

ADVANCED ACCOUNTING I (ACCT 4315)
Spring 2018

INSTRUCTOR: Jeff Miller, PhD, CPA, CIA
OFFICE: Smith-Hutson Business Building 305F
OFFICE HOURS: Monday: 9:15-10:45 am and 5:00-5:45 pm
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REQUIRED TEXTS: Advanced Accounting I (2018 ed) by Miller (Book is available only at the SHSU Bookstore; bring this book to each class.)
Financial Accounting: Objective Questions and Explanations (19th ed.) by Gleim (ISBN #978-1-61854-023-2)
Intermediate Accounting by Spiceland, Sepe, & Nelson (9th ed) (You should already have this or another intermediate accounting book.)

OPTIONAL TEXT: Advanced Accounting (13th edition) by Beams, Anthony, Bettinghaus, & Smith (Other Advanced Accounting texts are on reserve at the library.)

PREREQUISITE: ACCOUNTING 3314 *with a grade of C or higher*
CALCULATORS: Any 4-function calculator may be used on the exams. In any case, programmable calculators are not permitted on exams.

PHONES: Phones should be put away during class and exams.

COURSE DESCRIPTION: A study of various special reporting topics in financial accounting, this course surveys financial statement presentation and disclosure requirements for special areas of income recognition and accounting changes, dilutive securities, earnings per share calculations, reporting for business segments and interim periods, and accounting and reporting standards for partnerships. The course also covers multinational enterprises, including foreign currency transactions and financial instruments and translation of foreign entity statements.

OBJECTIVES: After completion of ACCOUNTING 4315, you should be able to:

1. Describe the similarities and differences between the ethical codes of conduct of the AICPA, IMA, FEI, and IIA.
2. Measure and report income and assets from long-term contracts and other special areas of income recognition.
3. Identify and report various accounting changes and analyze and correct errors.
4. Account for dilutive securities and calculate and report earnings per share.
5. Apply current GAAP to financial reporting on an interim basis and to the reporting of segment information.
6. Account for foreign currency transactions and forward exchange contracts and be able to translate and remeasure financial statements of foreign subsidiaries into U.S. dollars.
7. Account for the formation, profit and loss allocation, ownership changes, and liquidations related to partnerships.

Day	Class Discussions	Assignments*
	Intermediate Accounting Text	
17-Jan	No Class Due to Winter Storm	
24-Jan	Introduction to Course & Ethical Issues	
31-Jan	5 - Revenue Recognition and Profitability Analysis	Read Ch 5; G(21.1) 1-19
		G(21.3) 1-4; G(29.5) 1-4; G(29.6) 3-8
7-Feb	20 - Accounting Changes and Error Corrections	Read Ch 20
		G(18.1) 1-5; G(18.2) 1-5; G(18.3) 1-5, 10-12
14-Feb	Exam 1	Study Hand-Outs #1-40 & Assignments
21-Feb	19 - Stock-Based Compensation and Earnings Per Share	Read Ch 19
28-Feb	19 - Stock-Based Compensation and Earnings Per Share	G(16.1) 1-15; G(16.2) 1-20
7-Mar	Segment and Interim Reporting & the SEC	G(25.1) 1-11; G(25.2) 1-4
14-Mar	Spring Break	No Class
21-Mar	Exam 2	Study Hand-Outs #41-80 & Assignments
	Advanced Accounting Text	
28-Mar	12 - Derivatives and Foreign Currency Transactions	Read Ch 12 (AT); G(26.2) 1-8
4-Apr	13 - Accounting for Derivatives and Hedging Activities	Read Ch 13 (AT); G(10.6) 1-5
11-Apr	14 - Foreign Currency Financial Statements	Read Ch 14 (AT); G(26.1) 1-19
18-Apr	Exam 3	Study Hand-Outs #81-120 & Assignments
25-Apr	16 - Partnership Formation, Operation, and Changes	Read Ch 15 (AT); G(23.1) 1-6; G(23.2) 5, 6
		G(23.3) 3-6; G(23.4) 3-4
2-May	17 - Partnership Liquidation	Read Ch 16 (AT); G(23.5) 1,4, 5
9-May	Final Exam @ 6 p.m.	Study Hand-Outs #121-150 & Assignments

*Note: G(#.#) = chapter and section number in Financial Accounting by Gleim (19th ed)

AT(#) = chapter number in Advanced Accounting by Beams et al. (13th ed)

Instead of using Advanced Accounting by Beams, two Advanced Accounting texts are on reserve at the SHSU library and one Advanced Accounting text is on reserve at The Woodlands Center.

Basis for Grade:

Exam 1	100	points
Exam 2	100	points
Exam 3	100	points
Final Exam (Exam 4)	100	points
Quizzes/Assignments	70	points
Participation/Attendance	30	points
	<u>500</u>	points

Letter Grade Based on Total**Accumulated Points:**

A	450	to	500	points
B	400	to	449	points
C	350	to	399	points
D	300	to	349	points
F	0	to	299	points

MAKE-UPS: Each exam is to be taken on the day scheduled. If a student misses an exam, a comprehensive exam will be given to make-up for the points missed. No provision is given for missing more than one exam. Please contact your instructor if you know that you will be missing an exam. Other arrangements may be possible.

ASSIGNMENTS & QUIZZES: Homework assignments are due on the assigned date, which is normally the class period after they have been assigned. In addition, quizzes are usually announced the class period before they are given. Therefore, if you miss a class, you will need to find out if anything is due at the beginning of the next class period. You may want to get the contact information from a classmate in case you miss class.

ATTENDANCE: Your participation grade is based mostly on attendance. Each student is allowed two absences before points are deducted from the participation grade. Each additional absence will count 5 points off your participation grade. Therefore, with extreme absenteeism, one could end up with a negative grade. Except for University excused absences, the reasons for absences are not evaluated. If you leave during class, you may be assessed ½ of an absence. If you leave early and do not come back, you will be counted absent for the day. In addition, if you carry on conversations with other students, use your cell phone in class, or work on assignments in class, you may be counted absent for the day. Tardiness will have some effect on this grade, so try to be on time. If you come in late, please let me know so that you will not be counted as absent. Computers and phones may not be used during class.

If you miss class, please get the class notes from a classmate. I do not let students copy my lecture notes. I also will not repeat the lecture to those who missed class.

STUDENT CODE OF CONDUCT: All students are expected to engage in all academic pursuits in a manner that is above reproach. Students are expected to maintain honesty and integrity in the academic experiences both in and out of the classroom. Cheating on exams or other course work is not fair to students who are honestly studying. Providing or receiving information about problems that are on an exam is also considered cheating. Any student found guilty of dishonesty in any phase of academic work will receive, at a minimum, a failing grade for the exam or other course work. Failing the course will also be considered an option. Cheating is also subject to disciplinary action from the University. The University and its official representatives may initiate disciplinary proceedings against a student accused of any form of academic dishonesty including, but not limited to, cheating on an examination or other academic work which is to be submitted, plagiarism, collusion and

the abuse of resource materials. Please see the following for more detailed information on dishonesty:

<http://www.shsu.edu/dotAsset/728eec25-f780-4dcf-932c-03d68cade002.pdf>.

The use by students of electronic devices that perform the function of a telephone or text messaging during class-time is prohibited in this class. Arrangements for handling potential emergency situations may be granted at the discretion of the instructor. Failure to comply with the instructor's policy could result in expulsion from the classroom or with multiple offenses, failure of the course. Use of a telephone or any type of device that can text or take photos during a test period are also prohibited. These devices should not be present during a test or should be stored securely in such a way that they cannot be seen or used by the student. Even the visible presence of such a device during the test period may result in a zero for that test. Use of these devices during a test is considered de facto evidence of cheating and could result in a charge of academic dishonesty.

**STUDENTS
WITH
DISABILITIES:**

It is the policy of SHSU that individuals otherwise qualified shall not be excluded, solely by reason of their disability, from participation in any academic of the university. Further, they shall not be denied the benefits of these nor shall they be subjected to discrimination. Students with disabilities that might affect their academic performance should visit with the Office of Services for Students with disabilities located in the Counseling Center. Please see *Student Syllabus Guidelines* at <http://www.shsu.edu/syllabus/>.

**RELIGIOUS
HOLY DAYS:**

Section 51.911(b) of the Texas Education Code requires that "an institution of higher education excuse a student from attending classes or other required activities, including examinations, for the observance of a religious holy day, including travel for that purpose." Students remain responsible for all work. If you have to miss class or an exam due to a religious observance, please let your instructor know and also see *Student Syllabus Guidelines* at <http://www.shsu.edu/syllabus/>.

FINAL NOTE:

I want this course to be an enjoyable, yet challenging and rewarding experience. As your instructor, I wish to assist you in any way that I can. Please do not hesitate to call upon me. I would like to ask an important favor. If you have any problems with any aspect of this course, please contact me. I will be glad to talk to you about your progress in the course or any other matters you wish to discuss. Thank you.

Note: The remainder of this syllabus shows the learning objectives of the College of Business Administration (COBA) and the Department of Accounting. It also shows how this course (i.e., ACCT 4315) relates to the learning objectives of the COBA and the Department of Accounting. During the semester, you will have assignments relating to the specific learning objectives as noted on page 6, under *Course Learning Objectives*. Please let me know if you have any questions or concerns.

Sam Houston State University
Department of ACCT

Course Number: ACCT 4315

Course Title: Advanced Accounting I

I. Catalog Description

A study of various special reporting topics in financial accounting, this course surveys financial statement presentation and disclosure requirements for special areas of income recognition and accounting changes, dilutive securities, earnings per share calculations, reporting for business segments and interim periods, and accounting and reporting standards for partnerships. The course also covers multinational enterprises, including foreign currency transactions and financial instruments and translation of foreign entity statements. Credit 3

II. Prerequisite(s): ACCT 3314 Intermediate Accounting II with a minimum grade of C

III. Learning Objectives:

A. College of Business Administration Learning Objectives

1. Demonstrate competency in critical thinking/problem solving (COBA1)
2. Demonstrate competency in communication (COBA2)
3. Demonstrate competency in the business foundation (COBA3)
4. Demonstrate competency in the discipline-specific knowledge of the major (COBA4)

B. Learning Objectives for ACCT Majors:

COBA LO supported

1. Decision Modeling (COBA4) -- Our graduates will be able to use strategic and critical approaches to decision-making. They will objectively consider issues, identify alternatives, and choose and implement solution approaches in order to deliver services and provide value. This includes:
 - a. Identify problems and potential solution approaches
 - b. Link data, knowledge, and insights together for decision making purposes
2. Leveraging Technology (COBA4) -- Our graduates will understand that technology is pervasive in the accounting profession. Individuals entering the accounting profession must acquire the necessary skills to use technology tools effectively and efficiently. These technology tools can be used both to develop and apply other functional competencies. This includes:
 - a. Access appropriate electronic databases to obtain decision-supporting information
 - b. Assess the risk of technology and automated business processes
 - c. Use technology assisted tools to assess and control risk and document work performed
3. Measurement (COBA4) -- Our graduates will understand that measures used should be both relevant (that is, bear on the decision to be made) and reliable (consistently measure what they purport to measure). Various measurement and disclosure criteria used by accounting professionals—such as GAAP, OCBOA (Other Comprehensive Basis of Accounting) and tax reporting—have been codified to some degree. Other performance measures (such as Economic Value Added) or stated criteria (for example, investment performance) are used for special purposes. Some measurement criteria (such as effectiveness of internal control) are measured qualitatively, rather than quantitatively. This includes:
 - a. Identify what needs to be measured
 - b. Determine an appropriate, relevant and reliable measure for the intended use
 - c. Measure items using appropriate methods of measurement
4. Reporting (COBA4) -- Our graduates will understand that communicating the scope of work and findings or recommendations is an integral part of a professional service. An accounting professional in public practice might issue an audit or attestation report, recommendations for improved services, or tax or financial planning advice. An accounting professional in business, industry, or government might analyze operations or provide communications to the board of directors. Communicating clearly and objectively the work done and the resulting findings is critical to the value of the professional service.

Some forms of communication are governed by professional standards (such as the form and content of the standard auditor's report or the required communications to audit committees) or law. Others are based on the service applied and the needs of those to whom receive the accounting professional reports. This includes:

- a. Prepare reports, memos, letters and other forms of communication with objectivity, conciseness and clarity
 - b. Describe work performed and conclusions reached in a manner that enhances the report's usefulness
5. Research (COBA4) -- Our graduates will understand that although accounting professionals need a foundation in standards and other relevant rules, such guidance is constantly evolving. Many accounting profession functions depend on obtaining information from within and outside of an entity. Accordingly, the individual preparing to enter the accounting profession needs to have strong research skills to access relevant guidance or other information, understand it, and apply it. This includes:
 - a. Apply relevant standards, rules and other information
 - b. Employ relevant research skills
6. Risk Analysis (COBA4) -- Our graduates will understand risk analysis and control as fundamental to professional service delivery. The identification and management of audit risk (that is, the risk that the auditor will fail to detect a misstatement, caused by inadvertent error or fraud that is material to financial statements) is the basis for the conduct of a GAAS audit. The understanding of business risk (that is, the risk that an entity—either a client or the prospective accounting professional's employer—will fail to achieve its objectives) affects how business strategy is created and implemented. This includes:
 - a. Evaluate Controls that might mitigate risk of negative outcomes through prevention or detection or correction
 - b. Identify Risks of negative outcomes (including fraud)

C. Course Learning Objectives: COBA and Major LO Supported

1. Measure and report income and assets from long-term contracts and other special areas of income recognition (ACCT3, ACCT4, COBA1, COBA4)
2. Identify and report various accounting changes (ACCT3, COBA4)
3. Analyze, report, and correct accounting errors (ACCT3, ACCT4, COBA1, COBA2)
4. Calculate and report earnings per share (ACCT3, COBA1, COBA4)
5. Apply current GAAP to financial reporting on an interim basis and to the reporting of segment information (ACCT3, COBA4)
6. Account for foreign currency transactions and forward exchange contracts and be able to translate and remeasure financial statements of foreign subsidiaries into U.S. dollars (ACCT3, COBA1, COBA4)
7. Illustrate the proper accounting for the formation, profit and loss allocation, ownership changes, and liquidations related to partnerships (ACCT3, COBA4)

Course Topics:

- A. Revenue Recognition (including long-term contracts)
- B. Accounting Changes (i.e., changes in accounting principles and estimates)
- C. Correction of Accounting Errors
- D. Share-Based Compensation
- E. Dilutive Securities (e.g., stock options, warrants, and convertible securities)
- F. Earnings Per Share (i.e., basic and dilutive earnings per share)
- G. Interim Reporting
- H. Segment Reporting
- I. Foreign Currency Transactions (including forward exchange contracts)
- J. Foreign Subsidiaries (i.e., translating and remeasuring foreign financial statements)
- K. Partnerships (i.e., formation, profit/loss allocation, ownership changes, and liquidation)