



**CARLETON UNIVERSITY  
SPROTT SCHOOL OF BUSINESS  
FALL 2018**

**ACCOUNTING FOR BUSINESS COMBINATION (BUSI3001A)**

<b>Instructor</b>	Atma Shrestha, CPA, CMA
<b>Office</b>	Dunton Tower, Room (TBA)
<b>Office Hours</b>	By appointment
<b>Email</b>	Atma.shrestha@carleton.ca
<b>Phone Number</b>	613 322 6853
<b>Class Location</b>	ME 3328
<b>Class Hour</b>	Tuesday 18:05 – 20:55
<b>Prerequisites</b>	BUSI 2002 with a grade of C- or higher The School of Business enforces all prerequisites

<b>Key Deliverables</b>	<b>Due Date/Exam Date</b>	<b>Weight in Final Marks</b>
Weekly Online Advanced Preparation Questions	Monday	5%
Weekly Online Problems	Monday	15%
Mid-term Exam	October 30, 2018	30%
Final Exam	TBA (between Dec 9 – 19)	50%

**CALENDAR COURS 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.

## **LEARNING OBJECTIVES:**

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

## **TOPICAL OUTLINE AND COURSE SCHEDULE:**

<b>Date</b>	<b>Topic</b>	<b>Chapter</b>
Sept 11	Investments in Equity Securities	2
Sept 18	Business Combination	3
Sept 25	Consolidation of Non- Wholly Owned Acquisition	4
Oct 2	Consolidation – Subsequent to Acquisition	5
Oct 9	Intercompany Profit in Inventory	6
Oct 16	Intercompany Profitability in Depreciable Assets	7
<b>Oct 22 -26</b>	<b>FALL BREAK</b>	
<b>Oct 30</b>	<b>MIDTERM EXAM (18:05 – 20:55 HOURS)</b>	
Nov 6	Ownership Change	8
Nov 13	Other Consolidation Reporting Issues	9
Nov 20	Foreign Currency Transactions	10
Nov 27	Foreign Currency Operations	11
Dec 4	Not-for-Profit Organizations	12
<b>TBA</b>	<b>FINAL EXAM (BETWEEN DEC 9 -19, 2018)</b>	

Every effort is made to stick to the above schedule. However, if, any change or adjustment in the schedule is required during the semester, students will be informed in time

## 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 <http://connect.mheducation.com/class/d-herauf-fall-2017---sections-a--b>.

## RECOMMENDED COURSE MATERIALS:

**CPA Canada Handbook** (available on Carleton computer network at: **start/all programs/information resources/CPA Canada Handbook**)

## METHODS OF EVALUATION AND GRADING

Weekly Online Advanced Preparation Questions	5%
Weekly Online Problems	15%
Mid-term Examination from Chapters 2 -7	30%
Final Examination	50%

### **Online advance preparation questions:**

These are multiple choice questions answered in the McGraw-Hill Connect website as preparation for each new chapter. The questions will be slightly different for each student. The answers will be automatically graded by the Connect software. The questions must be answered by **Monday** prior to the class for each new chapter. Further details will be provided during the first class.

### **Weekly online problems:**

Problems from the textbook will be answered on the McGraw-Hill 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. Detailed instructions will be posted in the McGraw-Hill Connect website.

### **Midterm exam:**

The mid-term is the closed-book exam scheduled tentatively on October 30, 2018 during the regular class hour (i.e. 18:05 – 20:55). It will cover chapters 2 to 7. The exam will be marked by the teaching assistant together with professor. You will then have 10 days to review your results and report any discrepancies to the professor. Any discrepancies reported beyond that time may be reviewed but will not result in any change in grade.

**Final examination:**

The final examination is the closed-book exam that will take place between December 9 – 19, 2018. The questions will be based on all the topics covered during the session. The final grades are subject to the Dean's approval and will be communicated through Carleton Central.

**Deferred Term Work**

In some situations, students are unable to complete term work because of illness or other circumstances beyond their control, which forces them to delay submission of the work. Students who claim illness, injury or other extraordinary circumstances beyond their control as a reason for missed term work are held responsible for immediately informing the instructor concerned and for making alternate arrangements with the instructor and in all cases this must occur no later than three (3.0) working days after the term work was due. The alternate arrangement must be made before the last day of classes in the term as published in the academic schedule. Normally, any deferred term work will be completed by the last day of term. In the event the altered due date must extend beyond the last day of classes in the term, the instructor will assign a grade of zero for the work not submitted and submit the student's earned grade accordingly; the instructor may submit a change of grade at a later date. Term work cannot be deferred by the Registrar.

**Maximizing your results:**

As the most topics in this course build on the previous topics, it's important that the students understand each topic and do not fall behind. For the effective learning and understanding of the topic materials, it's recommended that students:

- Be regular in class and contribute in class discussion.
- Take time to review the topic prior to attending the class scheduled for that topic and ask questions to the instructor or TA to understand the materials.
- Attempt to solve the cases and practice problems.

**EXAMINATION POLICY:**

University policy with respect to examinations will be strictly adhered to. Supplemental and grade raising examinations are not available. Notwithstanding the marking scheme, if the mark on the final exam is less than 50%, the final grade for the course will be an F.

### **COLLABORATION WITH OTHERS:**

Individuals/groups may collaborate with other individuals/groups to identify the issues and alternatives involved with a problem/case/project. However, the analysis, recommendations and final report should be completed by each individual for individual work and by each group for group projects without discussing the analysis, recommendations and final report with other individuals/groups.

### **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:**

<b>TOPICS</b>	<b>LEVEL</b>
Prologue	1
<b>Chapter 1</b>	2
Except for: Analysis and Interpretation of Financial Statements	1
<b>Chapter 2</b>	1
<b>Chapter 3</b>	1
Except for: The New Entity Method	3
Push-down Accounting	4
Appendix 3A	3
<b>Chapter 4</b>	1
Except for: Proprietary Theory	3
Appendix A	3
<b>Chapter 5</b>	1
Except for : Appendix 5A	2
Appendix 5B	3
<b>Chapter 6</b>	1
Appendix 6A	3
<b>Chapter 7</b>	1
Except for : Intercompany Bondholdings	4
Appendix 7	3
<b>Chapter 8</b>	3
Except for : Consolidated Cash Flow Statement	2
Subsidiary with Preferred Shares	2
<b>Chapter 9</b>	3
Except for : Joint arrangements	1
Deferred Income Taxes and Business Combinations	2
<b>Chapter 10</b>	1
Except for : Hedging a Highly Probable Forecasted Transaction	3
Appendix 10A	3
<b>Chapter 11</b>	1
Except for : Complications with an Acquisition Differential	2
Appendix	3
<b>Chapter 12</b>	1
Except for : Appendix 12B	3
Appendix 12C	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 Sprott 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

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 Accommodation

You may need special arrangements to meet your academic obligations during the term. For an accommodation request, the processes are as follows:

### **Pregnancy obligation**

Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details, visit the Equity Services website: [carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf](https://carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf)

### **Religious**

### **obligation**

Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details, visit the Equity Services website: [carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf](https://carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf)

### **Academic Accommodations for Students with Disabilities**

If you have a documented disability requiring academic accommodations in this course, please contact the Paul Menton Centre for Students with Disabilities (PMC) at 613-520-6608 or [pmc@carleton.ca](mailto:pmc@carleton.ca) for a formal evaluation or contact your PMC coordinator to send your instructor your Letter of Accommodation at the beginning of the term. You must also contact the PMC no later than two weeks before the first in-class scheduled test or exam requiring accommodation (if applicable). After requesting accommodation from PMC, meet with your instructor as soon as possible to ensure accommodation arrangements are made. [carleton.ca/pmc](https://carleton.ca/pmc)

### **Survivors of Sexual Violence**

As a community, Carleton University is committed to maintaining a positive learning, working and living environment where sexual violence will not be tolerated, and is survivors are supported through academic accommodations as per Carleton's Sexual Violence Policy. For more information about the services available at the university and to obtain information about sexual violence and/or support, visit: [carleton.ca/sexual-violence-support](https://carleton.ca/sexual-violence-support)

### **Accommodation for Student Activities**

Carleton University recognizes the substantial benefits, both to the individual student and for the university, that result from a student participating in activities beyond the classroom experience. Reasonable accommodation must be provided to students who compete or perform at the national or international level. Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. <https://carleton.ca/senate/wp-content/uploads/Accommodation-for-Student-Activities-1.pdf>

For more information on academic accommodation, please contact the departmental administrator or visit: [students.carleton.ca/course-outline](https://students.carleton.ca/course-outline)



### **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: <https://carleton.ca/registrar/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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