

Honors Advanced Financial Accounting - Fall 2015

(TuTh 12:45-2:05 Mason Hall 0405)

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Office Hours: 2:30 – 3:30 T
10:00–11:00 W
9:00 –10:00 R

Course Objectives:

The goal of this course is to provide a conceptual foundation of accounting principles that can be used to understand and attack a broad set of important issues that will arise now and in the future. Specifically we will focus on the economic forces that give rise to a demand for accounting information and for the regulation of financial information.

Course Description:

The course is designed for students whose careers will require an expert understanding of advanced financial accounting and reporting concepts. The course will focus on understanding financial reporting as part of the economic environment underlying complex financial transactions.

Topics covered include the accounting for:

- Business combinations
- Consolidations
- Special purpose entities and structured transactions
- Derivatives and hedges
- Foreign operations

Materials:

Tentative Course Schedule, Readings, Cases, and Course Notes: will be made available on CARMEN.

Text: Halsey and Hopkins. Advanced Accounting. Second Edition. 2013. Cambridge Business Publishers.

Workload Expectations:

The Ohio State University and Fisher College expect that an average student will spend two hours outside of class for every hour spent in class to obtain an average grade. While I know that all of you are above average students and that you would like to receive an above average grade, so you should plan to average a minimum of 6 hours per week outside of class on course related work.

Grading Components:

There are three components to the grading in this course. They are:

(1) Class Participation	12
(2) Homework	16
(3) Tests	72
Total	<u>100%</u>

(1) Class Participation:

The class participation portion of the grade is designed to encourage constructive classroom participation and will depend more on the quality than the quantity of the contributions to the class discussion.

Class meetings will involve lectures, problem solving, case studies, and discussion of articles both academic and practitioner.

I expect you will come to class having read the materials that will be discussed in class. Although we will solve examples included in the lecture notes during class, you should attempt to work through the problems in advance and be prepared either to provide solutions or to ask questions about the examples. When reading the research articles you should focus primarily on the research question, what is it and why is it interesting, and on the results and conclusions, what are the major results and is your interpretation consistent with the authors' interpretation.

(2) Homework:

I will collect the assigned problems from the text and check them for completeness. We will work some of these problems during class and your ability to respond to questions about these problems or to requests to solve these problems on the board will be included in your homework grade.

(3) Tests:

There will be four tests given in class on the dates listed on the course schedule. The tests will be open book and open note. Each will cover roughly one fourth of the material that we will cover in class.

Tentative Schedule of Class Meetings

Date	Topic	Text Pages	Text Problems	myBusinessCourse lectures and guided examples	Readings	Related Research
8/25	Introduction, Overview and Background					Graham et al. (2005)
8/27	Equity Method	1-16	Chpt 1: 27-28,33-35, 37	Chpt 1: eLecture Part; A, B, C, D, E, F, G Chpt 1: Topic Review; 1, 2, 3, 4		Comiskey & Mulford (1986)
9/01	Equity Method (more advanced topics)	17-27	Chpt 1: 19-22, 31-32, 36, 38	Chpt 1 eLecture Part; H, I, J Chpt 1: Topic Review; 5, 6, 7 Chpt 1 Comprehensive Review		
9/03	Consolidation at Acquisition	45-70	Chpt 2: 25-26, 28-32, 35-38, 43	Chpt 2 eLecture Part; A, B, C, D, E, F, G Chpt 2 Topic Review; 1, 2, 3	Executive Summary – A guide to Accounting for Business Combinations	Lys and Vincent (2013)
9/08	Contingent Consideration and Deferred Taxes	70-85	Chpt 2: 33-34, 49	Chpt 2 eLecture Part; H, I, J Chpt2 Topic Review; 4, 5, 6 Chpt 2 Comprehensive Review	2012 Contingent Consideration Study Earnout Structuring and Valuation	Cadman et al. (2013)
9/10	Review		TBA			
9/15	Test #1					
9/17	Consolidation After Acquisition	109-119	Chpt 3: 16-17, 20-26, 32, 36	Chpt 3 eLecture Part; A, B, C Chpt 3 Topic Review; 1, 2		Dietrick (2010)
9/22	Goodwill	120-127	Chpt 3: 27-30, 41	Chpt 3 eLecture Part; D, E, G Chpt 3 Topic Review; 3, 4 Chpt 3 Comprehensive Review	Qualitative Goodwill Impairment Assessment	

Tentative Schedule of Class Meetings (continued)

Date	Topic	Text Pages	Text Problems	myBusinessCourse lectures and guided examples	Readings	Related Research
9/24	Noncontrolling Interests	231-243	Chpt 5: 10-14, 29, 31, 37-38	Chpt 5 eLecture Part; A, B, C, D, E, F Chpt 5 Topic Review 1	Controlling the effects of a non-controlling interest	Beaver et al. (2015)
09/29	Step Acquisitions & Sale of Sub's stock	271-277	Chpt 5: 33-36, 39	Chpt 5 Topic Review 2	Acquiring a subsidiary in stages	
10/01	Review		TBA		Post-Implementation Review Report on FASB Statement No. 141R Business Combinations	
10/06	Test # 2					
10/08	Effective Interest Method		TBA			
10/13	Intercompany Sales of Noncurrent Assets	165-167 179-192	Chpt 4: 10, 23-25, 28-31	Chpt 4 eLecture Part; A, E, F Chpt 4 Topic Review 2		
10/15	Fall Break - NoClass					
10/20	Intercompany Inventory Sales	167-178	Chpt 4: 11-22, 26-27, 32-33	Chpt 4 eLecture Part; B, C, D Chpt 4 Topic Review 1 Chpt 4 Comprehensive Review		
10/22	Intercompany Eliminations with Noncontrolling Interests	243-267	Chpt 5: 15-28, 30	Chpt 5 eLecture Part G Chpt 5 Comprehensive Review		

Tentative Schedule of Class Meetings (continued)

Date	Topic	Text Pages	Text Problems	myBusinessCourse eLectures and guided examples	Readings	Related Research
10/29	Intercompany Debt and Acquisition of Sub With Preferred Stock	332-340	Chpt 6: 35-41, 54-62	Chpt 6 eLecture Part; C, D Chpt 6 eLecture topic Review 5 Chpt 6 Comprehensive Review		
11/03	VIE's	311-331	Chpt 6: 28-34, 42-53	Chpt 6 eLecture Part; A, B Chpt 6 Topic Review; 1, 2, 3, 4		Ahn (2013)
11/05	Review		TBA			
11/10	Test #3					
11/12	Foreign Currency Transactions and Derivatives	371-381	Chpt 7: 12-18, 22-25	Chpt 7 eLecture Part; A, B, C Chpt 7 Topic Review 1		
11/17	Derivative Accounting	381-395		Chpt 7 eLecture Part; D, E Chpt 7 Comprehensive Review		
11/19	Foreign Subsidiaries Translation and Remeasurement	417-438	Chpt 7: 33-35 Chpt 8: 12-21	Chpt 8 eLecture Part; A, B, C, D, E Chpt 8 Topic Review 1	Why CFOs Still Don't Like Hedge Accounting	
11/24	Foreign Subsidiaries Consolidation	438-448		Chpt 8 eLecture Part; F, G Chpt 8 Topic Review 2 Chpt 8 Comprehensive Review	Why ITT Likes FAS 52 & Dupont Evaluates FAS 52	Louis (2003)
11/26	Thanksgiving – No Class					
12/01	Review		TBA			
12/03	Test #4					
12/08	Wrap-up					