

**Management 124  
Advanced Accounting  
Spring 2019**

Dr. Michael Williams

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Office Hours: Wednesday 12:15 to 3:15

**Textbook:**     ***Fundamentals of Advanced Accounting***, Hoyle, Schaefer, and Douppnik

**Course Description:**

This course covers several advanced topics in financial accounting. There are three areas of interest.

- 1) How do we account for corporations that invest in other business entities? Most large companies maintain complex organizational structures involving many legally separate firms. Accountants must produce a single “consolidated” set of financial statements that covers all of the activities of all of the constituent parts of the business. We will discuss the methods for consolidating these entities, including the challenge of accounting for inter-corporate transactions (those between subsidiaries of the company).
- 2) How do we account for businesses that operating in multiple countries? This is a challenge when the firm engages in transactions in more than one currency. We need to produce financial statements in a single reporting currency. That requires a conversion between currencies. We will discuss the two methods for currency conversion, translation and remeasurement.
- 3) How do we account for equity in partnerships? While other aspects of financial accounting are similar for partnerships and corporations, the treatment of equity is very different. We will discuss how to account for partner capital through joining, operating, leaving, and liquidation.

Teaching methodology: There will be no lectures in this course. You will be expected to read assigned chapters in advance of class and come prepared to ask questions. The majority of class time will be spent on examples, cases, and exercises, applying the material in the course. Exam questions will closely resemble the exercises reviewed in class. Practice exams are available on CCLE, along with powerpoint summaries for each of the chapters covered in the course.

Grading:	Midterm 1 (April 24)	40%
	Midterm 2 (May 22)	40%
	Partnership assignment (June 5)	20%

Note that there is no final exam in the class. The only material after the second midterm is partnerships, which I believe is better tested in a take home assignment. The assignment may be completed in groups of up to 4 people. If you work as a group, just turn in one copy of the assignment.

Course Schedule: Listed on the next page.

4/1	<b>Introduction</b>
4/3	<b>Accounting for investments in other firms: cost and equity methods</b> Chapter 1
4/8	<b>Acquisition accounting</b> Chapter 2
4/10	<b>Consolidation on an ongoing basis</b> Chapter 3
4/15	<b>Consolidation on an ongoing basis (cont.)</b>
4/17	<b>Minority interest</b> Chapter 4
4/22	<b>Review</b>
<b>4/24</b>	<b>Midterm 1</b>
4/29	<b>Inter-corporate transactions</b> Chapter 5
5/1	<b>Inter-corporate transactions (cont.)</b>
5/6	<b>Additional consolidation issues</b> Chapter 6
5/8	<b>Additional consolidation issues (cont.)</b>
5/13	<b>Foreign exchange</b> Chapter 7
5/15	<b>Foreign exchange translation</b> Chapter 8
5/20	<b>Review</b>
<b>5/22</b>	<b>Midterm 2</b>
5/29	<b>Partnership Accounting</b> Chapter 9
6/3	<b>Partnership Accounting (cont.)</b> Chapter 10
<b>6/5</b>	<b>Final assignment</b>