ACG 6138 – Advanced Financial Reporting & Accounting Concepts
Summer 2011 Syllabus

Class: 6:30 pm – 9:40 pm M, BU 308
Prerequisite: ACG 6137 or equivalent
Professor: Mark Kohlbeck
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Website: eCollege
Office: KH 122 (Barry Kaye Hall)
Phone: (561) 297-1363
Office Hours: 3:00 - 4:30 pm M
And by appointment

Course Description and Objectives

The course is a study of advanced topics in financial reporting and accounting and focuses on complex corporate reporting issues. The class is not oriented toward the CPA exam but many of these topics are likely to be tested on it. While some emphasis is placed on analysis, interpretation, and use of accounting data for investing, credit, and management decisions, the reporting function of accounting to external users (investors and creditors) will be stressed. This will not only entail the study of current financial reporting and disclosure requirements, but will include controversial and emerging practices.

The course is designed to develop your life-long learning skills. In today’s market, it is structurally impossible to have an encyclopedic knowledge of the accounting rules that will serve you for large parts of your career. The body of U.S. GAAP is undergoing a rapid rate of transformation in response to changes in the business environment, and in response to demands for new and different information from stakeholders and regulators. A grasp of the theory that underlies the rules and the business context in which the rules are made is essential in understanding the nature and causes of the demands for accounting information.

In this course, students need to develop and demonstrate:

Financial Accounting Knowledge

- Learn and evaluate current financial accounting rules.
- Understand complex financial events and their effect on financial statements, cash flows, and accounting-based contracts.
- Read and critically evaluate financial statements.
- Understand and appreciate of the role of professional judgment in the financial reporting process, and of the ethical issues involved in financial reporting decisions through lecture and classroom discussions.
Critical Thinking, Research and Communication Skills

- Develop critical thinking skills by completing research tasks in an individual and group-learning environment.
- Critical thinking is a rational response to questions that cannot be answered definitively and for which all the relevant information may not be available.
- Critical thinking is an investigation whose purpose is to 1) analyze a problem, 2) arrive at a conclusion that integrates all available information, and 3) justify the conclusion convincingly to others.
- Develop teamwork and communication skills through case analysis and presentation, in-class group participation and group term project.
- Develop research skills required for practice as a professional accountant through cases and the group term project.

The accounting profession has called for major structural changes in the way that we teach accounting at all levels. Your future employers have asked to place more emphasis on critical thinking and communication skills than on technical skills. In polls of partners from the large firms, the top three items on the Partners’ New employee wish list includes an ability to work effectively in teams, better communication skills, and better presentation skills.

Professor Information

Professor Kohlbeck’s area of expertise is financial accounting and reporting. He is currently teaching financial accounting courses at the University. Mark previously taught at the University of Wisconsin – Madison, The University of Texas at Austin and Southern Methodist University. His primary research interests concern banking and financial institutions in the areas of intangible assets, regulation, accounting choice, and accounting disclosures. Previously, Mark was an auditor and management consultant for Deloitte & Touche in Dallas and Milwaukee. His professional experience includes restructuring troubled financial institutions, mergers and acquisitions, and litigation support. Mark is also a member of Beta Alpha Psi, Beta Gamma Sigma, the AICPA, and the American Accounting Association.

Text Books and Course Materials

Required

Access to U.S. accounting standards
The FASB adopted the codification as the official source of GAAP. The FAU School of Accounting purchased a one-year subscription for access for faculty and students. Below is the student User ID and password. You must login through the address below which provides access through the American Accounting Association. Please bookmark this address. This login information is valid until August 31, 2011.

http://aaahq.org/ascLogin.cfm
Student User ID: AAA51093
Student Password: SoLt66m

DO NOT contact the American Accounting Association if you lose this information. The User ID and password may be obtained from your instructor or the School of Accounting Staff. This User ID and password is to be used only by accounting students of Florida Atlantic University.

Financial calculator.

Supplemental readings will be distributed in class or through eCollege. You are also encouraged (but not required) to subscribe to the Wall Street Journal (or similar periodical).

Active Collaborative Learning

In response to the requests of the profession to equip you with life-long learning skills, the community of accounting educators and educators in other disciplines has developed an “Active Collaborative Learning” or a “Discovery-Based” approach. This approach is characterized by an increased focus on building a culture of learning in the classroom and an increased focus on non-classroom-oriented education.

What does this mean for you? It means that in this class, you will be taking a more active role in and responsibility for your educational experience than you may be used to. As the proverb says, you can give a man a fish and feed him for a day or you can teach him to fish and feed him for a lifetime.

My Role. I will address the technical material that forms the backbone of the course. To promote an active learning environment, I will spend more time as a high-level resource – answering your questions and facilitating discussion and interaction – and less time delivering traditional lectures. I will spend more time providing supplemental material that you may find useful and interesting in exploring the business context and professional issues surrounding the technical material (e.g., videos, articles) – and less time overlapping the textbook. I will spend more time working problems with you and less time working problems for you. I will endeavor to provide the richest possible learning environment, one that is conducive to a two-way flow of information. What I learn from you is different from what you learn from me, but equally powerful and important.

Your Role. You will spend more time becoming engaged with the material. You will
spend less time watching me work problems – and more time getting supervised hands-on experience with the technical material in class. You will identify your own unique learning style and be given the flexibility to work within it rather than struggling with a one-size-fits-all approach. You will work in groups. You will develop an ability to assess your comparative advantages in relation to those of your team members and learn how to maximize these advantages for your success and that of your group. You will be given more opportunities to provide feedback, and more control over the direction of the class. In short, you will assume the responsibility for learning the material, and I will assume the responsibility for creating an active and welcoming learning climate and making sure that you have the resources you need to succeed.

*This class requires hard work, but anything worthwhile has a price. Stay current, make generous use of my office hours and the other instructional resources that I offer you, and remember – you get out of a learning experience what you put into it.***

**Grading and Learning Activities**

The following table summarizes each component of your grade for this course.

<table>
<thead>
<tr>
<th>Component</th>
<th>Points</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exams (2)</td>
<td>300</td>
<td>75.0%</td>
</tr>
<tr>
<td>Assignments</td>
<td>50</td>
<td>12.5%</td>
</tr>
<tr>
<td>Participation</td>
<td>50</td>
<td>12.5%</td>
</tr>
<tr>
<td>Total</td>
<td>400</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Students may view their total points-to-date using eCollege. Letter grades are only relevant to final point totals and will be assigned based on the following distribution of the percentages of total possible points. A minimum of 68% on the final exam is required to receive a passing grade (C or above) for the course.

<table>
<thead>
<tr>
<th>Percentage Range</th>
<th>Letter</th>
<th>Percentage Range</th>
<th>Letter</th>
<th>Percentage Range</th>
<th>Letter</th>
</tr>
</thead>
<tbody>
<tr>
<td>90 ≤ Your %</td>
<td>A</td>
<td>88 ≤ Your % &lt; 90</td>
<td>A-</td>
<td>85 ≤ Your % &lt; 88</td>
<td>B+</td>
</tr>
<tr>
<td>80 ≤ Your % &lt; 85</td>
<td>B</td>
<td>78 ≤ Your % &lt; 80</td>
<td>B-</td>
<td>75 ≤ Your % &lt; 78</td>
<td>C+</td>
</tr>
<tr>
<td>70 ≤ Your % &lt; 75</td>
<td>C</td>
<td>60 ≤ Your % &lt; 70</td>
<td>D</td>
<td>Your % &lt; 60</td>
<td>F</td>
</tr>
</tbody>
</table>

**Exams.** Exam questions focus on accounting concepts illustrated through classroom discussions, assignments, and homework exercises. The exams are designed to extend your thinking through analysis and applications of these concepts in new or unique situations. The exam format may include multiple choice, problems, and short answer. I expect the last exam to be comprehensive.

**Assignments.** There will be formal assignments to be completed on a group or individual basis as instructed. These assignments will require formal write-ups / presentations and may rely on financial analysis. One or two of the assignments will include written and/or
oral components that will also meet GEB 6215 requirements. Specific requirements for these assignments will be distributed in class.

The assignments have been developed assuming students are proficient in preparing Excel spreadsheets and the use of its financial functions and understand how to find applicable authoritative guidance. If this is not the case, the assignment will likely take longer to complete. You are encouraged to ask for assistance early in the semester.

**Participation.** The ability to interact in a meaningful manner and convey relevant information efficiently with colleagues is a critical component of success, regardless of your particular career objectives. Communication is a skill, and may therefore be learned and improved with practice. In an effort to provide you with a relatively low-cost venue and high-benefit incentive for developing these skills a portion of your grade in this class is based on participation points. **You are in control of when, why, and how you participate.**

Please note that not only will high quality participation make the class much more interesting for everyone, it has the potential to provide a relatively cheap yet significant boost to your final grade. Unlike exam performance, which is subject to the slings and arrows of outrageous fortune, breakups, family problems, test anxiety, interview schedules, and illnesses, the participation aspect of the course is completely within your control. Further, participation points awarded may be adversely affected by lack of preparation and unprofessional behavior. **Seize the opportunity.**

**Readings.** You must read the assigned material at least once before class meets. In addition to the assigned readings from the textbook, I will make selected readings from the business press and professional journals available to you on occasion. I strongly encourage you to take advantage of this opportunity to become familiar with the practitioner viewpoint on the issues. The overall emphasis will be firmly on the “real world” – current issues, ethical dilemmas that you may well face at some point, etc. For the most part, these articles will be written by investors, by managers, and by your future colleagues in the accounting profession.

**Homework.** Homework is assigned, may be reviewed in class, but will not be collected. The homework focuses on the basic concepts or involves analysis of accounting situations. Homework is designed to help you master the technical material and to provide you with an instant and painless feedback mechanism with respect to your grasp of the technical material. I have selected a number of end-of-chapter exercises that are designed to satisfy this function. Students are reminded that their preparation and completion of homework assignments directly affects their ability to participate in class discussions and perform on exams. If you have questions about the problems, feel free to ask me about them.

**Policies**

**Honor Code.** Students at Florida Atlantic University are expected to maintain the highest ethical standards. Academic dishonesty, including cheating and plagiarism, is considered a serious breach of these ethical standards, because it interferes with the University
mission to provide a high quality education in which no student enjoys an unfair advantage over any other. Academic dishonest is also destructive of the University community, which is grounded in a system of mutual trust and places high value on personal integrity and individual responsibility. Harsh penalties are associated with academic dishonesty. For more information, see http://www.fau.edu/regulations/chapter4/4.001_Honor_Code.pdf.


Professional Conduct. To foster a more professional learning environment and to develop habits that lead to success in the business work, all participants must engage in professional behavior, including:
1. Taking responsibility for individual actions.
2. Attending each class session, including arriving promptly and leaving at the designated time. Attendance sign-in sheets may therefore be used and excess absences may impact the participation grade.
3. Being attentive and an active participant in group activities and class discussions.
4. Respecting diversity in the classroom and treating everyone involved in the class in a civil manner.
5. Planning outside activities to avoid conflicts with the activities outlined in the syllabus.
6. Meeting all deadlines in the course for assignments, projects, etc.
7. Acknowledging the importance of clarity of expression in written and oral communication and understanding that the course grade will be affected by your ability to communicate.

ADA. In compliance with the American with Disabilities Act (ADA), students who require special accommodations due to a disability to properly execute coursework must register with the Office for Students with Disabilities (OSD) located in Boca Raton – SU 133 (561-297-3880), in Davie – MOD I (954-236-1222), in Jupiter – SR 117 (561-799-8585), in the Treasure Coast – CO 128 (772-873-3305), and follow all OSD procedures.

SafeAssign. Written components of any assignment or project may be submitted to Blackboard SafeAssign to evaluate the originality of the work. Any students found to be submitting work that is not their own will be deemed in violation of the University’s honor code discussed above.

Missing Exams. Make-up exams will be given for valid reasons (medical emergency, family emergency, university-scheduled events, religious observation, or class conflicts) consistent with University policy and the professor’s discretion. If you do not have a valid reason for missing an exam, a zero grade may be assigned. The professor also has the option of not providing a make-up exam and re-weighting the remaining exam(s) accordingly.
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Incompletes. There are no incompletes for this course except in the case of extraordinary circumstances (for example, excessive absences due to severe illness). The professor determines when an incomplete is appropriate.

Points Awarded. It is the responsibility of the student to monitor the points awarded to-date in eCollege. The student has up to two weeks following the posting of any points to contest the number of points, after which the points are considered final.

Electronic Communication. eCollege and FAU email will be used in this course for content delivery, assignments, and other communications. Accordingly, it is the student’s responsibility to check the eCollege course site and their FAU email account for announcements, etc.

Religious Holidays. It is the responsibility of the student to promptly notify the professor of any conflicts due to religious observance so that accommodations can be arranged.

Pictures. Photographs of each student may be taken / used in connection with the course.
## Tentative Course Calendar

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Primary Reading and Relevant GAAP *</th>
<th>Homework</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>M  5/16  Fair values / Investments</td>
<td>IA 2, VT p 7-8, IA 14, VT p 57-62</td>
<td>IA E14-1, 3, 6, 9</td>
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<tr>
<td></td>
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<td>ASC 820-10, ASC 320-10, ASC 323-10</td>
<td>IA P14-1, 3, 8, 10</td>
</tr>
<tr>
<td>2</td>
<td>M  5/23  Income taxes</td>
<td>IA 15, VT p 66-68, ASC 740-10</td>
<td>IA E15-1, 4, 13, 14, 18, 23</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>IA P15-8</td>
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<tr>
<td>3</td>
<td>M  5/30  Memorial Day</td>
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<tr>
<td>4</td>
<td>M  6/6  Pensions, stock options and other compensation issues</td>
<td>IA 16, VT p 51-56, 69-73, ASC 712-10, ASC 715-10,20,30,60,70, ASC 718-10,20,30</td>
<td>E16-1, 6, 10, 12, 13 P16-6</td>
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<tr>
<td>5</td>
<td>M  6/13  Earnings per share and other reporting issues</td>
<td>IA 18, VT p 50, ASC 260-10</td>
<td>IA E18-1, 3, 9, 16, 22, 24, 25 IA P18-2, 6</td>
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<tr>
<td>6</td>
<td>M  6/20  Exam 1</td>
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<td>7</td>
<td>M  6/27  Foreign currency</td>
<td>AA 13, ASC 830-10,20 AA 12 (pp 591-600)</td>
<td>AA E13-1, 4, 5, 6 AA P13-1, 2 AA E12-1, 2, 6 AA P12-1</td>
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<td>8</td>
<td>M  7/4  July 4th</td>
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<td>9</td>
<td>M  7/11  Derivatives and Hedging</td>
<td>IA Appendix H, ADH 1, 2, ASC 815-10 through 35</td>
<td>IA EH-1, 3, 4, 5 ADH Chapter 1 E1, E2, E4 ADH Chapter 2 – P1 (not b), P4</td>
</tr>
<tr>
<td>10</td>
<td>M  7/18  Derivatives and Hedging</td>
<td>ADH 3</td>
<td>ADH Chapter 3 – E3, E7 Global Candy Cases</td>
</tr>
<tr>
<td>11</td>
<td>M  7/25  Presentations</td>
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<tr>
<td>12</td>
<td>M  8/1  Exam 2</td>
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* VT – Incorporating IFRS into Intermediate Accounting, Virginia Tech (available on eCollege)
* ADH - Accounting for Derivatives and Hedging, Trombley, 1st edition
* AA – Advanced Accounting, Jeter and Chaney, 4th edition
* ASC – Accounting Standard Codification