i>	N/A – Online
<i>E-mail</i>	<a href="mailto:Bijan.toufighi@carleton.ca">Bijan.toufighi@carleton.ca</a>
<i>Class Time and Location</i>	N/A - Online
<i>Office Hours</i>	By email, and TA office hours

**Calendar description**

Accounting problems associated with business combinations, with attention to the preparation of consolidated financial statements. Discussion may extend to financial reporting and diversified companies, reorganizations, etc. Selection of topics may vary from year to year.

**Course Description and Objectives**

Discussion of accounting issues and problems associated with business combinations, long-term intercorporate investments, diversified operations, foreign operations and not-for-profit organizations. Equity accounting, preparation of consolidated financial statements, and foreign currency translation are given particular attention.

**Prerequisites**

**BUSI 2002** with a grade of C- or higher.

**The School of Business enforces all prerequisites.**

## Learning Outcomes

Students will be expected to demonstrate the following learning outcomes:

- Understand, interpret, apply and critically evaluate the pronouncements of the CPA Canada Handbook
- Identify problems, analyze alternatives and recommend solutions to satisfy users' needs
- Express information and concepts concisely, clearly and legibly when writing and concisely, clearly and loudly when speaking

## Required Course Materials

Textbook: Hilton & Herauf, Modern Advanced Accounting in Canada, 8th edition, McGraw-Hill Ryerson Ltd., 2016

Available in hard copy at Haven Books (Seneca and Sunnyside) or as e-text through publisher at <https://connect.mheducation.com/class/b-toufighi-busi-3001-r-fall-2017>

On-Line Databases *International Financial Reporting Standards*  
*Accounting Standards for Private Enterprises*  
Available in the Library On-line Database

## Examinations and Grading

Weekly Online Problems	10%
Case Assignment	10%
Mid-Term – 2 hours	30%
Final Exam – 3 hours	<u>50%</u>
	<u>100%</u>

**Weekly online problems:** Problems from the textbook will be answered on the McGrawHill Connect website on a weekly basis. The problems will be slightly different for each student. The answers will be automatically graded by the Connect software. The problems must be answered by the Monday after the chapter was completed per the schedule below. Detailed instructions will be posted in the McGrawHill Connect website. **If your grade on the final exam is higher than the grade on the weekly online problems, then your final exam grade will be worth 60% of your final grade.**

**Case Assignment:** The case assignment will be a short, integrated case covering the course material. It will be due **Friday December 1, 2017 at 1 PM.**

**The mid-term will be held on Friday, October 20 from 4 to 6 PM from 16:00 – 18:00.** Locations will be announced in cuLearn about a week before the mid-term. The mid-term will cover chapters 2-7.

The only valid excuse for missing the mid-term is for medical reasons or death in the family and must be documented with a medical certificate. Any other reason (such as travel, etc.) cannot be considered. In such circumstances, there will be no make-up mid-term. The grade weighting corresponding to the test that was missed will be added to the grade weighting of the final exam (i.e. the final exam will count for 80% of the grade).

The mid-term will be marked by the teaching assistants together with the professor and follow a rigorous quality control process that (hopefully) ensures that the grade awarded on exams is fair. However, no system is 100% error-free, so it is possible that you may wish to call into question a grade that has been awarded on a test or assignment. In this circumstance, please write a brief note describing the difficulty with the awarded grade and provide this note, together with the graded test or assignment, to me no later than seven calendar days following the return of the graded work. Please be sure to include your name and student number on the note to enable me to properly identify it.

Graded midterms can be collected from the CUOL Student Centre, D299 Loeb. If you do not normally come to campus, the CUOL Student Centre staff will scan and email the graded midterm to you. Please send a request for a scanned copy from your Carleton email account to [cuol@carleton.ca](mailto:cuol@carleton.ca) and make sure to include your name, the course and your student number.

*The final examination* will be held in the regular examination period (December 10 -22). The duration of the exam will be 3 hours. The final examination will cover the whole course. You need to obtain a minimum grade of 40% on the final exam to pass this course.

If you are planning on writing the mid-term and final exam off campus, you must make these arrangements with the CUOL office (<http://carleton.ca/cuol/>) early in the term. If you miss the deadline to apply for an off campus exam, you will be required to write your exam on campus.

The exams will test both the technical and conceptual aspects of the course. The final exam will be comprehensive in nature and will cover the whole course. Only non-programmable calculators (without alpha storage capabilities) will be permitted for use during examinations. Translation dictionaries are allowed as long as they are in print format and do not contain any handwritten notes. Electronic translation dictionaries are not allowed.

## **The 'Slides and Instructions' Files**

These documents located in CULearn provide you with the road map to the course:

- the first page of the Chapter File provides you with the list of the videos you should be watching and the order in which you should be watching them,
- the remaining pages provide you with a copy of the PowerPoint slides and in-class problems that are taken up in the videos

All you literally need to do is to print the chapter files out and follow along.

## **How to do well in this course:**

### **WATCH ALL VIDEOS, AND PRACTICE, PRACTICE, PRACTICE...**

To perform well in this course, you must spend time answering extra problems and checking the answers to test your understanding. To maximize your learning, you should make an honest attempt at the question before peeking at the solution. Simply reading a question and then turning to the solution right away is next to useless. You will find that there is likely to be a direct correlation between the number of problems you prepare, your attendance in class and your course grade.

## **Teaching Assistants and Support**

Teaching assistants are available to support you throughout this course. They will answer any questions posted to the Discussion Forums in a timely manner. In addition, senior accounting TA's will be holding regular weekly office hours. The office hour schedule will be posted to cuLearn.

## Topical Outline –

<i>Week #</i>	<i>Week of</i>	<i>Chapter</i>
1	Sept 4	2 – Equity Investments
2	Sept 11	3 – Business Combinations
3	Sept 18	4 – Consolidation of Non-Wholly Owned Subsidiaries Introduction to Case Writing Case #1
4	Sept 25	5 – Consolidation Subsequent to Acquisition Date
5	Oct 2	5 – Consolidation Subsequent to Acquisition Date Case #2
6	Oct 9	6 – Intercompany Inventory and Land Transactions 7 – Intercompany Profits in Depreciable Assets
7	Oct 16	7 – Intercompany Profits in Depreciable Assets <b>OCT 20: MIDTERM (CHAPTERS 2 -7)</b>
	Oct 23	Fall Break
8	Oct 30	8 – Ownership Issues
9	Nov 6	9 – Other Consolidation issues
10	Nov 13	10 – Foreign Currency Transactions Case # 3
11	Nov 20	11 – Translation of Foreign Operations
12	Nov 27	12 – Accounting for Not-For Profit Case # 4

## TOPICAL EMPHASIS:

For every chapter and section of the chapters covered in class, a number representing the level of emphasis ranging from one to four is indicated below. These levels have the following interpretation:

- Level 1            **In-depth knowledge** - students will be expected to know and fully understand and apply the contents of these sections.
- Level 2            **Working level knowledge** - students should have a basic understanding of the conceptual aspects of these topics and develop a working knowledge of procedures.
- Level 3            **Awareness level knowledge** - students will be expected to read these sections on their own, will be held responsible for general knowledge only and should understand the circumstances in which the material would arise or be applied.
- Level 4            **No knowledge requirement.**

ASPE Differences and Disclosure Requirements are Level 2 topics. Level 4 topics will not be examined in this course. Level 3 topics are examinable but at a very general level and will comprise a maximum of 10% of any exam.

## TOPICAL EMPHASIS LISTING

Topic	Level	Topic	Level
<u>Prologue</u>	1		
<b>Chapter 1</b>	2	<b>Chapter 8</b>	1
<b>Chapter 2</b>	1	Except for:	
<b>Chapter 3</b>	1	Consolidated Cash Flow Statement	2
Except for:		Ownership Interest Covered in	
The New Entity Method	4	less depth than textbook	
Push-down Accounting	4	<b>Chapter 9</b>	1
Appendix 3A	3	Except for:	
<u>Chapter 4</u>	1	Special purpose entities	3
Except for:		<b>Chapter 10</b>	1
Proprietary Theory	4	Except for:	
Parent Company Theory	4	Hedging highly probable	
Appendix 4A	4	forecasted transactions	3
<u>Chapter 5</u>	1	Appendix 10A	3
Except for:		<b>Chapter 11</b>	1
Appendix 5B	4	Except for:	
<u>Chapter 6</u>	1	Complications with an Acq. Diff.	3
Except for:		Appendix 11A	3
Appendix 6A	3	<b>Chapter 12</b>	1
<u>Chapter 7</u>	1	Except for:	
Except for:		Appendix 12B	3
Intercompany Bondholdings	4	Appendix 12C	3
Appendix 7A	3		

## ADDITIONAL INFORMATION

### Course Sharing Websites

Materials created for this course (including presentations and posted notes, labs, case studies, assignments and exams) remain the intellectual property of the author(s). They are intended for personal use and may not be reproduced or redistributed without prior written consent of the author(s).

### Required calculator in BUSI course examinations

If you are purchasing a calculator, we recommend any one of the following options: Texas Instruments BA II Plus (including Pro Model), Hewlett Packard HP 12C (including Platinum model), Staples Financial Calculator, Sharp EL-738C & Hewlett Packard HP 10bII

### Group work

The Spratt School of Business encourages group assignments in the school for several reasons. They provide you with opportunities to develop and enhance interpersonal, communication, leadership, follower-ship and other group skills. Group assignments are also good for learning integrative skills for putting together a complex task. Your professor may assign one or more group tasks/assignments/projects in this course. Before embarking on a specific problem as a group, it is your responsibility to ensure that the problem is meant to be a group assignment and not an individual one.

In accordance with the Carleton University Undergraduate Calendar (p 34), the letter grades assigned in this course will have the following percentage equivalents:

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

Grades entered by Registrar:

WDN = Withdrawn from the course

DEF = Deferred

### Academic Regulations, Accommodations, Etc.

University rules regarding registration, withdrawal, appealing marks, and most anything else you might need to know can be found on the university's website, here:

<http://calendar.carleton.ca/undergrad/regulations/academicregulationsoftheuniversity/>

### Requests for Academic Accommodations

*For Students with Disabilities:*

The Paul Menton Centre for Students with Disabilities (PMC) provides services to students with Learning Disabilities (LD), psychiatric/mental health disabilities, Attention



Deficit Hyperactivity Disorder (ADHD), Autism Spectrum Disorders (ASD), chronic medical conditions, and impairments in mobility, hearing, and vision. If you have a disability requiring academic accommodations in this course, please contact PMC at 613-520-6608 or [pmc@carleton.ca](mailto:pmc@carleton.ca) for a formal evaluation. If you are already registered with the PMC, contact your PMC coordinator to send me your ***Letter of Accommodation*** at the beginning of the term, and no later than two weeks before the first in-class scheduled test or exam requiring accommodation (*if applicable*). **Requests made within two weeks will be reviewed on a case-by-case basis.** After requesting accommodation from PMC, meet with me to ensure accommodation arrangements are made. Please consult the PMC website ([www.carleton.ca/pmc](http://www.carleton.ca/pmc)) for the deadline to request accommodations for the formally-scheduled exam (*if applicable*).

*For Religious Obligations:*

Students requesting academic accommodation on the basis of religious obligation should make a formal, written request to their instructors for alternate dates and/or means of satisfying academic requirements. Such requests should be made during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist, but no later than two weeks before the compulsory event.

Accommodation is to be worked out directly and on an individual basis between the student and the instructor(s) involved. Instructors will make accommodations in a way that avoids academic disadvantage to the student.

Students and instructors can confirm accommodation eligibility of a religious event or practice by referring to the Equity Services website (<http://carleton.ca/equity/accommodation/religious-observances/>) for a list of holy days and Carleton's Academic Accommodation policies. If there are any questions on the part of the student or instructor, they can be directed to an Equity Services Advisor in the Equity Services Department for assistance.

*For Pregnancy:*

Pregnant students requiring academic accommodations are encouraged to contact an Equity Advisor in Equity Services to complete a letter of accommodation. The student must then make an appointment to discuss her needs with the instructor at least two weeks prior to the first academic event in which it is anticipated the accommodation will be required.

**Academic Integrity**

Violations of academic integrity are a serious academic offence. Violations of academic integrity – presenting another's ideas, arguments, words or images as your own, using unauthorized material, misrepresentation, fabricating or misrepresenting research data, unauthorized co-operation or collaboration or completing work for another student – weaken the quality of the degree and will not be tolerated. Penalties may include; a grade of Failure on the submitted work and/or course; academic probation; a refusal of permission to continue or to register in a specific degree program; suspension from full-

time studies; suspension from all studies at Carleton; expulsion from Carleton, amongst others. Students are expected to familiarize themselves with and follow the Carleton University Student Academic Integrity Policy which is available, along with resources for compliance at: <http://carleton.ca/studentaffairs/academic-integrity>.

### **Sprott Student Services**

The Sprott student services office, located in 710 Dunton Tower, offers academic advising, study skills advising, and overall academic success support. If you are having a difficult time with this course or others, or just need some guidance on how to successfully complete your Sprott degree, please drop in any weekday between 8:30am and 4:30pm. Our advisors are happy to discuss grades, course selection, tutoring, concentrations, and will ensure that you get connected with the resources you need to succeed! <http://sprott.carleton.ca/students/undergraduate/learning-support/>

### **Centre for Student Academic Support**

The Centre for Student Academic Support (CSAS) is a centralized collection of learning support services designed to help students achieve their goals and improve their learning both inside and outside the classroom. CSAS offers academic assistance with course content, academic writing and skills development. Visit CSAS on the 4th floor of MacOdrum Library or online at: [carleton.ca/csas](http://carleton.ca/csas).

### **Important Information:**

- Students must always retain a hard copy of all work that is submitted.
  - All final grades are subject to the Dean's approval.
  - For us to respond to your emails, we need to see your full name, CU ID, and the email must be written from your valid CARLETON address. Therefore, in order to respond to your inquiries, please send all email from your Carleton CMail account. If you do not have or have yet to activate this account, you may wish to do so by visiting <http://carleton.ca/ccs/students/>
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