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Required Module: *Course Packet for BUS 402 Advanced Accounting*; Joseph D'Adamo; University of Rhode Island, Summer 2019

The **Course Packet Module** is available as individual files in the **Resources** area of our **Sakai** course site. You may choose to print them out for class if you wish. However, I will provide copies of the relevant outlines of our classes. I suggest that you purchase a three-ring binder to store the files and bring them to every class.

Please note that I uploaded the files to **Sakai** in both Word and pdf formats.

The packet files contain the **Course Outlines** that we will use in EVERY class. I designed the outlines to help you take notes. They also include class exercises and examples that I wrote or adapted from the text to help explain accounting concepts and/or illustrate their applications. It is critical that you bring your copy of the relevant outline to class otherwise you will be unable to effectively follow the class discussion and exercises.

Text Materials:

I did not order a hard copy of a text for the course. If you are uncomfortable taking a course without a textbook, you have options:

- You can use your Intermediate Accounting textbook as you study investments in corporate securities and pension accounting.
- You can contact the URI bookstore to see if it has any leftover or used copies of the text that was used during the spring Advanced Accounting sections.
- Go online and purchase a used copy of *Fundamentals of Advanced Accounting*; Hoyle, Schaefer, and Douppnik; 7th Edition; McGraw-Hill 2017; ISBN-9781259722639
- Go to <http://connect.mheducation.com/class/j-dadamo-summer-2019-1> and purchase an access code to *Connect Account for Fundamentals of Advanced Accounting*; Hoyle, Schaefer, and Douppnik; 7th Edition; McGraw-Hill 2017;

Course Description and Objectives:

Advanced Accounting is a course that covers four topics in external financial reporting: basic financial statements (10%); accounting for intangibles (10%); accounting for investments and business combinations (60%); accounting and reporting issues involving foreign currencies with coverage of derivatives (20%); and pension accounting (10%).

Course Objectives:

In Advanced Accounting, you will:

- 1) Apply your knowledge of the concepts of financial accounting to specific generally accepted accounting principles.
- 2) Apply your knowledge of specific generally accepted accounting principles to fact situations.
- 3) Understand the business context of accounting problems and understand the influence accounting has on economic transactions.

Specifically, you will:

- 1) Demonstrate an understanding of the accounting for investments under the equity method and demonstrate the ability to compute the components of the investment account in preparation for a consolidation.
- 2) Demonstrate an understanding of principles underlying basic consolidations and demonstrate the ability to perform consolidations including the necessary adjustments, basic consolidating entries, and the recognition of a noncontrolling interest.
- 3) Demonstrate an understanding of principles underlying complex consolidations and demonstrate the ability to perform consolidations including the necessary adjustments, consolidating entries, intra-entity eliminations and the recognition of a noncontrolling interest.
- 4) Demonstrate an understanding of accounting for foreign currency transactions under the functional currency concept and the basic concepts underlying the conversion of foreign currency financial statements.
- 5) Demonstrate an understanding of pension accounting and demonstrate the ability to record basic pension entries and present and disclose pension information in the financial statements.

Course Procedures:

In each class, we will work through one or more of the **Course Outlines** in the **Course Packet**. I prepared the **Course Outlines** to increase the value of our class meetings. The outlines are organized by topic not necessarily by text chapter. However, they generally follow the order of topic coverage in the text. Some outlines are lengthy and will span two class sessions. Other outlines are short so that we may cover two or more in a class meeting.

I designed the outlines to help you take notes. They also contain exercises and examples that I wrote or adapted from the text to help explain accounting concepts and/or illustrate their application. It is critical that you bring your copy of the relevant outline to class otherwise you will be unable to effectively follow the class discussion and exercises.

Sakai

I will use **Sakai** to:

- a) Provide course information through links to various pages and handouts
- b) Post important course information in the **Announcements** section on the main course page
- c) Maintain an up-to-date **Course Calendar** with and changes in due dates
- d) Communicate with the class through the **Sakai** e-mail function
- e) **Distribute assignments** electronically as either Word or pdf files
- f) Post Word files with the solutions of the example problems and exercises in the outlines after each class so that you update your notes for anything that you missed

Grading:

Presented below is information about the work that will be graded and the grading standards that will be used in this course. You will also find information about the due dates of assignments. I reserve the right to change due dates and the composition of all grading components based on my assessment of our progress in the course. I will communicate any changes in class, through e-mails and on **Sakai**.

Grading Policy:

This policy will be applied in our course and an overall course grade will be applied based on the following standards:

A	Over 92	B-	79 to 82	D+	66 to 69
A-	89 to 92	C+	76 to 79	D	60 to 67
B+	86 to 89	C	72 to 77	F	Under 60
B	82 to 86	C-	69 to 72		

I reserve the right to adjust a student's grade upward based on my assessment of the student's effort in the course.

Grade Components and Their Weighting:

Your progress in the course will be assessed and an overall course grade will be assigned to your performance based on a weighted-average of the grades that you earned on five grading components:

	Weighting %
Cumulative Final Exam	20
Weekly In-Class Quizzes (4)	30
Weekly Problem Sets (4)	30
Consolidated Financial Statements Assignment	<u>20</u>
	<u>100</u>

I reserve the right to adjust the above grading components and their weighting based on my assessment of our progress through the course.

Cumulative Final Exam:

20% of Course Grade

The in-class final exam will be conducted **Wednesday, July 24**. The exam will consist of multiple choice questions, other objective format questions, and problems from throughout the course (70%) and a pension problem (30%).

I will provide you with specific details about the exam structure prior to the exam along with practice problems. You will be allowed some form of cheat sheet, the exact structure to be determined.

Weekly In-Class Quizzes:

30% of Course Grade

You will complete four in-class quizzes. The quizzes will be held at **6 PM** on **Mondays**. I **will not** change the due dates unless there is an unforeseen scheduling problem.

The quizzes will consist of a series of multiple choice questions, other objective format questions, and short problems. I anticipate that they will require 45 minutes of class time to complete.

If you miss a quiz, you must make it up in my office 45 minutes prior to the beginning of the next class. I will **NOT** drop any of your quiz scores. However, I will **double your highest score** and compute your quiz grade as the average of the five resulting scores.

Take-Home Problem Sets:

30% of Course Grade

There will be four take-home problem sets, each relating to the material covered in the previous week of classes. The take-home problem sets will be due in class on **Wednesdays** throughout the course

The take-home assignments will include questions that I adapted from old exams that I wrote. You should understand that the questions in these assignments are indicative of the level of knowledge that I expect of you. They are therefore indicative of the level of difficulty of quiz and exam questions.

I intend these assignments to be learning experiences, as well as means to evaluate your performance. I will be happy to answer questions relative to these assignments. As these assignments are outside assignments, I hope that you will work together. However, you must complete and submit your own unique solution to receive full credit.

Consolidated Financial Statement Assignment:

20% of Course Grade

In this assignment you will be required to prepare the appropriate elimination entries and a worksheet leading to the consolidated financial statements. You may choose to complete this assignment alone OR in a team of two students. If you choose to work in a group, you will submit **one set of consolidated financial statements** with **supporting documentation** for the entire group.

You will use **Excel** to help solve this problem and present your solution. You will upload your Excel file to the **Drop Box** on **Sakai**. You will submit hard copies of your supporting calculations and elimination entries,

Your solution will be graded for technical accuracy and the degree of professionalism of the presentation of those statements. A separate handout will be available for this assignment on **Sakai**.

Course Schedule:

Here is our tentative course schedule. Though I reserve the right to make changes to the schedule as I feel may be necessary, I plan to work hard to avoid any significant changes.

Class	Outline	Topics and Assignments Due
24-Jun	1 & 2	GAAP Financial Statements Accounting for Intangible Assets
26-Jun	3 and 4	Investments in Debt Securities Investments in Equity Securities
1-Jul	4 and 5	In-Class Quiz #1 Investments in Equity Securities
3-Jul	5 and 6	Take-Home Problem Set #1 due in class Business Combinations, Acquisition Accounting Consolidations with 100% Ownership
8-Jul	7 and 8	In-Class Quiz #2 Intra-Entity Eliminations and Consolidations with < 100% Ownership
10-Jul	9	Take-Home Problem Set #2 due in class Complete Consolidations
15-Jul	10 and 11	In-Class Quiz #3 Foreign Currency Accounting and Derivatives
17-Jul	11 and 12	Take-Home Problem Set #3 due in class Derivatives Pension Accounting
22-Jul	12	In-Class Quiz #4 Consolidated Financial Statement Assignment Pension Accounting
24-Jul		Take-Home Problem Set #4 due in class Final Exam