Southeast Missouri State University

Department of Accounting

Course No. AC534

Title of Course: Financial Accounting and Reporting III

Revised: Spring 2012

I. Catalog Description and Credit Hours of Course:

Business combinations consolidated financial statements, partnerships, and not-for-profit accounting (3)

II. Prerequisite(s): AC332 with a minimum grade of ‘C’

III. Purposes or Objectives:

A. Donald L. Harrison College of Business Assurance of Learning Goals:

For the Bachelor of Science in Business Administration degree program:

1. Proficiency in written and oral communication (BSBA1)
2. Demonstrated effective use of technology (BSBA2)
3. Demonstrated awareness and understanding of other cultures (BSBA3)
4. Demonstrated knowledge of the fundamentals of business disciplines (BSBA 4)
5. Demonstrated critical thinking skills involving business and ethics (BSBA5)

For the Masters of Business Administration degree program:

1. Proficiency in communications and teamwork (MBA1)
2. Advanced knowledge of business principles and concepts (MBA2)
3. The application of critical reasoning to business problems and ethical dilemmas (MBA3)
4. The development of upper level management and leadership skills, with reference to a diverse and global environment (MBA4)
5. Executive level of master of technology (MBA5)

B. University Studies objectives:

1. Demonstrate the ability to locate and gather information (US1)
2. Demonstrate capabilities for critical thinking, reasoning, and analyzing (US2)
3. Demonstrate effective communication skills (US3)
4. Demonstrate an understanding of human experiences and the ability to relate them to the present (US4)
5. Demonstrate an understanding of various cultures and their interrelationships (US5)
6. Demonstrate the ability to integrate the breadth and diversity of knowledge and experience (US6)
7. Demonstrate the ability to make informed, intelligent value decisions (US7)
8. Demonstrate the ability to make informed, sensitive aesthetic responses (US8)
9. Demonstrate the ability to function responsibly in one’s nature, social, and political environments (US9)

C. Course:
Upon completion of this course a student should be able to:
1. Journalize transactions under the equity method of accounting for investments (BSBA4, MBA 2)
2. Discuss the equity method of accounting for investments, including contrasting the equity method and the cost method of accounting for investments (BSBA4, BSBA5, MBA 2, MBA3, US2)
3. Prepare consolidation workpapers and consolidated financial statements, including the elimination journal entries (BSBA4, MBA 2)
4. Journalize foreign currency denominated transactions, record necessary adjustments related to foreign currency denominated receivables/payables, and record settlement of foreign currency denominated amounts including the determination and recognition of foreign currency gains and losses (BSBA4, BSBA5, MBA 2, MBA3, US2)
5. Translate and remeasure foreign currency financial statements into U.S. dollars so the entity maybe entered into the consolidation worksheet, distinguish when each method is appropriate (BSBA4, BSBA5, MBA 2, MBA3, US2)
6. Present and apply the provisions of SFAS 131 concerning reportable segments and enterprise wide disclosures (BSBA4, MBA 2)
7. Journalize transactions concerning partnerships (BSBA4, MBA 2)
8. Discuss issues concerning partnership creation, operations, disassociation, and dissolution (BSBA4, BSBA5, MBA 2, MBA3, US2)
9. Journalize transactions in fund (governmental) accounting systems and prepare the financial statements for governmental entities (BSBA4, BSBA5, MBA 2, MBA3, US2)

IV. Student Learning Outcomes:

Upon completion of this course students should be able to:
A. Prepare consolidation workpapers;
B. Convert foreign currency financial statements into U.S. dollars;
C. Journalize transactions and prepare the financial statements for governmental entities;
D. Journalize transactions and prepare the financial statements for partnerships;
E. Record foreign currency transactions and settlements;
F. Apply U.S. reporting standards regarding operating segments and enterprise-wide disclosure.

V. Expectation of Students:

A. Demonstrate an understanding of the principles & procedures relating to partnerships, intercorporate investments, consolidations, multinational transactions & translations, and segment & interim reporting
B. Spend sufficient time outside of class preparing for class and completing assignments.
C. Attend all class meetings. Participate in class discussion and problem presentation. Advance preparation is necessary. Students are expected to read and study the text in detail. Students are responsible for all assigned material.

D. Complete a significant research project/paper if enrolled for graduate credit

VI. Course Content or Outline:

A. Equity Method of Accounting for Investments 3 hrs
B. Consolidations & Intercompany Transactions 18 hrs
C. Segment & Interim Reporting 3 hrs
D. Multinational Transactions & Translations 6 hrs
E. Partnerships 6 hrs
F. Worldwide Accounting Diversity and International Standards 3 hrs
G. Financial Reporting and the Securities and Exchange Commission 2 hrs
H. Exams 4 hrs
Total 45 hrs

VII. Textbook(s) and/or Other Required Materials or Equipment:


VIII. Basis for Student Evaluation:

The evaluation of students will be based on:

A. The evaluation of students will be based on:
   1. Performance level on assigned problems.
   2. Performance level on all examinations.
   3. Performance level on a research project/paper or computer projects (graduate student requirement).

The weight of these evaluations may vary according to each instructor and will be communicated at the beginning of the course.

A. Undergraduate Grading Scale:

90 – 100 = A
80 – 89 = B
70 – 79 = C
60 – 69 = D
59 and lower = F

The grading scale may vary according to each instructor and will be communicated at the beginning of the course.
B. Graduate Grading Scale:
   90 – 100 = A
   80 – 89  = B
   70 – 79  = C
   69 and lower = F

The grading scale may vary according to each instructor and will be communicated at the beginning of the course.