



**CARLETON UNIVERSITY
SPROTT SCHOOL OF BUSINESS
BUSI-3001A
SUMMER 2015
Accounting for Business Combinations**

Instructor: John Jarecsni, CPA, CMA
Office: 919 Dunton Tower
Email: John.Jarecsni@carleton.ca
Office Hours: Wednesday and Thursday: 9:00pm to 10:00pm (after class)
Other times by appointment
Class Time: Thursday 6:00pm to 9:00pm, location to be determined

The best way to contact me is through email – During the week I try to respond to all emails within 24 hours

Course 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 & objectives

Discussion of accounting issues and problems associated with business combinations, long-term inter-corporate 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.

The two main objectives of this course are:

- To develop an understanding of the objectives of accounting and the concepts, principles, policies and procedures underlying current professional practice in the preparation of financial reports
- To promote a full understanding of the nature of financial statements and the inherent limitations in their preparation and use.

This course will be based on International Financial Reporting Standards (IFRS) and Accounting standards for Private Enterprises (ASPE)

Prerequisite

BUSI 2002 with a grade of C- or better

Textbook

Hilton & Herauf, Modern Advanced Accounting in Canada, 7th edition, McGraw-Hill Ryerson Ltd., 2013

cuLearn

All course material will be posted on cuLearn, including many textbook problem solutions, lectures slides, and other relevant materials.

Grading Scheme

Test #1 (May 28)	10%
Midterm Exam (June exam period)	30%
Test #3 (July 30)	15%
Final Examination (Final exam period)	45%

Tests and Exams

There will be two tests and two exams:

Test #1

This test will be held at the end of class on May 28 and is worth 10% of your grade. This test will cover material from Chapters 1 to 4. This test will be an hour in length.

Midterm Exam

This exam will be held during the June exam period (June 19 to 25). The exact date will be announced as soon as it is available – most likely the date will not be known until mid-May. This midterm will cover material from Chapters 1 to 6. This exam will be two to three hours in length (the length will be determined after week 3)

Test #2

This test will be held at the beginning of class on July 30 and is worth 15% of your grade. This test will cover material from Chapters 7, 8 and 9. It will not cover material from Chapter 10. This test will be two hours in length.

Final Exam

The final exam will be held during the August exam period (August 17 to 23). The exact date will be announced as soon as it is available – most likely the date will not be known until mid-July. The final exam will cover chapters 7 to 12.9

The only valid excuses for missing a test or the midterm are for medical reasons or death in your family and must be documented with a medical certificate or death certificate. You are required to provide your documentation within one week. Any other reason (such as travel, etc....) cannot be considered. In such circumstances there will be no make-up test. The grade weighting corresponding to the test that was missed will be added to the grade weighting of the final exam.

The teaching assistants and the instructors will mark the exam together and follow a rigorous quality control process that reasonably assures 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. 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 your instructor. Please be sure to include your name and student number on the note to enable me to properly identify it. Tests will be returned to you within a week of receipt.

Tutorials

Weekly tutorials will not be held for this course. Special tutorials may be held before the midterm and final exam.

How to do well in this course:

COME TO CLASS, REVIEW CLASS NOTES AND PRACTICE, PRACTICE, PRACTICE . . .

To perform well in this course, you must spend time answering extra problems and checking the answers to test their 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 and your attendance in class and your course grade.

I recommend the following study approach:

1. Go over your class notes and all problems done in class. Re-do the problems on your own to see if you can arrive at the same solution as was derived in class.
2. Use the textbook as a reference source only for topics you are having difficulty with.
3. Do as many extra problems as you need to feel you have a good comprehension of the material.

Class Etiquette

1. Late arrival should be an exception. When necessary, sit on entering side; do not disturb the class.
2. Early departure should be an exception also.
3. Early preparation for departure - please don't.
4. Talking - with everyone or with no one.
5. Please turn off your cell phones.

FINAL THOUGHTS

Let me be blunt. This is not a course to register in if you are seeking easy credit. For many students, this course is a difficult one. Part of this difficulty stems from a challenging subject matter, but the biggest difficulty comes from failing to devote enough effort to working with the material. Like calculus and other courses where no two problems look alike, accounting requires that you practice working with it—over and over and over. You are unlikely to learn by merely watching someone else (i.e. me) "do accounting."

These observations have a number of implications for you and me. First, you will have to spend many hours during, and after class working on the course. During class, you should ask questions whenever they arise and don't stop asking until you are satisfied that you understand my explanations. This class contains lots of new vocabulary and concepts so don't be afraid to ask me for clarification or examples. After class, you should review both your class notes and the suggested solutions to the assigned problems to improve your understanding. It is absolutely essential that you keep up with the assigned reading and end-of-chapter problems.

In exchange for your hard work, you can expect the same from me. For example, expect me to come to class with an organized outline of the day's topics. Expect me to enthusiastically answer any and all of your questions, either in-person during class and office hours, or via e-mail and cuLearn postings. Expect me to provide timely feedback on how well you are understanding the material.

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.

In addition to the Level 3 topics listed on the next page, the following topics at the end of each chapter are Level 3 topics:

- U.S. GAAP Differences
- Significant Changes in the Last Three Years
- Changes Expected in the Next Three Years

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 5% of any test or exam.

TOPICAL EMPHASIS LISTING

Topic	Level	Topic	Level
Prologue	1	Chapter 7	1
		Except for:	
Chapter 1	3	Intercompany Bondholdings	4
		Appendix 7A	3
Chapter 2	1	Chapter 8	1
Except for:		Except for:	
Equity Investments – The Big		Consolidated Cash Flow Statement	2
Picture	3	Indirect Shareholdings	3
Chapter 3	1	Chapter 9	3
Except for:		Except for:	
The New Entity Method	2	Joint arrangements	1
Push-down Accounting	3	Analysis and Interpretation of Financial	
Appendix 3A	3	Statements	1
		Appendix 9A	3
Chapter 4	1	Chapter 10	1
Except for:		Except for:	
Proprietary Theory	2	Appendix 10A	3
Parent Company Theory	3		
Appendix 4A	3	Chapter 11	1
Chapter 5	1	Except for:	
Except for:		Complications with an Acq. Diff.	2
Appendix 5A	2	Chapter 12	1
Appendix 5B	3	Except for:	
Chapter 6	1	Net Assets Invested in Capital Assets	3
Except for:		Appendix 12B	3
Appendix 6A	3		

Class Schedule and Topics to be covered:

WEEK	DATE	TOPIC (Textbook Chapter)
Week 1	07-May	International Accounting (Ch 1) Investment in Equity Securities (Ch 2)
Week 2	14-May	Business Combinations (Ch 3)
Week 3	21-May	Consolidation - Date of Acquisition (Ch 4)
Week 4	28-May	Consolidation - Subsequent to Acquisition (Ch 5) Test #1
Week 5	04-Jun	Consolidation - Subsequent to Acquisition (Ch 5)
Week 6	11-Jun	Intercompany Profits in Inventory (Ch 6)
Week 7	02-Jul	Intercompany Profit in Depreciable Assets (Ch 7)
Week 8	09-Jul	Ownership Changes (Ch 8)
Week 9	16-Jul	Joint Ventures (Ch 9)
Week 10	23-Jul	Foreign Currency Transactions (Ch 10)
Week 11	30-Jul	No Class this week Test #2
Week 12	06-Aug	Foreign Currency Operations (Ch 11)
Week 13	13-Aug	Not-for-Profit Organizations (Ch 12)

The midterm will be held during the midterm exam period

Final Exam will be held during the final exam period

FND:

To reduce instances of miscommunication Carleton introduced a grade FND (Failure with No Deferral) to be assigned to students who fail to meet the minimum in-term performance standards explicitly set out in the outline and applied consistently (i.e., there is no other hidden criteria).

Important Additional Information**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			

WDN = Withdrawn from the course

ABS = Student absent from final exam

DEF = Deferred (See above)

FND = (Failed, no Deferred) = Student could not pass the course even with 100% on final exam

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 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*). After requesting accommodation from PMC, meet with me to ensure accommodation arrangements are made. The deadlines for contacting the Paul Menton Centre regarding accommodation for final exams for the June 2015 exam period is June 5, 2015 and for the August 2015 exam period is July 24, 2015.

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 or instructors who have questions or want to confirm accommodation eligibility of a religious event or practice may refer to the Equity Services website for a list of holy days and Carleton's Academic Accommodation policies, or may contact 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 expulsion; suspension from all studies at Carleton; suspension from full-time studies; a refusal of permission to continue or to register in a specific degree program; academic probation; and a grade of Failure in the course, 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://www2.carleton.ca/sasc/advisingcentre/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're 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 830am

and 430pm. 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/support-services/>
Be in the know with what's happening at Sprott: Follow @SprottStudents and find us on Facebook SprottStudents Sprott.

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, it would be easier to respond to your inquiries if you would send all email from your Carleton 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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