

THE UNIVERSITY OF TEXAS AT AUSTIN
ACC 380K.2, Financial Accounting Standards and Analysis II
Course Syllabus
Spring 2019

Time and Location

Tuesdays and Thursdays: 8:00 - 9:30 a.m., GSB 3.138 (unique no. 02530)

Instructor

Mark Bradshaw, J.D., M.P.A., M.B.A.

KPMG Professor in Residence (2007)

Of Counsel, Matheson, Keys & Kordzik PLLC (2008-Present)

Office: GSB.5.124E; Phone: 512-475-8852; E-mail: mark.bradshaw@mcombs.utexas.edu

Office hours: Tuesdays 1:00 – 2:30 p.m. (and by appointment)

Note: Please e-mail to make an appointment.

Teaching Assistant

Gilman Suriya

E-mail: gilmansuriya@utexas.edu

Office hours: As announced, following the return of graded cases.

Gilman will assist with the grading of cases and exams. After graded cases are returned, office hours will be scheduled. *If you have grading or other questions concerning a case that has been returned, please make every effort to attend his scheduled office hours. Please bring all other questions (concerning course material, case preparation and exam-related matters) to my attention.*

Canvas

We will use the web-based Canvas course site extensively. To access, follow the links from your MyUT Student Portal or the University website.

I will use Canvas to post announcements, course materials and scores. ***Please check it 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. ***In my classes, silence is not golden – please join the class discussion if you have a question, comment or response!***

Please also 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 and exams – arriving late is distracting and disruptive to your colleagues and me.***

In my experience as an instructor and a student, use of electronic devices by students in class is distracting and disruptive. ***Accordingly, the use of electronic devices in class is not permitted.***

Please turn off and put away your cell phone, tablet, laptop, and other electronic devices before class begins.

Required Course Materials

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

Advanced Accounting, Fourth Edition (4e), by Hamlen (Cambridge Business Publishers, 2019).

Course Objectives

Topics addressed in the course include:

1. Types of corporate investments and acquisitions, reasons for their use, and their importance;
2. Accounting for and reporting investments and acquisitions;
3. Methods and procedures for preparing consolidated financial statements, with wholly owned and less than wholly owned subsidiaries and variable interest entities;
4. Accounting for transfers of inventory, other assets and services among consolidated entities;
5. Transactions involving foreign currency, related derivatives and hedging;
6. Financial reporting for multinational companies;
7. Issues facing distressed and bankrupt companies;
8. Accounting for partnerships;
9. Reporting obligations for public companies; and
10. Other topics in Advanced Accounting (time permitting).

Grading

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

	Points Possible
Midterm examinations (2)	150 (37.5%)
Final examination	110 (27.5%)
Cases (3)	120 (30%)
Participation	20 (5%)
Total possible points	400

I do not, prior to the semester, establish fixed point or percentage cut-offs 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 30-35% A, 15-25% A-/B+, 40-50% B, and the remainder B- and below. *However, each class is different and the final grade distribution this term may vary from the foregoing historical distribution.*

As students are naturally curious about their standing during the semester, I will provide the class with an interim assessment of performance following the second midterm exam. *However, any mid-semester indication of course performance is merely to assist you in evaluating your performance to date and achieving your goals in this course. It is not a guarantee or suggestion of percentages required to obtain final grades or that you will receive any particular grade in this course.*

Each graded component is described below:

Examinations (two midterms with 150 total points available and a final exam with 110 points available)

Examinations will emphasize concepts and issues discussed in class and covered in recommended homework exercises and problems. I will provide additional exam-related information prior to each exam. Exams will primarily contain problems similar to those done in class and suggested as homework, but may also contain short answer questions on covered topics. The final examination will emphasize material covered after the second midterm, but will also be partially “cumulative” in that it will test certain topics relating to consolidation.

Cases (three with 120 total points available)

To refine your writing skills and your ability to analyze and resolve more realistic and less structured problems in Advanced 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 Canvas one week or more before their respective due dates and each case will be allocated a maximum of 40 points.

Cases will be graded for breadth, depth and quality of analysis, quality of writing and professional impression. ***It is important to be both complete and concise in your case analyses and to pay close attention to case announcements and instructions.*** Do not repeat or summarize the case facts, except where needed to support a position. ***Your case analyses will be limited to four pages and must be in memorandum format (addressed to me), 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 *in this class*, including on Canvas. ***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 or collaborate on case solutions, but rather to clarify case issues before preparing solutions independently.***

We will discuss cases in class. 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).

Certain cases may require research using the **Codification**. To access, use the following username and password at <http://aaahq.org/FASB/Access.cfm>:

User ID: aaa75945

Password – Acce7594

Participation (20 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, 20 points will be based on my genuine assessment of your cumulative in-class participation in this class (including attendance, if and when taken).

To earn significant participation credit, consistent, constructive classroom participation is necessary. In reviewing student performance from past semesters, I observed a positive correlation between students' final grades and their level of attendance and participation in the course.

In evaluating course performance, I reserve the right to take into account any violations of course policies, such as consistent tardiness or arriving late for an exam, the use of electronic devices in class, or any other activities that are distracting or disruptive to the class.

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 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 Canvas. 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 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 midterm examinations, such students commonly reported falling behind or relying too heavily on solutions when completing homework (or both), as significant factors.***

Discussion Forum

Along with other features of Canvas, I encourage you to take advantage of the discussion forums 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 forum periodically (and more frequently prior to exams and case due dates).

Ground rules for discussion forum:

1. ***For questions or comments of general interest to the class (i.e., not personal matters), please use the discussion forums, not e-mail!*** I may ask you to post your e-mail query on a discussion forum so that your classmates will 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. *Please keep in mind that I will read your posts.*
3. 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 first midterm exam should be posted in the “Midterm Exam 1 Forum.”

Canvas downtimes and course requirements:

As with all computer systems, there are occasional scheduled downtimes and unanticipated interruptions of the Canvas system. Notification of these disruptions will be posted on the Canvas login page. Scheduled downtimes are **not** an excuse for turning in a case late or failing to timely complete other course requirements. ***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 failing to turn in a case when due. I may require some form of supporting documentation, such as a signed note from a physician or other verification of the emergent situation or conflict and, *if appropriate, 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, an extension, 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 to fail to turn in a case when due. 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 in the case of an exam, or to turn your case in (to me, with a copy to our TA) via email prior to class.

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 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

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://diversity.utexas.edu/disability/>. If you are a qualified student with a disability, please provide your accommodations letter (as soon as practicable) and see me to discuss any appropriate accommodations that have been recommended for this course.

Assistance with Case Writing

I encourage you to use the University Writing Center (UWC), located in the Learning Commons of the Perry Castaneda Library (PCL), to assist you in writing your case analyses. The UWC offers constructive, expert help with writing, by appointment or on a drop-in basis (although I suggest you make an appointment and not wait until the “last minute”). The UWC works 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>.

Diversity and Inclusion

It is my intent that students from all diverse backgrounds and perspectives be well served by this course, that students' learning needs be addressed and that the diversity that students bring to this class can be comfortably expressed and be viewed as a resource, strength and benefit to all students. Please come to me at any time with any concerns.

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.mcombs.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 Canvas.

Examples of collaborative efforts that are unacceptable:

- Student A completes a case before student B. B asks A for (or A simply provides to B) A's solution. B bases his/her solution on A's solution, in whole or in part. 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 reviews a case solution (graded or ungraded) completed by another person in a prior semester.
- Any collaboration, breach of security or other cheating on a course examination.

Campus Safety

Please note the following key recommendations regarding emergency evacuation, provided by the Office of Campus Safety and Security. More info at: <https://preparedness.utexas.edu/>:

-- 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 will supplement the 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. 22	Course introduction and overview	
24	Investments	Ch. 1
29	Investments, continued/Mergers and acquisitions	Ch. 2
31	Mergers and acquisitions, continued	
Feb. 5	Mergers and acquisitions, continued	
7	Mergers and acquisitions, continued/ Case 1 due	
12	Consolidated financial statements (CFS) upon acquisition	Ch. 3
14	CFS subsequent to acquisition	Ch. 4
19	Midterm Exam – Chs. 1-3 (in class)	
21	CFS subsequent to acquisition, continued	
26	CFS with minority interests	Ch. 5
28	CFS with minority interests, continued	
Mar. 5	CFS with intercompany transactions	Ch. 6
7	CFS with intercompany transactions, continued	
12	CFS with intercompany transactions, continued	
14	Midterm Exam – Chs. 4-6 (in class – 7:45 a.m. start time)	
19/21	<i>Spring Break!</i>	

Date	Topic	Reading Assignment
Mar. 26	Foreign currency-denominated financial statements (multinational accounting)	Ch. 7
28	Consolidating foreign currency-denominated financial statements	
Apr. 2	Foreign currency transactions (FCT) and hedging	Ch. 8
4	FCT and hedging, continued/ Case 2 due	
9	<i>Guest speaker (tentative)</i>	
11	Partnerships	Ch. 14
16	Partnerships, continued	
18	Distressed companies: bankruptcy and reorganization	Ch. 15
23	Distressed companies, continued	
25	Distressed companies, continued	
30	SEC and financial reporting/ Case 3 Due	Ch. 16
May 2	<i>Guest speaker (tentative)</i>	
7/9	Final Exam (in class)	