

Accounting
Course Number: 33:010:401
Course Title: Advanced Accounting

COURSE DESCRIPTION

Advanced Accounting covers complex business transactions and financial reporting for subjects not covered in Intermediate Accounting I and II, including business combinations, segmental reporting, foreign currency matters, and governmental accounting. The material includes extensive coverage of GAAP that is highly relevant for the CPA exam.

Class time will be divided between PowerPoint presentations and in-class handouts, as well as discussion of some homework problems. We will cover a lot of material in each class. Therefore, it is important for students to read the chapter (or at least skim it) prior to the class period when that chapter will be covered, to get a basic understanding of the new topics and terminology. Online homework will be assigned several times throughout the semester which will enable you to apply and understand the concepts learned in class (see below).

COURSE MATERIALS

Beams, Anthony, Bettinghaus, and Smith. *Advanced Accounting*, 13th Edition. New York: Pearson Education, 2016. ISBN 9780134472140. You have several options available for renting or buying the textbook – it is up to you which one you choose.

Please check Canvas and your official Rutgers email account regularly for other important class materials and updates.

Course Website:

Course announcements, PowerPoint slides, handout/homework solutions and other information will be posted on the course website at <https://canvas.rutgers.edu> - use your Rutgers NETID and password to log in. **Make sure your email address in Canvas is one you use regularly and check often.**

LEARNING GOALS AND OBJECTIVES

This course will address the following relevant learning goals of the Rutgers Business School:

Knowledge of Accounting Concepts

The class will enable students to build knowledge and skills in recording entries and/or preparing financial statements for (1) business combinations, (2) equity method of accounting, (3) parent companies and subsidiaries, (4) intercompany transactions, (5) intangible assets, (6) business segments, (7) foreign currency transactions, (8) hedging with forward exchange contracts, (9) derivatives, (10) foreign currency financial statements, and (11) state and local governments.

Upon completion of the course, students will demonstrate proficiency in:

- i) recording a merger on the surviving company's books;
- ii) accounting for an investee under the equity method;
- iii) consolidating a parent and subsidiary and eliminating intercompany transactions;
- iv) preparing operating segment disclosures under ASC Topic 280;
- v) recording transactions denominated in a foreign currency;
- vi) hedging exposed foreign currency assets, commitments, and forecasted transactions using forward exchange contracts;
- vii) translating and remeasuring foreign currency financial statements;
- viii) using fund accounting and applying modified accrual concepts;
- ix) accounting for transactions of governmental funds and preparing financial statements of governmental entities;
- x) identifying transactions of the various fund-types: governmental funds, proprietary funds, and fiduciary funds.

Global, Legal and Historical Perspective

The course will provide knowledge of and exposure to: (1) accounting practices under International Financial Reporting Standards (IFRS), in addition to U.S. GAAP, (2) the economic, legal, and political climate in which accounting practices for business combinations and state and local governments take place, and (3) a historical perspective of accounting for business combinations and state and local governments.

Exposure and knowledge will be provided to perspectives through the following course activities and assignments:

- i) Trueblood Cases that require students to analyze complex transactions under both U.S. GAAP and IFRS;
- ii) Illustrations of legal documents filed with the Securities and Exchange Commission by the legal acquirer in a merger, including SEC Forms S-1 and 10-K;
- iii) Illustrations of mergers that were blocked by antitrust laws (e.g., Clayton Act) because they were deemed harmful to competition;
- iv) An examination of how particular reporting standards have changed or evolved due to political pressures or complex and diverse economic transactions.
- v) An examination of state laws and legislative acts that govern the reporting of funds and fund balances for state governments.

PREREQUISITES

33:010:326 (Intermediate Accounting II)

ACADEMIC INTEGRITY

I do NOT tolerate cheating. Students are responsible for understanding the RU Academic Integrity Policy (<http://academicintegrity.rutgers.edu/>)

I will strongly enforce this Policy and pursue all violations. On all examinations and assignments, students must sign the RU Honor Pledge, which states, “On my honor, I have neither received nor given any unauthorized assistance on this examination or assignment.” I will screen all written assignments through SafeAssign or Turnitin, plagiarism detection services that compare the work against a large database of past work. Don’t let cheating destroy your hard-earned opportunity to learn. See business.rutgers.edu/ai for more details.

ATTENDANCE AND PREPARATION POLICY

Expect me to attend all class sessions. I expect the same of you. If I am to be absent, I will send you notice via email and Canvas as far in advance as possible. If you have personal problems or an extended absence, you will need to contact the Dean of Students office so that they can verify your situation – you can find more information at <http://deanofstudents.rutgers.edu/>.

PLEASE BE PROACTIVE – personal issues arise during the semester and I will do my best to try and accommodate you if I believe your situation is valid. If you have an issue, see the Dean of Students as soon as possible – don’t wait until after you have done poorly on an exam or received your final grade. The best thing you can do to help yourself is to seek assistance early on.

There are no make-ups for the midterm exams. If you fail to take one of the midterms and you have a valid excuse that can be documented in writing, then the score on your other midterm and final exam will be weighted more heavily to produce your score (so one midterm would count as 41.25% and the final would be 46.25%). Please note that a **valid** excuse for missing an exam is generally some type of emergency that could not have been foreseen by the student.

It is always your decision whether or not to attend class; however, arriving late and/or leaving early is disruptive to other students. Please make every effort to arrive to class **on time**.

Inclement Weather:

In the case of inclement weather consult the University’s ‘Campus Operating Status’ at <http://campusstatus.rutgers.edu>.

HOMEWORK ASSIGNMENTS

Online Homework Assignments (for Credit):

Three online homework assignments will be due throughout the semester to help you test your understanding of the material. These assignments will consist of multiple-choice questions and simulations assigned in Becker's AccountingMaster.

Discussing the homework assignments or working on them with other students is fine, because you are still thinking about the answers and learning (and realistically I know I can't prevent you from doing this). However, under no circumstances should you just directly copy answers from another student – this is cheating. You know the difference! If I receive evidence that a student has copied homework answers, then the student will not receive credit for that assignment and I will write up the cheating under the University's Academic Integrity Policy (see section on Academic Integrity).

Suggested Homework Assignments (for Practice):

To further assist in your understanding of the class material, I have selected suggested homework problems for each chapter (the problems and solutions will be posted under the "Course Documents" tab in Canvas each week). These problems will not be collected, but you should complete them to ensure you have a good understanding of each chapter. Feel free to discuss these homework assignments with other students.

Group Trueblood Case:

The Deloitte Trueblood case requires students to identify and apply relevant sections of U.S. GAAP and IFRS to complex transactions. The case is designed to build team skills, enhance the ability to research the authoritative literature, and provide exposure to real-world financial reporting issues.

Grading of group projects will be based largely on content, including: (1) identification of important economic and accounting issues, (2) application of the relevant professional literature, (3) depth of analysis and discussion, and (4) logic and persuasiveness of your solution. Organization, writing style, and understandability of the report will also be evaluated and encompassed in your grade – your explanations and arguments should be clear and direct.

You will be assigned to a group and are expected to actively participate in the case. If you fail to participate, you will receive a grade of zero. Additional instructions will be provided when the case is assigned.

CLASSROOM CONDUCT

I expect you to have respect for me as your instructor, as well as your fellow students. In general, you should leave your cell phone in your bag and pay attention throughout the class. Using your computer to

take notes and follow slides is fine. However, using your computer to look at non-class related websites, check email, etc. is distracting to other students and will not be allowed during class.

EXAM DATES AND POLICIES

See the class schedule at the end of the syllabus for exam dates and the material to be covered. All examinations are “closed-book” and mandatory. The two midterms will be given during the regularly scheduled class periods, with no make-ups. If you fail to take one of the midterm exams and you have a valid excuse that can be documented in writing, then the score on your other midterm and final exam will be weighted more heavily to produce your score (so one midterm would count as 41.25% and the final would be 46.25%). Please note that a **valid** excuse for missing an exam is generally some type of emergency that could not have been foreseen by the student. If you do not have a valid excuse, you will receive a grade of zero on the exam.

Appropriate conduct is expected from you during the exam. All cell phones and other electronics must be put away during a test. You should bring pencils, an eraser and a simple calculator (nonprogrammable, scientific is fine but not graphing). I will check the calculators at the beginning of the exam period – if yours is not appropriate, I will provide a simple calculator for you to use. You also need to bring a valid Rutgers photo ID so that I can verify your identity. You will have assigned seats during any tests – I will bring a seating chart to the beginning of each exam period, and this chart will tell you where your seat is. Finally, bathroom breaks are allowed during an exam only in emergency situations – in this case, you will be required to leave your phone and Rutgers ID with me when you exit the classroom. You will be required to sign out to use the bathroom and sign back in upon your return. Violation of any of these exam procedures can result in a grade of “F” on your exam, at my discretion. Certain violations (such as having a cell phone out during a test or copying from another student) may be written up under the University’s Academic Integrity Policy. Your exam will not be accepted unless you sign the Honor Pledge.

If you have a disability that influences testing procedures, please provide me an official letter from the Office of Disability Services at the start of the semester (see the Support Services section of the syllabus).

GRADING POLICY

Your final grade is determined as follows:

27.5%	Exam 1
27.5%	Exam 2
32.5%	Final Exam

5.0%	Online Assignments
7.5%	Group Trueblood Case

In general, midterm grades will be posted in Canvas and returned for review within about one week. Cases will be returned within two weeks. Final grades will be posted in REGIS.

Warning grades will be posted in REGIS. Anyone that receives a grade below 65 on the first midterm will receive a warning.

Your final grade is not subject to negotiation. If you feel I have made an error, submit your written argument to me within one week of receiving your final grade. I am happy to correct any grades that resulted from an error on my part. However, I cannot and will not adjust grades based on potential consequences for the student such as lost scholarships, lost tuition reimbursement, lost job opportunities, or dismissals. Do not ask me to do so. It is dishonest to attempt to influence faculty in an effort to obtain a grade that you did not earn, and it will not work.

In addition, there is no extra credit in the class – your grade will be determined as outlined in the section on grading above.

Email Policy:

Every student is responsible for maintaining the current e-mail address in the Rutgers Online Directory. You can maintain your personal information at <https://personalinfo.rutgers.edu/pi>.

Students who do not have a Rutgers NETID can create one using the link <https://netid.rutgers.edu/index.htm>.

COURSE SCHEDULE

Omitted Readings:

The following pages/sections may be omitted from the reading assignments:

Ch.	Topic	Pages
1	The Sarbanes-Oxley Act	16-17
2	Sale of an Equity Interest	40
2	Fair-Value Option for Equity Method Investments	47
3	Preparing a Consolidated Balance Sheet Worksheet	81-83
4	Consolidated Statement of Cash Flows	109-114
4	Preparing a Consolidation Worksheet	115-120
6	Inventory Purchased for Use as Operating Assets	204-205

12	Derivatives	399-403
13	Types of Hedge Accounting	421-428
13	Accounting for Hedge Contracts	428-431
13	Example of Accounting for a Cash-Flow Hedge of an Existing Foreign Currency-Denominated Accounts Receivable	432-435
13	Speculation	441
14	Consolidation	459-461
14	The Equity Method and Consolidation	463-465
14	Hedging a Net Investment in a Foreign Entity	465-468
15	Computation of the Estimated Annual Effective Tax Rate	488-489
20	Special Assessment Activities	662-663
20	Exhibit 20-5 – Conversion Worksheet	670-671
21	Statement of Cash Flows for Proprietary Funds	700-701
21	Accounting for a Pension Trust Fund	706

There may be other sections of the chapters that we do not cover – I will update you on these throughout the semester.

Class Schedule:

Class #	Chapter	Topic/Suggested Homework
1	1	Business Combinations
2	2	Stock Investments - Investor Accounting and Reporting
3	3, 4	An Introduction to Consolidated Financial Statements Consolidation Techniques and Procedures
4	4, 5	Consolidation Techniques and Procedures Intercompany Profit Transactions - Inventories
5	5	Intercompany Profit Transactions - Inventories

		Midterm Exam 1 Chapters 1-4; First Homework Assignment Due
6	5, 6	Intercompany Profit Transactions - Inventories Intercompany Profit Transactions - Plant Assets
7	6	Intercompany Profit Transactions - Plant Assets
8	15, 12	Segment and Interim Financial Reporting Derivatives and Foreign Currency: Concepts and Common Transactions
		NO CLASS
9	13	Accounting for Derivatives and Hedging Activities
10	14	Foreign Currency Financial Statements Midterm Exam 2 Chapters 5-6, 15; Second Homework Assignment Due
11	14	Foreign Currency Financial Statements
12	19, 20	An Introduction to Accounting for State and Local Governmental Units Accounting for State and Local Governmental Units - Governmental Funds
13	20	Accounting for State and Local Governmental Units - Governmental Funds
14	21	Accounting for State and Local Governmental Units - Proprietary and Fiduciary Funds Third Homework Assignment Due
		NO CLASS – Reading Day
		Final Exam Chapters 12-14, 19-21

This class schedule is an estimate of the dates we will cover each chapter – I will adjust throughout the semester as necessary.

SUPPORT SERVICES

If you need accommodation for a *disability*, obtain a Letter of Accommodation from the Office of Disability Services. The Office of Disability Services at Rutgers, The State University of New Jersey, provides student-centered and student-inclusive programming in compliance with the Americans with Disabilities Act of 1990, the Americans with Disabilities Act Amendments of 2008, Section 504 of the

Rehabilitation Act of 1973, Section 508 of the Rehabilitation Act of 1998, and the New Jersey Law Against Discrimination. More information can be found at ods.rutgers.edu.

[Rutgers University-New Brunswick ODS phone (848)445-6800 or email dsoffice@echo.rutgers.edu]

[Rutgers University-Newark ODS phone (973)353-5375 or email ods@newark.rutgers.edu]

If you are ***pregnant***, the Office of Title IX and ADA Compliance is available to assist with any concerns or potential accommodations related to pregnancy.

[Rutgers University-New Brunswick Title IX Coordinator phone (848)932-8200 or email jackie.moran@rutgers.edu]

[Rutgers University-Newark Office of Title IX and ADA Compliance phone (973)353-1906 or email TitleIX@newark.rutgers.edu]

If you seek ***religious accommodations***, the Office of the Dean of Students is available to verify absences for religious observance, as needed.

[Rutgers University-New Brunswick Dean of Students phone (848)932-2300 or email deanofstudents@echo.rutgers.edu]

[Rutgers University-Newark Dean of Students phone (973)353-5063 or email DeanofStudents@newark.rutgers.edu]

If you have experienced any form of ***gender or sex-based discrimination or harassment***, including sexual assault, sexual harassment, relationship violence, or stalking, the Office for Violence Prevention and Victim Assistance provides help and support. More information can be found at <http://vpva.rutgers.edu/>.

[Rutgers University-New Brunswick incident report link: <http://studentconduct.rutgers.edu/concern/>. You may contact the Office for Violence Prevention and Victim Assistance at (848)932-1181]

[Rutgers University-Newark incident report link: https://cm.maxient.com/reportingform.php?RutgersUniv&layout_id=7 . You may also contact the Office of Title IX and ADA Compliance at (973)353-1906 or email at TitleIX@newark.rutgers.edu. If you wish to speak with a staff member who is confidential and does **not** have a reporting responsibility, you may contact the Office for Violence Prevention and Victim Assistance at (973)353-1918 or email run.vpva@rutgers.edu]

If students who have experienced a temporary condition or injury that is adversely affecting their ability to fully participate, you should submit a request via <https://temporaryconditions.rutgers.edu> .

If you are a military *veteran* or are on active military duty, you can obtain support through the Office of Veteran and Military Programs and Services. <http://veterans.rutgers.edu/>

If you are in need of *mental health* services, please use our readily available services.

[Rutgers University-Newark Counseling Center: <http://counseling.newark.rutgers.edu/>]

[Rutgers Counseling and Psychological Services–New Brunswick: <http://rhscaps.rutgers.edu/>]

If you are in need of *physical health* services, please use our readily available services.

[Rutgers Health Services – Newark: <http://health.newark.rutgers.edu/>]

[Rutgers Health Services – New Brunswick: <http://health.rutgers.edu/>]

If you are in need of *legal* services, please use our readily available services: <http://rusls.rutgers.edu/>

Students experiencing difficulty in courses due to *English as a second language (ESL)* should contact the Program in American Language Studies for supports.

[Rutgers–Newark: PALS@newark.rutgers.edu]

[Rutgers–New Brunswick: eslpals@english.rutgers.edu]

If you are in need of additional *academic assistance*, please use our readily available services.

[Rutgers University-Newark Learning Center: <http://www.ncas.rutgers.edu/rlc>

[Rutgers University-Newark Writing Center: <http://www.ncas.rutgers.edu/writingcenter>]

[Rutgers University-New Brunswick Learning Center: <https://rlc.rutgers.edu/>]

[Optional items that many faculty include:

- Students must sign, date, and return a statement declaring that they understand the RU Academic Integrity Policy.

- Students must sign, date, and return a statement declaring that they understand this syllabus.]