



**CARLETON UNIVERSITY
SPROTT SCHOOL OF BUSINESS
BUSI 3001 A & B
Fall 2015
Accounting for Business Combinations**

INSTRUCTOR: Darrell Herauf
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Office Hours: Tuesdays and Thursdays 10:30 to 12:00
and by appointment

COURSE TIMES & LOCATION:

Section	Day	Time	Location
A	Monday & Wednesday	11:35 – 12:55	TBA
B	Monday & Wednesday	13:05 – 14:25	TBA
Tutorial	Monday	14:35 – 15:25	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 better.

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 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

DETAILED COURSE SCHEDULE:

Date	Topic	Chapter	Self-Study Problems *	Tutorial
Sep. 2	Introduction			
	International Accounting	1	C2, P4, W4	
Sep. 4	Framework for Case Analysis			
Sep. 9	Investments in Equity Securities	2	C2, P4, W2	
Sep. 14 & 16	Business Combinations	3	C5, P7, P9, W2	P1-1, P2-5
Sep. 21 & 23	Consolidation-Date of Acquisition	4	C3, P4, P10, W2	P3-3, C3-2
Sep. 28 & 30	Consolidation-Subsequent to Acquisition	5	C5, P10, P15, W2	P4-3, C4-4
Oct. 2	Quiz #1 (Chapters 1 – 5)			
Oct. 5 & 7	Intercompany Profits in Inventory	6	C2, P5, P13, W2	P5-5, P5-14
Oct. 14 & 19	Intercompany Profit in Depreciable Assets	7	C3, P6, P17, W2	P6-14
Oct. 21	Subsidiary has Preferred Shares	8	P2	
Oct. 26 & 28	Midterm break			
Nov. 2 & 4	Ownership Changes	8	C2, P7, P18, W2	P7-13
Nov. 9 & 11	Joint Ventures	9	C6, P11, P12, W2	P8-1, P8-17
Nov. 13	Quiz #2 (Chapters 6 – 9)			
Nov. 16 & 18	Foreign Currency Transactions	10	C2, P1, P13, W2	P9-9, P9-10
Nov. 23 & 25	Foreign Currency Operations	11	C3, P2, P7, W2	P10-6, 11, 4
Nov 30/Dec 2	Not-for-profit Organizations	12	C3, P10, P11, W2	P11-4
Dec. 7	Review			P12-4, 7

* 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

Turning Point clicker

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.

Student or professor 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).

GRADING:

	Option 1	Option 2
Clicker questions	10%	10%
Weekly online problems	10%	10%
Quizzes	40%	25%
Final examination	<u>40%</u>	<u>55%</u>
Total	<u>100%</u>	<u>100%</u>

The difference between Options 1 and 2 is the length of the final exam. Under Option 1, the final exam is 2 hours. Under Option 2, the final exam is 3 hours. The extra hour is for answering a chapter 7-type consolidation question. The option is declared while writing the final exam. Anyone who stays longer than 2 hours for the final exam is automatically declaring Option 2. The reduced weight for the quizzes will be applied to the quiz with the lowest score.

Clicker questions: In most classes, students will answer multiple-choice questions using their clickers. Marks will be awarded for effort and accuracy. The top mark in each section will be a minimum of 9 out of 10 and the average mark is expected to be a minimum of 7 out of 10. In addition, there will be a bonus of up to two marks for exceptional contribution to classroom discussion and online use of CuLearn. 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 best ten out of eleven problems will be used in determining the grade out of 10. 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 to the course website.

Quizzes: There will be a quiz on October 2 and November 13 from 4:05 to 5:25 PM in 302AT. 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 10 days to review your results and report any discrepancies to the professor. Any discrepancies reported beyond that time period may be reviewed but will not result in any change in grade.

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. The final grades are subject to the Dean's approval and will be communicated through Carleton Central.

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 and you must write the three-hour final exam. 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 (5) 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
 - 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 or final project
 - FND grade in this course in case of missed 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 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 particular 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.

EMAILS:

Emails from students on matters pertaining to this course should be sent from his/her official CARLETON account. The instructor will normally respond to emails within 24 hours on weekdays and at least once on the weekend.

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.

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	3
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 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			

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 December 2015 exam period is November 6, 2015 and for the April 2016 exam period is March 6, 2016.

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; a grade of Failure in 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:

<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 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/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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