THE UNIVERSITY OF TEXAS AT AUSTIN
ACC 380K.2, Financial Accounting Standards and Analysis II
Course Syllabus
Spring 2014

Time and Location

Mondays and Wednesdays: 2:00 – 3:30, UTC 1.144 (unique no. 02765).

Instructor

Mark Bradshaw, *J.D., M.P.A., M.B.A.*
Consultant in Forensics, PwC; KPMG Professor in Residence (2007)
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Office hours: Mondays 11:45 – 1:00 and by appointment.

Note: I prefer e-mail as a means of communication outside of class and office hours.

Teaching Assistant

Rohid Ahmed
E-mail: Rohid.Ahmed@bba10.mccombs.utexas.edu
Office hours: As announced, following the return of graded cases.

Rohid will assist with the grading of cases and exams. After graded cases are returned, office hours will be scheduled to discuss such assignments. *If you have grading questions concerning a case, please make every effort to attend Rohid's scheduled office hours.* Please bring all other questions (including questions concerning case preparation and exam-related matters) to my attention.

"Blackboard" and the Discussion Board

We will use the web-based University of Texas at Austin "Blackboard" (Bb) software extensively, including its discussion board. To access Blackboard, go to http://courses.utexas.edu or follow the links from University websites.

The discussion board benefits all of us. You can use it to post questions, comments, links to news items, and responses to others' posts. ***If you have a question or comment of general interest (i.e., not a personal matter), please use the discussion board, not e-mail.***

I will also use Bb to post announcements, course materials and scores. ***Please check Bb frequently and before every class.***

Enhancing the Enjoyment of this Course

I prefer an informal classroom, as I have found such an environment to be more enjoyable and conducive to student attendance and participation. I very much hope you will let me know during class if you have a question, comment or response. ***In this class, silence is not golden!***

Please assist me in maintaining a positive, productive learning environment by showing courtesy and respect for your fellow students (and me). To that end, ***please make all reasonable efforts to be on time to class***. Also, please respond to your fellow students'

remarks (in class and on Bb) in a courteous and respectful manner, as you would in a professional setting.

In my experience as an instructor and student, use of electronic devices by students in class is distracting and disruptive. Accordingly, the use of electronic devices is not permitted in this class. ***Please turn off and put away your cell phone, tablet, laptop, and other electronic devices before class begins***.

Finally, I hope you will give me feedback during the course. You will, of course, have a formal opportunity to do so via the end-of-semester Course Instructor Survey, but I hope you will stop by and see me during the semester if there are things you especially like or do not like about the course.

Required Course Materials

Course files. I will provide any supplemental, non-textbook course materials that we will use in the course, including any PowerPoint slides, homework suggestions and solutions, cases, and in-class exercises. These files will be available on Bb, with the exception of certain in-class exercises that will only be distributed and available in class. ***These materials do not substitute for class itself, so it is important to attend each class session. Issues and problems discussed in class are frequently tested on the midterm and final examinations.***

Advanced Accounting, Second Edition (2e), by Hamlen, Huefner and Largay (Cambridge Business Publishers, 2013).

Course Objectives

At the end of the semester, you will have a better understanding of the following:

1. Types of corporate investments and acquisitions and their importance.

2. How such transactions and interests are reported in the financial statements and special accounting and tax issues that arise from acquisitions.

3. Methods and procedures for preparing consolidated financial statements, with both wholly owned and less than wholly owned subsidiaries.

4. Accounting for transfers of inventory, other assets and services among consolidated entities.

5. The financial regulatory environment and reporting issues.

6. Transactions involving foreign currency and related derivatives and hedging.

7. Financial reporting for multinational companies.

8. Issues facing distressed and bankrupt companies.

9. Accounting for partnership formation, operation, and membership changes.

Grading

Course grades will be based on a 400-point scale, as follows:

	Points Possible
Midterm examination	125 (31.25%)
Final examination	125 (31.25%)
Cases (3)	125 (31.25%)
Participation	25 (6.25%)
Total possible points	**400**

I do not have any fixed point or percentage cut-offs in mind regarding letter grades. I will make these determinations at the end of the course based on both absolute and relative performance considerations. Historically, my grade distribution in this course has been approximately 35-40% A, 10-15% A-/B+, 35-40% B, and the remainder B- and below. However, the final grade distribution this term may vary from the foregoing historical distribution.

As students are naturally curious about where they stand during the semester, I will provide the class an interim assessment of performance following the midterm exam. ***However, any mid-semester indications of course performance are merely to assist you in evaluating your performance to date and achieving your goals in this course. They are not guarantees or suggestions that you will receive any particular final grade in this course.***

Each graded component is described below:

Examinations (midterm and final exam s worth 125 points each)

Examinations will emphasize concepts and issues discussed in class and covered in recommended homework exercises and problems, although any material from assigned readings is "fair game" for an examination. I will provide additional exam-related information prior to each exam.

The final examination will emphasize material covered after the midterm, but is likely to be partially "cumulative" in that it will test certain subjects from earlier in the semester. I will identify relevant chapters and concepts to study prior to the final exam. Of course, as the material in this course builds on previous concepts, the final examination will be "cumulative" in the broad sense of that term.

Cases (three with 125 total points available)

To refine your writing skills and your ability to deal with more realistic and less structured problems in accounting, there will be three graded case exercises based on real-world examples that have been adapted for teaching purposes. Cases will be posted on Bb under "Assignments" one week or more before their respective due dates. Each case will be allocated a maximum of 40-45 points, as indicated when each case is assigned.

Cases will be graded for breadth and depth of analysis, quality of writing and professional impression. Certain questions may involve subjective issues for which there may be no "right answer" and multiple views can be defended. ***It is important to be both complete and concise in your case analyses.*** Do not repeat or summarize the case facts, except where needed to support a position. *Your case analyses will be limited to four pages each and must be double-spaced, use a font no smaller than 10 and have left and right margins of at least 1".*

In the formative stage of a case assignment, you are welcome to discuss the case with other members ***of this class***, including on the Bb discussion board. However, you may not discuss cases with persons who are not in this class. Moreover***, copying from another student's solution is scholastic dishonesty, and will be penalized severely.*** See "Policy on Scholastic Dishonesty" later in this syllabus for clarification. ***Students should not use this policy to jointly prepare cases, but rather to clarify case issues before preparing solutions independently.***

We will discuss cases in class, usually on the due date. Discussion of cases is an important part of the course, ***so please be prepared to discuss and defend your positions in class*** (see "Participation," below).

Participation (25 points)

Your active participation will make this course substantially more enjoyable (for you and me) and significantly enhance the clarity of points discussed in class. Moreover, the ability to provide meaningful input in a professional setting is a critical element of career success. Thus, to give you an incentive to attend and participate, 25 points will be based on my largely subjective (but genuine) assessment of your cumulative participation in this class.

To earn up to25 points for participation:

- *Ask and answer questions and offer insights in class.*
- Post questions and insights to the discussion board.
- Answer others' posts in the discussion board.
- *Attend class consistently* and help promote an enjoyable and productive classroom and course.

Some of you will participate more effectively in class, and others will participate more effectively on the discussion board. Both kinds of participation are helpful, although I weight classroom participation much more heavily. To earn all of the participation points available, substantial classroom participation is necessary. ***In reviewing student performance from past semesters, I observed a strong positive correlation between students' final grades and their level of attendance and participation in the course.***

I do not "micromanage" participation or expect that you will contribute in every class. Your levels

of interest and preparation will frequently dictate your participation in a given class. Assessing participation at the conclusion of the course requires my subjective judgment, but you can trust me to do my best to form a fair assessment over the semester of your participation in the course.

If you have a concern about this (or any other) aspect of your grade, please see me. I will be happy to provide suggestions on how you might improve your performance in the course.

Homework

Each chapter in the text is followed by exercises and problems. *Some of these problems reinforce concepts discussed in class, while others address matters (discussed in the text but) not discussed in class.* Recommended homework exercises and problems will be posted on Bb under "Course Documents." Solutions will be posted as we cover related material in class.

Homework is voluntary and will not be collected. Hence, homework does not technically count as part of your course grade. ***However, in my experience with this and similar courses, it is very important to complete the homework as we cover the related material in class. I strongly suggest that you timely complete the suggested homework – initially, without relying on the solutions - and do not fall behind. I will consider the assigned homework when I prepare each examination, i.e., some exam questions may be similar to homework exercises and problems.*** I expect that students who put diligent effort into the homework will do better on examinations. ***In past discussions with students who performed poorly on examinations, such students commonly reported falling behind, or relying too heavily on solutions when completing homework, as significant factors.***

Discussion Board

Along with other features of Bb, I strongly encourage you to take advantage of the discussion board for this course. Postings can relate to class discussions, homework problems, case issues, exam-related matters, careers, current events or any other topics/issues that are relevant to this course. I monitor the discussion board periodically (and more frequently prior to exams and case due dates), and will reward significant participation as noted above.

Ground rules for discussion board:

1. ***For questions or comments of general interest to the class, please use the discussion board, not e-mail!*** I do not consider e-mails in determining participation grades and may ask you to post your e-mail queries on the discussion board. More importantly, your classmates will not receive the benefit of your questions or insights and any responses thereto.

2. Be professional and courteous. Discussion forums of this type are used throughout the business world. You do not need to be overly formal, but forums such as this offer a good opportunity to practice professional business communication.

3. Do not be a free rider. If you benefit from reading other's posts, consider adding your own insights. Also reply to inquiries from your fellow students. Student replies are usually helpful and often are posted before I have a chance to respond (particularly if they are made late in the evening).

5. *Even if you have nothing to post, please get in the habit of accessing the discussion board before each class session. I will often use Bb to communicate important announcements and clarifications.*

6. From time to time I will establish special forums within the discussion board for exams and cases. **To maximize the usefulness of your posting, please use the most appropriate forum.** For example, questions about homework problems in the days leading up to the midterm exam should be posted in the midterm exam forum.

Blackboard downtimes and course requirements:

As with all computer systems, there are occasional scheduled downtimes and unanticipated interruptions of the Bb system. Notification of these disruptions will be posted on the Bb login page. Scheduled downtimes are **not** an excuse for turning in a case late or failing to timely complete other course requirements. However, if there is an unscheduled downtime for a significant period of time, I will make an adjustment if it occurs close to the due date. ***As downtimes are often unpredictable, I advise you to print out cases and any related instructions as soon as they are available***.

Policy on Missed Examinations and Assignments

In general, medical emergencies, family emergencies and university-sponsored conflicts are the only valid reasons for missing an examination or the due date of a case. In all such instances, I require some form of supporting documentation, such as a signed note from a physician, and I ask that you register your situation with the Office of Student Emergency Services. At that point I will decide the best make-up alternative on a case-by-case basis, which could mean a make-up exam or recalculating the semester grade to omit the missed component, depending on the circumstances. In the case of a conflict due to a university-sponsored event, you must notify me as soon as you are aware of the conflict and ***before*** the examination date or assignment due date. ***An interview or office visit is not a valid reason to miss an examination or an assignment due date. If you anticipate a conflict with an exam or case due date (see "Course Schedule" below), I urge you to make alternate arrangements for that activity or event (or plan to turn in your case early), and to maintain availability throughout the finals period until confirmation of the day and time of the final exam.***

Religious Holidays

Religious holy days sometime conflict with class and examination schedules. By University policy, you must notify me of your pending absence *at least fourteen days prior* to the date of observance of a religious holy day. If you must miss a class, an examination, or an assignment in order to observe a religious holy day, you will be given an opportunity to complete the missed work within a reasonable time after the absence.

Policy on Students with Disabilities

The University strives to accommodate qualified students with disabilities. Students with disabilities may request appropriate academic accommodations from the Division of Diversity and Community Engagement, Services for Students with Disabilities, 512-471-6259, http://www.utexas.edu/diversity/ddce/ssd/. If you are a qualified student with a disability, please see me to discuss any appropriate accommodations that have been recommended by the SSD office for this course.

Assistance with Case Writing

If you are an undergraduate student, I encourage you to use the Undergraduate Writing Center (UWC), FAC 211, 471-6222 (http://uwc.fac.utexas.edu) to assist you in writing your case analyses. Graduate students may use the Graduate Student Writing Center (GSWC), JES A332A, 471-3614 (http://www.utexas.edu/student/utlc/tutoring/grad_writing_services.php). Each center offers free, individualized, expert help with writing, by appointment or on a drop-in basis. Both centers work with students on both academic and non-academic writing and their services are not just for writing with "problems." Getting feedback from an informed audience is a normal part of a successful writing project. Consultants help students develop strategies to improve their writing. Further, the assistance they provide is intended to foster independence - each student determines how to use the consultant's advice and the consultants are trained to help you in ways that preserve the integrity of your work.

University Electronic Mail Notification Policy

All students should become familiar with the University's official e-mail student notification policy. It is the student's responsibility to keep the University informed as to changes in his or her e-mail address. Students are expected to check e-mail on a frequent and regular basis in order to stay current with University-related communications, recognizing that certain communications may be time-critical. It is recommended that e-mail be checked daily, but at a minimum, twice per week. The complete text of this policy and instructions for updating your email address are available at: http://www.utexas.edu/its/policies/emailnotify.html.

Electronic Class Roster and Student Privacy

The University has requested that students be notified of their privacy rights in regard to electronic class rosters:

Password-protected class sites will be available for all accredited courses taught at the University. Syllabi, handouts, assignments and other resources are types of information that may be available within these sites. Site activities could include exchanging e-mail, engaging in class discussions and chats, and exchanging files. In addition, class e-mail rosters will be a component of the sites. Students who do not want their names included in these electronic class rosters must restrict their directory information in the Office of the Registrar, Main Building, Room 1. For information on restricting directory information see: http://www.utexas.edu/student/registrar/catalogs/gi06-07/app/appc09.html.

Policy on Scholastic Dishonesty and Working Together on Cases

Policy of the Department of Accounting

The Department of Accounting has a Policy Statement on Scholastic Dishonesty in the MPA Program. It is available via the Department website at http://www.mccombs.utexas.edu/MPA/Student-Code-of-Ethics.aspx.

The Department of Accounting has no tolerance for acts of scholastic dishonesty. The responsibilities of both students and faculty with regard to scholastic dishonesty are described in detail in the Department's Policy Statement on Scholastic Dishonesty in the MPA Program. By teaching this course, I have agreed to observe all faculty responsibilities described in that document. By enrolling in this class, you have agreed to observe all student responsibilities described in that document. If the application of the Statement on Scholastic Dishonesty to this class or its assignments is unclear in any way, it is your responsibility to ask me for clarification. Students who violate University rules on scholastic dishonesty are subject to disciplinary penalties, including the possibility of failure in the course and/or dismissal from the University. Since dishonesty harms the individual, all students, the integrity of the University, and the value of our academic brand, policies on scholastic dishonesty will be strictly enforced. You should refer to the Student Judicial Services website at http://deanofstudents.utexas.edu/sjs/ to access the official University policies and procedures on scholastic dishonesty as well as further elaboration on what constitutes scholastic dishonesty.

Integrity is a public good from which we all benefit and a trait of successful businessmen and women. I intend to conduct this course in an environment of trust and cooperation. ***I can only achieve this, however, if you maintain an atmosphere of absolute ethical integrity in this course.***

Personal Policy on Working Together on Cases (applies only to this course)

For this class, you may discuss issues related to assigned cases with other students *in this class (but not others).* You may work in the formative stages of an assignment to clarify issues or exchange ideas. However, I expect the final product of each collected assignment to reflect individual thought and composition. ***You may not copy or paraphrase from others' draft or final solutions.*** Examples intended to clarify this policy follow. ***When in doubt, ask me!***

Examples of acceptable collaborative efforts *(applies only to this course):*

- A student is confused about an ambiguous aspect of a case, and asks another student what s/he thinks.
- Students ask questions and share helpful insights in class or on the discussion board.

Examples of collaborative efforts that are unacceptable:

- Student A completes a case before student B. B asks A for A's solution. B bases his/her solution on A's solution. Both A and B are guilty of scholastic dishonesty.
- A student finds a source relevant to a case and copies extensively from it, without using quotation marks, indentation or other references to acknowledge the source. This example constitutes

plagiarism, which is a clear case of scholastic dishonesty.

- A student completes a case on the computer, and provides a USB storage device containing the solution file to another student. This constitutes impermissible collaboration, and is clearly scholastic dishonesty.

- *Any* collaboration, breach of security or other cheating on a course examination.

Campus Safety

Please note the following recommendations regarding emergency evacuation from the Office of Campus Safety and Security, 512-471-5767, http://www.utexas.edu/safety/ :

-- Occupants of buildings on the University campus are required to evacuate buildings when a fire alarm is activated. Alarm activation or announcement requires exiting and assembling outside.

-- Familiarize yourself with all exit doors of each classroom and building you may occupy. Remember that the nearest exit door may not be the one you used when entering the building.

-- Students requiring assistance in evacuation should inform their instructor in writing during the first week of class.

-- In the event of an evacuation, follow the instruction of faculty or class instructors.

-- Do not re-enter a building unless given instructions by the following: Austin Fire Department, The University of Texas at Austin Police Department, or Fire Prevention Services office.

-- Behavior Concerns Advice Line (BCAL): 512-232-5050

-- Further information regarding emergency evacuation routes and emergency procedures can be found at: www.utexas.edu/emergency.

Anticipated Course Schedule

Assigned chapters are from the course text (see "Required Course Materials" above). Various other course files and readings will supplement this text **and may be added from time to time**.

IMPORTANT: Please complete each day's assigned reading ***before class.*** The readings provide background that is necessary for understanding classroom discussion.

Date		Topic	Reading Assignment
Jan.	13 M	Course introduction and overview	
	15 W	Investments	Ch. 1
	20 M	**No class – MLK holiday**	
	22 W	Mergers and acquisitions	Ch. 2
	27 M	Mergers and acquisitions, continued	
	29 W	Mergers and acquisitions, continued	
Feb.	3 M	Consolidated financial statements (CFS) upon acquisition	Ch. 3
	5 W	CFS upon acquisition, continued	
	10 M	CFS subsequent to acquisition/**Case 1 due**	Ch. 4
	12 W	CFS subsequent to acquisition, continued	
	17 M	CFS with minority interests	Ch. 5
	19 W	CFS with minority interests, continued	
	24 M	CFS with intercompany transactions	Ch. 6
	26 W	CFS with intercompany transactions, continued	
Mar.	3 M	**Midterm Exam – Chs. 1-3, per announcement (in class exam)**	
	5 W	**Midterm Exam – Chs. 4-6, per announcement (in class exam)**	
	10/12 M/W	**No class – Spring Break**	

Date	Topic	Reading Assignment
Mar. 17 M	Intercompany transactions, continued	
19 W	Consolidating foreign currency-denominated financial statements	To be provided
24 M	Foreign currency transactions (FCT) and hedging	Ch. 8
26 W	FCT and hedging, continued	
31 M	Partnerships	Ch. 14
Apr. 2 W	Partnerships, continued/ **Case 2 due**	
7 M	Distressed companies: bankruptcy and reorganization	Ch. 15
9 W	Distressed companies, continued	
14 M	SEC and financial reporting	Ch. 16
16 W	SEC and financial reporting, continued	
21 M	Guest speaker (tentative)	
23 W	Catch-up day/**Case 3 Due**	
28 M	Tax issues	
30 W	CFS review	
May	**Final Exam TBD (**University index indicates May 7 @ 9:00, but that day and time are not final)	