ACCT 501: FINANCIAL ACCOUNTING III
UNIVERSITY OF SOUTH CAROLINA
FALL 2013

Instructor: Ling Harris
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Office/Phone: BA 317/777 - 2567
Course home page: https://blackboard.sc.edu/
Office Hours: Mondays: 9:30 am –10:20 am
                    Wednesdays: 12:00 – 12:40 pm, 3:40 pm – 4:20 pm; or by appointment

COURSE DESCRIPTION AND OBJECTIVES:

This course is a continuation of ACCT 401 and 405, the study of financial accounting theory and practice as it relates to the preparation and understanding of financial statements. Upon successful completion of this course, you should be able to

1) understand valuation and reporting of:
   a. Consolidated financial statements for business combinations;
   b. Foreign currency transactions and foreign currency translation; and
   c. Segment and interim financial reporting.

2) identify key differences between U.S. GAAP and international financial reporting standards (IFRS) related to the topics listed above, and

3) prepare the entries to form, operate, and dissolve partnerships.

This course is designed to help you improve your ability to identify, analyze, and solve complex accounting problems related to the topics listed above and to help you understand current issues in accounting related to these topics.

REQUIRED TEXTBOOK:

Advanced Accounting, Hoyle, Schaefer, and Doupnik, 11th Edition.

*Other course materials such as Lecture Notes, Research Projects, On-line Quizzes and solutions, practice problems and solutions, and Homework assignments and solutions will be posted on Blackboard.

PREREQUISITE REQUIREMENT:

Prerequisite: You must have earned a C or better in ACCT 401 and 405 to take this course. The material in those courses creates a foundation for this course.
EXPECTATIONS:

This course will move very quickly and the concepts will build on previous material, so it is very important that you keep up with the material from the start. Students are expected to read the assigned readings and submit quizzes before coming to class, attend class regularly and promptly, review lecture notes afterwards, and complete the homework and projects in a timely manner. Students are responsible for everything that is covered in the class. Your active participation is expected to facilitate the learning environment in this class. Given the volume of work, I expect you commit at least 8 hours each week to this course in addition to our class time.

COURSE GRADES:

Course grades are determined by the following weighting system:

**Undergraduate Credit:**

<table>
<thead>
<tr>
<th>Items</th>
<th>Points</th>
<th>Percentage of Final Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exam 1</td>
<td>200 points</td>
<td>20%</td>
</tr>
<tr>
<td>Exam 2</td>
<td>200 points</td>
<td>20%</td>
</tr>
<tr>
<td>Cumulative Final Exam</td>
<td>250 points</td>
<td>25%</td>
</tr>
<tr>
<td>Quizzes</td>
<td>100 points</td>
<td>10%</td>
</tr>
<tr>
<td>Homework</td>
<td>50 points</td>
<td>5%</td>
</tr>
<tr>
<td>Research Projects</td>
<td>100 points</td>
<td>10%</td>
</tr>
<tr>
<td>Professionalism</td>
<td>100 points</td>
<td>10%</td>
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<tr>
<td><strong>Total Points</strong></td>
<td><strong>1,000 points</strong></td>
<td><strong>100%</strong></td>
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**Graduate Credit** *(For MACC Students and Undergrads Taking the Course under Senior Privilege)*:

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<thead>
<tr>
<th>Items</th>
<th>Points</th>
<th>Percentage of Final Grade</th>
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<tbody>
<tr>
<td>Exam 1</td>
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<td>16%</td>
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<tr>
<td>Exam 2</td>
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<td>16%</td>
</tr>
<tr>
<td>Cumulative Final Exam</td>
<td>250 points</td>
<td>20%</td>
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<tr>
<td>Quizzes</td>
<td>100 points</td>
<td>8%</td>
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<tr>
<td>Homework</td>
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<td>4%</td>
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<tr>
<td>Research Projects</td>
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<td>8%</td>
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<tr>
<td>Graduate Project</td>
<td>250 points</td>
<td>20%</td>
</tr>
<tr>
<td>Professionalism</td>
<td>100 points</td>
<td>8%</td>
</tr>
<tr>
<td><strong>Total Points</strong></td>
<td><strong>1,250 points</strong></td>
<td><strong>100%</strong></td>
</tr>
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</table>

**Final course grade:** Letter grades for the course will be determined on the percentage of total points earned as follows:

- A: 90% and above;
- B+: 87% – 89.99%;
- B: 80% – 86.99%;
- C+: 77% – 79.99%;
- C: 70% – 76.99%;
- D: 60% – 69.99%;
- F: Below 60%

The School of Accounting does not give D+ as a grade. Any business major scoring a D or F must retake this course.
Extra credit: Opportunities for extra credit will arise during the course.

A maximum of 40 points extra credit is available for the semester, awarded at the rate of 5 points per Extra Credit opportunity. You will be advised as these opportunities present themselves.

Example: For an undergraduate student, if your grade at the end of the semester without extra credit is 830 (a B), the extra 40 points raises the grade to 870, which normally is the lowest B+.

COURSE REQUIREMENTS:

Exams: There will be two mid-term exams and one final exam given on the dates indicated in the schedule. In the case of a conflict with the final exam (defined as three university course exams scheduled within a twenty-four hour period, or two university course exams scheduled at the same time), you can take the alternate exam during the scheduled final exam time for one of the other two sections. NO alternate exams will be given for conflicts that arise from travel plans. You will need to provide documentation to support the conflict.

Medical and family emergencies are the only valid reasons that will be accepted for missing an exam. You must provide original, supporting documentation (e.g., an original, signed note from a licensed physician) if you do miss an exam. If you are excused from Exam I or Exam II, the final exam will be re-weighted. If you do not have a valid reason for missing an exam (i.e., any other reason than a true medical or family emergency), you will receive a zero on the exam. The Final Exam cannot be excused.

All exams will be closed book, closed notes with no text-storing calculators allowed (this includes cell phone calculators and PDA calculators). You are encouraged to use a standard financial calculator.

Graded Exams 1 and 2 will be reviewed in the class after the exam and then returned to the instructor at the end of this class. Any exam not returned to the instructor will result in an earned grade of zero. Exams are also available for grade reviews in my office for seven days after the date reviewed in the class. After seven days, exam scores are final and exams are no longer available for grade review. You may review your graded Exams 1 and 2 during the final exam week.

The final exam will be cumulative; that is, all topics covered in the entire course are potential questions.

Quizzes: There will be 11 pre-lecture quizzes, requiring you to read the required material before class. Each quiz will be worth 10 points and will be given on Blackboard. There will be 10 multiple choice questions for each quiz. You are allowed two attempts, with your score being the average of the two attempts (or the score on the first one if you do not open the second one). If you are satisfied with the score of your first attempt, you do not need to take your second attempt.

Each quiz will be open for at least five days. You are able to move "freely" in and out of the quiz until the scheduled close time (i.e., you may go into/start the quiz, save it, and then come back to finish it at a later time). Your quiz is not complete until you submit your response. A quiz will not be accessible after the scheduled close time. To allow for any technology glitches or question ambiguities, I will drop the lowest quiz before computing your final grade.
**Homework:** There will be **11 homework assignments**. Homework assignments are due at the beginning of the class, as stated in the syllabus. If you are unable to attend class, you must turn in your completed assignment **before** the class session meets. **Late** homework assignments will **not be accepted**. There are **NO exceptions**.

To allow for any personal emergencies, I will drop the lowest homework before computing your final grade.

Each homework will be worth 5 points and will be graded based on the following criteria:

- Effort exerted towards completion of the assignment.
- Neatness and legibility (e.g., if it cannot be deciphered, it cannot be graded for effort).

Your graded homework assignment will be returned at the beginning of the next class.

**Research project:** 100 points. There will be **one group project**, which is designed to help you use accounting standards and other available resources to solve unstructured problems.

You will form a group of **FOUR** members by Monday, September 16. At the end of the semester, each group member will submit to me a confidential evaluation of him/herself and the other group members. Group evaluations will be used to adjust grades for specific individuals in the group whose group participation is inadequate on average. **The maximum downward adjustment is the earned score on the group project.**

*You will need access to accounting standards and other online library resources to complete the group project in this class. To access the authoritative standards, the School of Accounting has purchased a subscription to the FASB Codification. You will be able to access it via the web at: [http://aaahq.org/ascLogin.cfm](http://aaahq.org/ascLogin.cfm). The username and password is available on Blackboard in the Project folder.*

**Professionalism:** 100 points. Professionalism includes preparation and participation (60 points), integrity (10 points), and respect for those around you and promptness (30 points).

Particularly, participation grades (60 points) are based on contributions to in-class discussions. The quality of in-class participation is more important than its frequency, although regular, reliable participation is rewarded. Quality is judged not only by the insight, accuracy, and clarity of your comments, but also by their fit into the flow and progress of discussion. Remember, your mastery of large and small group discussion and negotiation are crucial to your success as an accountant. Attendance and being on time are critical to receiving a good grade for professionalism because you can neither contribute nor benefit from others if you are not present. However, mere attendance but no in-class participation will result in **zero** points for your participation grade.

I will evaluate each student over the semester and assign the grade for professionalism at the end of the semester.

**Graduate project** *(For Graduate Credit only)*: Each student taking this course for graduate credit will prepare a term paper that makes a “deep dive” analysis of a proposed FASB or IASB accounting standard. I will hand out details of this project on Monday, September 16.
BLACKBOARD AND E-MAIL:
This course will use Blackboard extensively for communication purposes. I will post announcements and make course materials available to you through Blackboard. Please make sure you check the course page regularly!

Also, as needed, I will send a weekly email on Saturdays containing announcements, upcoming events, etc. Doing so will help us avoid spending time in class on these matters. **I will use your email as listed in Blackboard, so please make sure your profile information in Blackboard is up-to-date!**

I am generally responsive to emails from students within 24 hours during week days. However, please keep in mind that email or telephone correspondence is not a substitute for regularly attending class.

The Moore School of Business has a hyper-sensitive spam filter and it sometimes blocks email from yahoo or gmail accounts. If you send me an e-mail and you do not hear from me within 24-48 hours, it is safe to assume that I have **not** received your message and you should attempt to contact me again.

ACADEMIC ACCOMMODATIONS:
The University of South Carolina provides upon request appropriate academic accommodations for qualified students. Such accommodations should be requested near the beginning of the semester. More information is available at [http://www.sa.sc.edu/sds/](http://www.sa.sc.edu/sds/).

ACADEMIC INTEGRITY:
You are expected to practice the highest possible standards of academic integrity in this course. **Any deviation from this expectation will result in a minimum academic penalty of your failing the assignment or exam, and will result in additional disciplinary measures including referring you to the Office of Academic Integrity.** Violations of the University's Honor Code include, but are not limited to improper citation of sources, using a current or former student’s work, unauthorized use of materials (including solutions manuals) in the preparation of academic work, and/or any other form of academic misrepresentation. For more information, see the Carolina Community Student Handbook and/or [http://www.sc.edu/policies/staf625.pdf](http://www.sc.edu/policies/staf625.pdf).

*Remember that the first tenet of the Carolinian Creed is, “I will practice personal and academic integrity.”*

To indicate your understanding of the University’s Honor Code, the School of Accounting requires that you complete and sign a form indicating that you have read the School of Accounting’s Policy Regarding Academic Dishonesty. Please return a signed form to me by Wednesday, August 28.

ADDITIONAL RESOURCES:
Some business publications that inform us of what is going on in the business world: The Wall Street Journal, Financial Times, The Economist, Barron’s, Bloomberg.com, Fortune, Forbes. Many of these resources are available online via General One File (SC Library) or FACTIVA (access through the Richland County Public Library). The WSJ is also available in the lobby in hard copy or online in the business library. Bloomberg.com provides free access to articles to anyone with an active email address.
# ACCT 501 Fall 2013 - Tentative Schedule

*Deviations may be necessary and will be announced on Blackboard.*

<table>
<thead>
<tr>
<th>Class Meeting</th>
<th>Chapter</th>
<th>Topic</th>
<th>Advanced Preparation</th>
<th>Assignment Due*</th>
<th>Homework and Practice Problems**</th>
</tr>
</thead>
</table>
| Mon. 08/26    | 1       | The Equity Method | Download: Lecture notes (Equity Method).  
Read: Textbook (Ch 1 if needed), Lecture Notes and ACCT 501 syllabus.
Quiz 1 on Ch 1 and Quiz 2 on Ch 2 open from 8am on 8/21 to 8am on 8/28. | Due today: HW #1 (Ch 1) due at the beginning of your section. | HW 1 and Practice 1 |
| Wed. 08/28    | 2       | Consolidation - Introduction | Download: Lecture notes (Consolidation - Introduction).  
Read: Textbook (Ch 2).  
Due: Quizzes 1 and 2 (Ch 1 and 2) close at 8am today. | Due today: HW #2 (Ch 2) due at the beginning of your section. | HW 2 and Practice 2 |
| Wed. 09/04    | 2       | Consolidation - Introduction | Quiz 3 on Ch 3 opens from 8am on 9/04 to 8am on 9/09. | Due today: HW #3 (Ch 3) closes at 8am today. | HW 3 and Practice 3 |
| Mon. 09/09    | 3       | Consolidation - Subsequent to Acquisition | Download: Lecture notes (Consolidation - Subsequent to Acquisition).  
Read: Textbook (Ch 3).  
Due: Quiz 3 (Ch 3) closes at 8am today. | Due today: HW #4 (Ch 4) due at the beginning of your section. | HW 4 and Practice 4 |
| Wed. 09/11    | 3       | Consolidation - Subsequent to Acquisition | Quiz 4 on Ch 4 opens from 8am on 9/11 to 8am on 9/16. | Due today: HW #5 (Ch 5) closes at 8am today. | HW 5 and Practice 5 |
| Mon. 09/16    | 4       | Consolidation - Outside Ownership | Download: Lecture notes (Consolidation - Outside Ownership).  
Read: Textbook (Ch 4).  
Due: Quiz 4 (Ch 4) closes at 8am today. | Due today: HW #6 (Ch 6) due at the beginning of your section. | HW 6 and Practice 6 |
| Wed. 09/18    | 4       | Consolidation - Outside Ownership | Quiz 5 on Ch 5 opens from 8am on 9/18 to 8am on 9/23. | Due today: HW #7 (Ch 7) due at the beginning of your section. | HW 7 and Practice 7 |
| Mon. 09/23    | 5       | Consolidation – Intercompany Assets | Download: Lecture notes (Consolidation - Intercompany Assets).  
Read: Textbook (Ch 5).  
Due: Quiz 5 (Ch 5) closes at 8am today. | Due today: HW #8 (Ch 8) due at the beginning of your section. | HW 8 and Practice 8 |
| Wed. 09/25    | 5       | Consolidation – Intercompany Assets | Due today: HW #9 (Ch 9) due at the beginning of your section. | Due today: HW #10 (Ch 10) due at the beginning of your section. | HW 10 and Practice 10 |
| Mon. 09/30    | Review for Exam 1 | | | Due today: HW #11 (Ch 11) due at the beginning of your section. | HW 11 and Practice 11 |
| Wed. 10/02    | Exam 1  | Quiz 6 on Chapter 6 and Derivatives opens from 8am on 10/02 to 8am on 10/09. | Reminder: Thursday 10/11 is the last day to withdraw without a WF. | | |
| Mon. 10/07    | Go Over Exam 1 | | | | |

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### Part II:

**ACCT 501 Fall 2013 - Tentative Schedule**  
*Deviations may be necessary and will be announced on Blackboard.*

<table>
<thead>
<tr>
<th>Class Meeting</th>
<th>Chapter</th>
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<th>Assignment Due*</th>
<th>Homework and Practice Problems**</th>
</tr>
</thead>
</table>
| Wed. 10/09    | 6       |       | **Download:** Lecture notes (Consolidation - Intercompany Debt).  
**Read:** Textbook (Ch 6).  
**Due:** Quiz 6 (Ch 6 and Derivatives) closes at 8am today. | **Due today:** HW 6 (Ch 6) due at the beginning of your section. | HW 6 and Practice 6 |
| Mon. 10/14    |         | Derivatives | **Download:** Lecture notes (Derivatives).  
**Read:** Derivative Lecture Notes.  
**Quiz 7 on Ch 9 opens from 8am on 10/09 to 8am on 10/16.** | **Due today:** HW #6 (Ch 6) due at the beginning of your section. | |
| Wed. 10/16    | 9       | Foreign Currency Transactions and Hedging | **Download:** Lecture notes (Foreign Currency Transactions and Hedging).  
**Read:** Textbook (Ch 9).  
**Due:** Quiz 7 (Ch 9) closes at 8am today. | | HW 7 and Practice 7 |
| Mon. 10/21    | 9       | Foreign Currency Transactions and Hedging | **Quiz 8 on Ch 10 opens from 8am on 10/23 to 8am on 10/28.** | | |
| Wed. 10/23    | 9       | Foreign Currency Transactions and Hedging | | | |
| Mon. 10/28    | 10      | Translation of Foreign Currency Financial Statements | **Download:** Lecture notes (Translation of Foreign Currency Financial Statements).  
**Read:** Textbook (Ch 10).  
**Due:** Quiz 8 (Ch 10) closes at 8am today. | **Due today:** HW #7 (Ch 9) at the beginning of your section. | HW 8 and Practice 8 |
| Wed. 10/30    | 10      | Translation of Foreign Currency Financial Statements | **Quiz 9 on Chapters 8-10 opens from 8am on 10/30 to 8am on 11/4.** | **Due today:** Group project due at the beginning of your section. | |
| Mon. 11/04    | 8       | Segment and Interim Reporting | **Download:** Lecture notes (Segment and Interim Reporting).  
**Read:** Textbook (Ch 8).  
**Due:** Quiz 9 (Ch 8-10) closes at 8am today. | **Due today:** HW #8 (Ch 10) due at the beginning of your section. | HW 9 and Practice 9 |
| Wed. 11/06    | 8       | Segment and Interim Reporting | | **Due today:** HW #9 (Ch 8) due at the beginning of your section. | |
| Mon. 11/11    |         | Review for Exam 2 | | | |
| Wed. 11/13    |         | Go over Exam 2 | **Quiz 10 on Ch 14 opens from 8am on 11/13 to 8am on 11/18.** | | |

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Part III:

<table>
<thead>
<tr>
<th>Class Meeting</th>
<th>Chapter</th>
<th>Topic</th>
<th>Advanced Preparation</th>
<th>Assignment Due*</th>
<th>Homework and Practice Problems**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mon. 11/18</td>
<td>14</td>
<td>Partnerships-Formation and Operation</td>
<td>Download: Lecture notes (Partnerships-Formation and Operation).&lt;br&gt;Read: Textbook (Ch 14).&lt;br&gt;Due: Quiz 10 (Ch 14) closes at 8am today.</td>
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<td>HW 10 and Practice 10</td>
</tr>
<tr>
<td>Wed. 11/20</td>
<td>14</td>
<td>Partnerships-Formation and Operation</td>
<td>Quiz 11 on Ch 15 opens from 8am on 11/20 to 8am on 11/25.</td>
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<tr>
<td>Mon. 11/25</td>
<td>15</td>
<td>Partnerships-Termination and Liquidation</td>
<td>Download: Lecture notes (Partnerships-Termination and Liquidation).&lt;br&gt;Read: Textbook (Ch 15).&lt;br&gt;Due: Quiz 11 (Ch 15) closes at 8am today.</td>
<td>Due today: HW #10 (Ch 14) and graduate project due at the beginning of your section.</td>
<td>HW 11 and Practice 11</td>
</tr>
<tr>
<td>Mon. 12/02</td>
<td>15</td>
<td>Partnerships-Termination and Liquidation</td>
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<tr>
<td>Wed. 12/04</td>
<td></td>
<td>Review for Final Exam</td>
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<td>Due today: HW #11 (Ch 15) due at the beginning of your section.</td>
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<td>Final Exam</td>
<td>Section 001: 12/09, 9am-11:30am, BA 451&lt;br&gt;Section 002: 12/12, 12:30pm-3pm, BA 350&lt;br&gt;Section 003: 12/10, 12:30pm-3pm, BA 464</td>
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* You will need to download from Blackboard: Lecture Notes in the Course Document folder, Homework Assignments/Solutions and Projects in the Assignment folder. You will need to complete your Quizzes on Blackboard in the Quizzes folder and EC in the Extra Credit folder, unless otherwise specified in class.

** Practice problems are for your additional practice. You do not have to turn them in for grading. (Anything that must be turned is listed under the “Assignment Due” column in this course schedule.) The suggested solutions to these practice problems are posted in the Practice Problems folder on Blackboard.

Deviations may be necessary and will be announced on Blackboard.