



# **Rotman** Commerce UNIVERSITY OF TORONTO

## **Course Outline**

**RSM 321 H1F**  
**Advanced Financial Accounting**  
**Fall 2014**

Course Meets: L0101 Wednesdays 2-4 WO 25 (Richardson)  
L0301 Wednesdays 4-6 WW 120 (McDonald)  
L5101 Thursdays 5-7 WO 35 (McDonald)

Tutorial Meets: Fridays 11:00 – 12:00

## **COURSE OBJECTIVES:**

This course will focus on the Canadian accounting treatment of Business Combinations, Foreign Currency Transactions and Balances and Foreign Investments.

Students are expected to develop both an understanding of the concepts underlying these topics and the technical and analytical skills needed to apply the concepts in practice. The case method will be used to supplement problems from the text.

## **COURSE COORDINATOR**

Gordon Richardson  
Telephone (416) 946-8601  
Email: [gordon.richardson@rotman.utoronto.ca](mailto:gordon.richardson@rotman.utoronto.ca)

## **INSTRUCTORS**

Gordon Richardson  
Telephone (416) 946-8601  
Email: [gordon.richardson@rotman.utoronto.ca](mailto:gordon.richardson@rotman.utoronto.ca)

Julie McDonald  
Email: [julie.mcdonald@utoronto.ca](mailto:julie.mcdonald@utoronto.ca)

## **OFFICE HOURS AND LOCATION**

Julie McDonald: To be announced on Blackboard  
Gordon Richardson: Wednesdays 1-2 p.m., Rotman Building, Rm. 523B

## **TUTORIALS**

Tutorial leader: Julie McDonald

Email: [julie.mcdonald@utoronto.ca](mailto:julie.mcdonald@utoronto.ca)

Tutorials will commence in Week 1. The tutorial leader will review the highlights of the week's lecture and will address a successful approach to consolidations (the supporting schedules approach). Students who understand this approach will perform better on the term test and final exam. Tutorials are mandatory and offer students an opportunity to ask questions and seek additional help. Solutions to assigned problems will be posted on Blackboard after the tutorial. In addition, the solutions to odd numbered problems and cases, other than problems assigned for tutorials, will be posted on the Blackboard. The expectation is for the student to have completed or attempted the assigned questions before attending the tutorial.

**COURSE WEBSITE:** <http://portal.utoronto.ca>

**COURSE PREREQUISITE:** RSM 320H1

### **COURSE MATERIAL:**

Modern Advanced Accounting in Canada, Murray W. Hilton and Darrell Herauf, 7<sup>th</sup> Edition (Toronto: McGraw-Hill Ryerson, 2013). There is also the option to purchase the eBook. Access to the McGraw-Hill Connect website must be purchased in order to access the eBook. This can be purchased online with a credit card when you register for Connect or you can purchase a Connect Access Registration Code from the bookstore. Please refer to Appendix 1 for additional instructions regarding purchasing the eBook.

CICA Handbook, Canadian Institute of Chartered Accountants (available through library online at [www.rotman.utoronto.ca/bic](http://www.rotman.utoronto.ca/bic) and selecting the "CICA Handbook" database under "Quick links to popular databases" or for purchase)

### **INSTRUCTIONAL APPROACH:**

A combination of lecture, technical problem solving, case studies and classroom discussion will be used. We expect our students to be highly motivated in learning the subject matter and to dedicate adequate time each week to the readings and class/tutorial preparation. Students are expected to be prepared for the class and tutorial and to contribute to class and tutorial discussions. Lecture notes will be available before class on the course website.

### **QUIZZES, ASSIGNMENT, AND CLASS PARTICIPATION:**

The quizzes will ensure students keep up-to-date with assigned readings and complete the problems assigned each week. The quizzes will also provide feedback on strengths and weaknesses before the term test and final exam. The 15% mark will be awarded based on the student's performance on the best 8 of 9 quizzes. Each quiz will be 20 minutes and will be based on material covered in the previous week's class.

#### *Quizzes*

There will be 9 quizzes throughout the term. The quizzes will be in multiple choice format and will be administered on Blackboard as indicated below. There will be no make-up quizzes if a quiz is missed. The best 8 out of 9 quizzes will be counted in the final grade. Students may answer the quiz at a time of their own choosing during the times indicated below however Blackboard will limit the quiz time to 20 minutes. Once a student signs in to Blackboard to take the quiz it must be completed within the allotted time without interruption otherwise Blackboard

will assign the mark obtained at the time of log-off or time-out. It is important that a reliable Internet connection be used when taking the quizzes to prevent interruption.

### *Class Participation*

Class participation marks will be based on attendance and participation during case study discussions in class. The attendance component, including tutorial attendance, will comprise one-half of the class participation grade while the case discussion participation component will comprise the other half.

Students can miss one of each of a class and a tutorial without it affecting their grade.

For case studies, students are expected to have read the assigned case in advance to identify issues, alternatives, and recommendations. Students should be prepared to contribute to class discussion on the case by raising questions and issues on their own initiative and by being able to respond to questions and issues raised by other students and the Instructor. Students will be randomly selected for discussion during case studies and participation marks will be deducted from those who fail to demonstrate adequate advance preparation.

### **MARKING SCHEME:**

Term Test	Friday October 17 <sup>th</sup> 12:00-2:00 p.m. Location: TBA	30%
Quizzes	Dates indicated below – completed online	15%
Class Participation	Discussed above	10%
Final Exam	During exam period	45%
	Total	100%

### **POLICIES REGARDING TESTS:**

The final exam is comprehensive covering all material in the course. The term test covers chapters 2 through 6. Silent, non-programmable calculators are allowed and the term test must be written in non-erasable ink to be considered for re-marking. Re-mark requests for the midterm exam will only be accepted if the exam has been completed in non-erasable ink, with no indication that any answers have been altered. The student has one week from the time the exams are returned to submit in writing the request for a re-mark, including an indication of what he/she feels was marked incorrectly.

#### *Term Test*

Due to the complex and comprehensive nature of the material covered in this course, and the beneficial feedback on strengths and weaknesses provided by the term test, attendance for this evaluation comprising 30% of the term mark is strongly advised other than in the most extreme circumstances and with the proper documentation.

The date of the term test is Friday October 17<sup>th</sup> from 12:00-2:00 pm. (location to be announced). If you cannot attend the exam at this time, you must inform your professor by email by Friday September 26, 2014. Also, you must provide proof that you are unable to attend such as a copy of your timetable indicating you have class at this time or documentation from your employer.

The deferred exam date will be announced at a later date, but will be before October 17<sup>th</sup>.

### *Quizzes*

Failure to attempt the quiz will result in an automatic mark of zero. There will be no make-up quizzes if a quiz is missed.

### *Changes*

Any modifications to the course will be announced and explained in class.

### **Missed Tests**

Students who miss a test or assignment for reasons entirely beyond their control (e.g. illness) may submit a request for special consideration. Provided that notification and documentation are provided in a timely manner, and that the request is subsequently approved, no academic penalty will be applied.

In such cases, students must notify Rotman Commerce on the date of the missed test (or due date in the case of course work) and submit supporting documentation (e.g. [Verification of Student Illness or Injury form](#)) to the Rotman Commerce Program Office within **48 hours** of the originally scheduled test or due date. Students who do not provide Rotman Commerce or the instructor with appropriate or sufficient supporting documentation will be given a grade of 0 (zero) for the missed test or course deliverable.

**Note that the physician's report must establish that the patient was examined and diagnosed at the time of illness, not after the fact. Rotman Commerce will not accept a statement that merely confirms a report of illness made by the student and documented by the physician.**

In the case of a missed term test, the student mark will be reweighed, to the final exam.

**Changes:** Any modifications to the course will be announced and explained in class.

## **ACADEMIC INTEGRITY AND ACCESSIBILITY NEEDS**

### **Accessibility Needs**

The University of Toronto is committed to accessibility. If you require accommodations for a disability, or have any accessibility concerns about the course, the classroom or course materials, please contact Accessibility Services as soon as possible:

[disability.services@utoronto.ca](mailto:disability.services@utoronto.ca) or <http://www.accessibility.utoronto.ca/>.

### **Academic Integrity**

Academic Integrity is a fundamental value essential to the pursuit of learning and scholarships at the University of Toronto. Participating honestly, respectfully, responsibly, and fairly in this academic community ensures that the UofT degree that you earn will continue to be valued and respected as a true signifier of a student's individual work and academic achievement. As a result, the University treats cases of academic misconduct very seriously.

*The University of Toronto's Code of Behaviour on Academic Matters*

<http://www.governingcouncil.utoronto.ca/policies/behaveac.htm> outlines the behaviours that constitute academic misconduct, the process for addressing academic offences, and the penalties that may be imposed. You are expected to be familiar with the contents of this document. Potential offences include, but are not limited to:

In papers and assignments:

- Using someone else's ideas or words without appropriate acknowledgement.
- Submitting your own work in more than one course without the permission of the instructor.
- Making up sources or facts.
- Obtaining or providing unauthorized assistance on any assignment (this includes collaborating with others on assignments that are supposed to be completed individually).

On test and exams:

- Using or possessing any unauthorized aid, including a cell phone.
- Looking at someone else's answers
- Misrepresenting your identity.
- Submitting an altered test for re-grading.

Misrepresentation:

- Falsifying institutional documents or grades.
- Falsifying or altering any documentation required by the University, including (but not limited to), medical notes.

All suspected cases of academic dishonesty will be investigated by the following procedures outlined in the *Code of Behaviour on Academic Matters*. If you have any question about what is or is not permitted in the course, please do not hesitate to contact the course instructor. If you have any questions about appropriate research and citation methods, you are expected to seek out additional information from the instructor or other UofT resources such as College Writing Centres or the Academic Success Centre.

### **Email**

At times, the course instructor may decide to communicate important course information by email. As such, all UofT students are required to have a valid UTmail+ email address. You are responsible for ensuring that your UTmail+ email address is set up AND properly entered on the ROSI system. For more information please visit <http://help.ic.utoronto.ca/category/3/utmail.html>

Forwarding your utoronto.ca email to a Hotmail, Gmail, Yahoo or other type of email account is not advisable. In some cases, messages from utoronto.ca addresses sent to Hotmail, Gmail or Yahoo accounts are filtered as junk mail, which means that important messages from your course instructor may end up in your spam or junk mail folder.

### **Blackboard and the Course Page**

The online course page for this course is accessed through Blackboard. To access the course page, go to the UofT Portal login at <https://portal.utoronto.ca/> and log in using your UTORid and password. Once you have logged in, look for the My Courses module where you'll find the link to all your course websites. If you don't see the course listed here but you are properly registered for the course in ROSI, wait 48 hours. If the course does not appear, go to the Information Commons Help Desk in Robarts Library, 1st floor, for help, or explore the Portal Information and Help at [www.portalinfo.utoronto.ca/students](http://www.portalinfo.utoronto.ca/students) and review the Frequently Asked Questions.

## Recording Lectures

Lectures and course materials prepared by the instructor are considered by the University to be an instructor's intellectual property covered by the Canadian Copyright Act. Students wishing to record a lecture or other course material in any way are required to ask the instructor's explicit permission, and may not do so unless permission is granted (note: students who have been previously granted permission to record lectures as an accommodation for a disability are, of course, excepted). This includes tape recording, filming, photographing PowerPoint slides, Blackboard materials, etc.

If permission is granted by the instructor (or via Accessibility Services), it is intended for the individual student's own study purposes and does not include permission to "publish" them in anyway. It is absolutely forbidden for a student to publish an instructor's notes to a website or sell them in any other form without formal permission.

## COURSE TOPICS, ASSIGNED READINGS, PROBLEMS, AND CASES (students are responsible for material in the appendices in the text unless stated otherwise):

1. Sept. 10/11/12  
Hilton Text: Chapter 2—Investments in Equity Securities  
Tutorial Sept. 12 - Problems: 2-2, 2-4, 2-5
2. Sept. 17/18/19  
Hilton Text: Chapter 3-- Business Combinations  
Tutorial Sept. 19-- Problems: 3-3, 3-9, 3-10  
Quiz #1 (Chapter 2) – Complete online Sept. 19 at noon to Sept. 23 at noon
3. Sept. 24/25/26  
Hilton Text: Chapter 4-- Consolidated Statements on Date of Acquisition  
**Assigned case to be taken up in class: Case 4-4**  
Tutorial Sept. 26 - Problems: 4-4, 4-8, 4-12  
Quiz #2 (Chapter 3) – Complete online Sept. 26 at noon to Sept. 30 at noon
4. Oct. 1/2/3  
Hilton Text: Chapter 5 -- Consolidation Subsequent to Acquisition Date  
(Exclude pages 207-214 on impairment—see week 6.)  
**Problem 5-2 will be taken up in class this week.**  
**Assigned case to be taken up in class: Case 6-2**  
Tutorial Oct. 3- Problems: 5-4, 5-6  
Quiz #3 (Chapter 4) – Complete online Oct. 3 at noon to Oct. 7 at noon
5. Oct. 8/9/10  
Hilton Text: Chapter 6-- Intercompany Inventory and Land Profits  
**Assigned case to be taken up in class: Valero Energy Corp. – Case 5-2**  
**Problem 6-15 will be done in-class this week (exclude part D)**  
Tutorial Oct. 10 -- Problems: 6-2, 6-5  
Quiz #4 (Chapter 5) – Complete online Oct. 10 at noon to Oct. 14 at noon

6. Oct. 15/16  
Hilton Text: Chapter 5 pages 207-214—Testing Goodwill and Other Assets for Impairment. (this topic is not in scope for midterm exam but is for the final exam).  
**Assigned case to be taken up in class: Case 5-5**  
Review of Winter 2014 term test  
Tutorial: There will be no tutorial this week  
Quiz #5 (Chapter 6) – Complete online Oct. 17 at noon to Oct. 21 at noon

**Term Test: Friday October 17<sup>th</sup> from 12:00-2:00 pm.**

**The term test is 2 hours and covers material up to and including Chapter 6. If you cannot attend the exam at this time, you must inform your professor by email by Friday September 26<sup>th</sup>. Also, you must provide proof that you are unable to attend such as a copy of your timetable indicating you have class at this time or documentation from your employer.**

7. Oct. 22/23/24  
Hilton Text: Chapter 7--Intercompany Profits in Depreciable Assets (exclude Intercompany Bondholdings); Chapter 9-- Deferred Taxes (pg. 512-517)  
**Problems 7-6 (part A) and 9-2 will be done in-class this week**  
**Assigned case to be taken up in class: Case 7-2**  
Tutorial Oct. 24-- Problems: 7-1 and 7-3
8. Oct. 29/30/31  
Hilton Text: Chapter 8—Ownership Issues (excluding cash flows pg. 423-426)  
Tutorial Oct. 31 - Problems: 8-2, 8-6  
**Problem 8-13 will be taken up in class this week (see solution in lecture slides)**  
Quiz #6 (Chapter 7) – Complete online Oct. 31 at noon to Nov. 4 at noon  
(Note: There is a self-study for this week; can be performed either before/after class 8. You are not responsible for Consolidated Cash Flows but the material may be useful for your professional program.)

**NOVEMBER 3, 2014– LAST DAY TO DROP COURSE WITHOUT ACADEMIC PENALTY**

9. Nov. 5/6/7  
Hilton Text: Chapter 9-- Other Consolidation Reporting Issues (excluding pg. 512-517—covered in class 7.)  
Tutorial Nov. 7-- Problems: 9-12  
Quiz #7 (Chapter 8) – Complete online Nov. 7 at noon to Nov. 11 at noon  
**Assigned case to be taken up in class: Case 8-4**  
**Problem 9-7 will be done in class this week**
10. Nov. 12/13/14  
Hilton Text: Chapter 10-- Foreign Currency Transactions  
Tutorial Nov. 14-- Problems: 10-5, 10-7 (part A)  
Quiz #8 (Chapter 9) – Complete online Nov. 14 at noon to Nov. 18 at noon  
**Assigned case to be taken up in class: Case 9-2**

11. Nov. 19/20/21  
Hilton Text: Chapter 11-- Translation and Consolidation of Foreign Operations  
Quiz #9 (Chapter 10) – Complete online Nov. 21 at noon to Nov. 25 at noon  
**Assigned case to be taken up in class: Case 11-3**  
Tutorial Nov. 21- Problems: 11-1, 11-5
  
12. Nov. 26/27  
Hilton Text: Chapter 12 Accounting for Not-For-Profit and Public Sector  
Organizations  
Review of Winter 2014 Final Exam  
**No tutorial this week**

**FINAL EXAM PERIOD: December 8-19**



## Appendix 1

### eBook Instructions

#### Connect Registration:

1. Go to [www.connectmcgrawhill.ca](http://www.connectmcgrawhill.ca)
2. Click on "Student" located beneath Need to Register?
3. Enter your email address and click "Register"
4. Select your textbook from the dropdown menu
5. Select "I have a pincode" (if you purchased one from the bookstore) or "I would like to purchase a pincode" (the second option will allow you to purchase Connect access with a credit card)
6. When completing the course and section information, select the Connect course set up for RSM 323 Fall 2013. Select Eastern (EST) for the time zone.
7. Fill out the required information and click "Submit Registration"

#### Connect Technical Support:

- When logged into Connect, click on "Help" to access the Student User Guide. **Note** that Internet Explorer 9 is not fully compatible with Connect; see the Student User Guide for more information.
- To submit a support ticket with the McGraw-Hill Customer Care Centre, visit [www.mcgrawhill.ca/support](http://www.mcgrawhill.ca/support) or call 1-800-565-5758. Hours of Phone Support (Customer Care): Monday to Thursday 8:30am to 5:30pm; Friday 8:30am to 5:00pm