



**CARLETON UNIVERSITY
SPROTT SCHOOL OF BUSINESS
BUSI 3001A
Fall 2019
Accounting for Business Combinations**

INSTRUCTOR: Darrell Herauf
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Office Hours: Tuesdays & Thursdays 10:00 to 11:30 and by appointment

COURSE TIMES & LOCATION:

Section	Day	Time	Location
A	Tuesday & Thursday	8:35 – 9:55	TBA

CALENDAR COURSE 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.

PREREQUISITE:

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

DETAILED COURSE SCHEDULE:

Date	Topic	Chapter	Self-Study Case*	Weekly Problems**
Sep. 5	Introduction			
	International Accounting	1	1	P1-3,6
Sep. 10	Financial Reporting Case Analysis			
Sep. 12	Investments in Equity Securities	2	2	P2-1,3,5
Sep. 17 & 19	Business Combinations	3	5	P3-2,3,11,12
Sep. 24 & 26	Consolidation-Date of Acquisition	4	3	P4-6,7,10,13
Oct. 1 & 3	Consolidation-Subsequent to Acquisition	5	4	P5-2,5,10,12,13
Oct. 8 & 10	Intercompany Profits in Inventory	6	2	P6-2,8,13,14,15
Oct. 15	Financial Statement Analysis	1		P1-2,4
Oct. 17	Class cancelled, now 24 classes			
Oct. 21 to 25	Midterm break			
Oct. 29 & 31	Intercompany Profit in Depreciable Assets	7	3	P7-4,7,14,16,17
Nov. 1	Midterm Exam 4 to 6 PM			
Nov. 5 & 7	Joint Arrangements	9	2	P9-9,10,11,14,15
Nov. 12 & 14	Foreign Currency Transactions	10	2	P10-1,2,4,8,12,13
Nov. 19 & 21	Foreign Currency Operations	11	3	P11-3,6,10,14
Nov. 26 & 28	Not-for-profit Organizations	12	2	P12-4,5,6,11,12
Dec. 3	Ownership Changes	8	2	P8-14
Dec. 5	Review			

* Solutions for these cases and inclass problems will be posted to CuLearn.

** These problems will be answered, and solutions will be available on McGrawHill's website.

While every attempt will be made to keep to the schedule listed above, unforeseen circumstances may necessitate modifications throughout the semester.

EMAILS:

The instructor will normally respond to emails within 24 hours on weekdays and at least once on the weekend.

WEB PAGES:

The instructor will make extensive use of CuLearn to post course materials, grades and other announcements. CuLearn is considered an integral part of the course. Any announcements made in CuLearn will be considered to have been made in class. Students are encouraged to visit CuLearn at least twice a week throughout the term. The URL for CuLearn is www.carleton.ca/culearn. You need to use your MyCarleton userid and password to access this Website.

TEXTS:

Required: Herauf & Hilton, Modern Advanced Accounting in Canada, 9th edition, McGraw-Hill Ryerson Ltd., 2019

Available in soft-covered book (approx. cost of \$170)
at Haven Books (Seneca and Sunnyside) or as e-text (approx. cost of \$90) through
publisher at <http://connect.mheducation.com/class/d-herauf-fall-2019>

Recommended: CPA Canada Handbook (available on Carleton computer network at
[start/all programs/information resources/CPA Canada Handbook](#))

GRADING:

Weekly online problems	15%
Midterm examination on chapters 1-7 on November 1 from 4-6 PM	35%
Final examination	<u>50%</u>
Total	<u>100%</u>

Advance preparation questions: Multiple choice, true or false and/or fill in the blank questions can be answered on the McGrawHill Connect website as preparation for each new chapter. The answers will be automatically graded by the Connect software. The questions should be answered prior to the class for each new chapter. No marks are assigned to these questions. There will be a bonus of up to two marks for exceptional contribution to classroom discussion and/or online use of CuLearn and Connect. Further details will be provided during the first class.

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 in class. Detailed instructions will be posted in the McGrawHill Connect website. The best 10 (out of 12) submissions will be used in determining the mark.

Midterm exam: There will be a midterm exam tentatively scheduled for Friday, November 1 from 4 to 6 PM. It will cover chapters 1 to 7 and financial statement analysis. The exam will be marked by the teaching assistant and will be handed back in class on November 7. 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 will be comprehensive. All assigned readings, in-class handouts and material from lectures are examinable. The final grades are subject to the Dean's approval and will be communicated through Carleton Central.

Transferring Weight to Exams: Students have the option to transfer the weight of the weekly online problems to the midterm exam. This option must be communicated by email to the professor through your Carleton email account prior to September 27. Students can elect to transfer a weight of 10% from the midterm examination to the final examination by sending an email from his/her Carleton account to the professor on or before November 15.

Missed Midterm Exam/Assignment: If you must miss the midterm exam or assignments due to a verifiable illness (or, in rare cases, some other circumstances beyond your control), the weight for that exam/assignment will be transferred to the final examination. If the exam/assignment is missed without a legitimate reason, a grade of zero will be given for the exam/assignment. A medical certificate or other verifiable documentation must be submitted to the instructor no later than five (5) calendar days after the date of the exam or the due date for the assignment.

Maximizing your results: unlike many other accounting courses, most new topics in this course build on the previous topics. As such, it is critical that you do not fall behind. The following approach is recommended:

- Read the assigned material prior to each class and attempt to gain a basic understanding of the material
- Attend the classes and try to get a better understanding of the material by asking questions and working through the in-class problems along with the instructor
- After each class (and before the next class), review the material taken up in class and try to answer the suggested self-study problems to ensure you understand the material
- If there are points that you did not understand, see the instructor or TA or ask for clarification in the next class

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.

SATISFACTORY IN-TERM PERFORMANCE:

1. The criterion/criteria and the standard(s) for Satisfactory In-term Performance are as follow(s):
 - A minimum of 65% of the term work must be completed
 - A minimum average grade of 45% on the term work must be obtained
2. Unsatisfactory In-term Performance in this course will lead to:
 - Failure in this course regardless of the performance on the final exam

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 45%, the final grade for the course will be an F.**

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:

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|---------|--|
| 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
Prologue	1	Chapter 7	1
Chapter 1	2	Except for:	
Except for:		Intercompany Bondholdings	4
Analysis and Interpretation of		Chapter 8	3
Financial Statements	1	Except for:	
Chapter 2	1	Consolidated Cash Flow Statement	2
Chapter 3	1	Chapter 9	3
Except for:		Except for:	
The New Entity Method	3	Joint arrangements	1
Push-down Accounting	4	Chapter 10	1
Appendix 3A	3	Except for:	
Chapter 4	1	Hedging a Highly Probable	
Except for:		Forecasted Transaction	3
Proportionate consolidation method	3	Appendix 10A	3
Appendix 4A	3	Chapter 11	1
Chapter 5	1	Except for:	
Except for:		Complications with an Acq. Diff.	2
Appendix 5A	2	Appendix 11A	3
Appendix 5B	3	Chapter 12	1
Chapter 6	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 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

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

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

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 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

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 its 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

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

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.

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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