



**CARLETON UNIVERSITY
SPROTT SCHOOL OF BUSINESS
BUSI 3001
Summer 2014
Accounting for Business Combinations**

INSTRUCTOR: Kevin Petit-Frère
Room : DT1009
Email: [_ Kevin.PetitFrere@carleton.ca](mailto:Kevin.PetitFrere@carleton.ca)
Office Hours: Fridays from 16h30 to 17h30

Note: Office hours are by appointment only. Appointments should be made via email by the Thursday before the class.

COURSE TIMES & LOCATION:

Section	Day	Time	Location
	Thursday	18:05-20:55	Southam Hall 518

COURSE DESCRIPTION & 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 OUTCOMES:

Students will be expected to demonstrate the following learning outcomes:

- Understand, interpret, apply and critically evaluate the pronouncements of the CICA 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

PREREQUISITE:

BUSI 2002 with a grade of C- or better.

The School of Business enforces all prerequisites.

DETAILED COURSE SCHEDULE:

Week	Topic	Chapter	Self-Study Problems *	Tutorial
May 8	Introduction			
	International Accounting	1	C2, P2, W4	
	Investments in Equity Securities	2	C2, P4, W2	
May 15	Business Combinations	3	C5, P7, P9, W2	P1-1, P2-5
May 22	Consolidation-Date of Acquisition	4	C3, P4, P10, W2	P3-3, C3-2
May 29	Consolidation-Subsequent to Acquisition	5	C5, P10, P15, W2	P4-3, C4-4
Jun 5	Intercompany Profits in Inventory	6	C2, P5, P13, W2	P5-14, 5
	Intercompany Profit in Depreciable Assets	7	C3, P6, P17, W2	P6-14
Jun 12	Ownership Changes	8	C2, P2, P7, P18, W2	P7-13
	Subsidiary has Preferred Shares	8		P8-3, 1
Jun 19	Summer Break			
Jun 26	Summer Break			
Jul 3	Quiz #1 18:00 – 20:00 (Chapters 1 – 7)			
Jul 10	Joint Ventures	9	C6, P2, P11, P12, W2	P8-13
Jul 17	Foreign Currency Transactions	10	C2, P1, P12, W2	P9-10, 9
Jul 24	Quiz #2 18:00 – 20:00 (Chapters 8 – 10)			
Jul 31	Foreign Currency Operations	11	C3, P2, P7, W2	P10-6, 11, 4
Aug 7	Not-for-profit Organizations	12	C3, P10, P11, W2	P11-4
Aug 14	Review/Catchup class			

* Solutions for these self-study problems will be posted to the course WEB page.

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

TEXTS:

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

Recommended: CICA Handbook (available on Carleton computer network at start/all programs/information resources/CICA Handbook)

WEB PAGES:

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

GRADING:

Quizzes	55%
Final examination	<u>45%</u>
Total	<u>100%</u>

Quizzes: There will be a quiz on June 26 and July 24 from 18:00 to 20:00 in a room to be announced. The objectives of the quizzes are to encourage you to keep up with the readings and to provide you with ongoing feedback. The quizzes will be marked by the teaching assistant and will be handed back to you within 10 days following the quiz date. You will then have 7 days to review your results and report any discrepancies to the professor. You are expected to write a brief note describing the difficulty with the awarded grade and provide this note, together with the graded test or assignment, to the professor. Any discrepancies reported beyond that time period will not be reviewed.

Final examination: The final examination will test material from chapters 7 to 12. All assigned readings, in-class handouts and material from lectures are examinable.

Missed Quiz/Assignment: If you must miss a quiz or the assignment due to a verifiable illness (or, in rare cases, some other circumstances beyond your control), the weight for that quiz/assignment will be transferred to the final examination. If a quiz/assignment is missed without a legitimate reason, a grade of zero will be given for the quiz/assignment. A medical certificate or other verifiable documentation must be submitted to the instructor no later than five (7) calendar days after the date of the quiz 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 ask for clarification in the next class

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
2. Unsatisfactory In-term Performance in this course will lead to:
 - Failure in this course regardless of the performance on the final exam
 - FND grade in this course in case of missed final exam or project

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.**

EMAILS:

Emails from students on matters pertaining to this course should be sent from his/her CONNECT account. The instructor will normally respond to emails within 48 hours on weekdays.

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 exam.

TOPICAL EMPHASIS LISTING

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

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, Plagiarism, 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

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. Please consult the PMC website for the deadline to request accommodations for the formally-scheduled exam (*if applicable*).

- The deadlines for contacting the Paul Menton Centre regarding accommodation for final exams for the August 2014 examination period is July 25, 2014 and June 6, 2014 for the June examination period.

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/>.

Assistance for Students:

Student Academic Success Centre (SASC): www.carleton.ca/sasc

Writing Tutorial Services: <http://www1.carleton.ca/sasc/writing-tutorial-service/>

Peer Assisted Study Sessions (PASS): www.carleton.ca/sasc/peer-assisted-study-sessions

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.
 - Please note that you will be able to link your CONNECT (MyCarleton) account to other non-CONNECT accounts and receive emails from us. However, 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 CONNECT address. Therefore, it would be easier to respond to your inquiries if you would send all email from your connect account. If you do not have or have yet to activate this account, you may wish to do so by visiting <https://portal.carleton.ca/>
-

IMPORTANT DATES - Summer Term 2014

- March 1, 2014 Last day for receipt of applications for admission to an undergraduate degree program for the summer term.
- May 1, 2014 Last day for receipt of applications for undergraduate degree program transfers for the summer term.
- May 5, 2014 Early summer and full summer classes begin.
- May 12, 2014 Last day for registration and course changes (including auditing) for early summer courses.
- May 16, 2014 Last day for registration and course changes (including auditing) for full summer courses.
- May 19, 2014 Statutory holiday. University closed.
- May 23, 2014 Last day to withdraw from early summer and full summer courses with a full fee adjustment.
- June 6, 2014 Last day to submit to the Paul Menton Centre for Students with Disabilities, formal Examination Accommodation Forms for June examinations.
- June 9-19, 2014 Fall/winter and winter term deferred final examinations will be held.
- June 10, 2014 Last day for tests or examinations in early summer courses below the 4000-level before the final examination period (see Examination Regulations in the Academic Regulations of the University section of this Calendar).
- June 17, 2014 Last day of early summer classes (NOTE: Full summer classes resume July 3). Last day for academic withdrawal from early summer courses. Last day for handing in term assignments, subject to any earlier course deadline.
- June 20-26, 2014 Early summer examinations may be held. Examinations are normally held all 7 days of the week.
- July 1, 2014 Statutory holiday. University closed.
- July 3, 2014 Late summer classes begin. Full summer classes resume.
- July 10, 2014 Last day for registration and course changes (including auditing) for late summer courses.
- July 23, 2014 Last day to withdraw from late summer courses with a full fee adjustment.
- July 25, 2014 Last day to submit to the Paul Menton Centre for Students with Disabilities, Formal Examination Accommodation Forms for August examinations.
- July 31, 2014 Last day for tests or examinations in full summer courses below the 4000-level before the final examination period (see Examination Regulations in the Academic Regulations of the University section of this Calendar).
- August 4, 2014 Statutory Holiday. University closed.
- August 7, 2014 Last day for tests or examinations in late summer courses below the 4000-level before the final examination period (see Examination Regulations in the Academic Regulations of the University section of this Calendar).

Classes held on this day follow a Monday schedule. Last day of late summer and full summer classes. Last day for academic withdrawal from late summer and full summer courses and any other courses that end this term. Last day for handing in term assignments, subject to any earlier course deadline.

August 15, 2014 Summer Co-op Work Term Reports are due.

August 18-23, 2014 Summer examinations may be held. Examinations are normally held all 7 days of the week.
