



**Carleton**  
UNIVERSITY

**SPROTT**  
SCHOOL OF BUSINESS

***BUSI 3001R - Accounting for Business Combinations  
Fall 2020***

**COURSE OUTLINE**

<i>Instructor</i>	Bijan Toufighi, CPA, CA
<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 (Online)</i>	By appointment

**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: Herauf & Hilton, Modern Advanced Accounting in Canada with Connect Access Code, 9th edition, McGraw-Hill Ryerson Ltd., 2019

Available in hard copy at Haven Books (Seneca and Sunnyside) or as e-text through publisher at

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:** Each assignment will be posted online at the start of the semester. The assignments can be completed at any time, but needs to be submitted by the due date below to be scored. The assignments are worth 10% of your final mark. This mark will be based on your top 6 assignment scores. Note, if your final exam score is higher than your grade on your best 6 assignments, the final exam will be worth 60% of your final grade, and the assignments will not be counted towards your final grade.

The assignments are generated using an algorithm, and therefore, each student will have different numbers and information for their assignments.

Assignment #	Chapter	Due Date
1	3	September 22 – 11:59 PM
2	4	September 29– 11:59 PM
3	5	October 13– 11:59 PM
4	6	October 20 – 11:59 PM
5	10	December 1 11:59 PM
6	11	December 8 – 11:59 PM
7	12	December 11 – 11:59 PM

**Case Assignment:** The case assignment will be a short, integrated case covering the course material. It will be due **November 27, 2020 at 1pm**. The case can be done in groups of 1 to 3 students. Groups can be made by the students.

**The mid-term will be held on October 23 from 6pm – 8pm.** The mid-term will cover chapters 2-6. The mid-term will not be in person and will be conducted online via CUlearn.

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 the midterm grade will be deferred to the final exam.

To be eligible to write the make-up mid-term, the instructor will need to receive a medical note by two days after the initial mid-term date. The medical note can be scanned and e-mailed. If you miss the mid-term and do not provide a medical note by two days after the mid-term date, your mid-term grade will be zero.

The mid-term will be marked by the teaching assistants together with the instructor 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 will be returned on CUlearn.

***The final examination will be held in the regular examination period (December 12 - 23).*** 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. The final examination will not be in person and will be conducted online via CULearn.

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 9	2 – Equity Investments
2	Sept 14	3 – Business Combinations
3	Sept 21	4 – Consolidation of Non-Wholly Owned Subsidiaries
4	Sept 28	5 – Consolidation Subsequent to Acquisition Date
5	Oct 5	5 – Consolidation Subsequent to Acquisition Date Introduction to Case Writing Case #1 (For practice, not marked)
6	Oct 12	6 – Intercompany Inventory and Land Transactions Case #2 (For practice, not marked)
	Oct 19	Review of previous chapters <b>MIDTERM FRIDAY OCTOBER 23 6PM – 8PM (CHAPTERS 2 -6)</b>
		<b>October 26 – 30: Fall Break</b>
7	Nov 2	7 – Intercompany Profits in Depreciable Assets
8	Nov 9	8 – Ownership Issues
9	Nov 16	9 – Other Consolidation issues Case # 3 (For practice, not marked)
10	Nov 23	10 – Foreign Currency Transactions
11	Nov 30	11 – Translation of Foreign Operations
12	Dec 7	12 – Accounting for Not-For Profit Case # 4 (For practice, not marked)

**December 12 – 23: Final Exam Period**

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

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 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](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/>

*\* Note that the office is physically closed. However, e-drop in is available between 8:30-4:30 until social distancing requirements are updated by the Province.*

**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 <https://carleton.ca/its/get-started/new-students-2/>
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