

Course Outline

Department of Accounting and Finance  
School of Business and Economics

ACCT 4200-3  
Advanced Financial Accounting (3,0,0)

**Calendar Description**

Building on ACCT 3200: Intermediate Financial Accounting 1 and ACCT 3210: Intermediate Financial Accounting 2, students examine a number of complex topics and their effect on financial reporting and disclosure. Topics include the development of accounting standards; temporary and long-term investments in debt and equity securities; business combinations including joint ventures; foreign currency transactions; translation and consolidation of international operations; accounting for not-for-profit organizations; and public sector reporting.

**Educational Objectives/Outcomes**

Upon completing this course, students will be able to:

1. Apply conceptual principles when selecting appropriate accounting policies.
2. Demonstrate the ability to assess a situation, identify issues and alternatives, and provide a recommendation using ethical professional judgment.
3. Classify and account for various financial instruments using International Financial Accounting Standards.
4. Explain the concept of business combinations and the main theories and methods of accounting for business combinations.
5. Prepare a basic set of consolidated financial statements.
6. Apply proportionate consolidation to joint ventures.
7. Translate foreign currency transactions including use of hedging instruments.
8. Choose and apply the proper method to translate and consolidate foreign operations.
9. Explain the objectives of not-for profit organizations and account for these organizations using the various methods available including fund accounting, budgetary control, and financial reporting.
10. Describe the financial reporting objectives for government and discuss the reporting issues relevant to government.

**Prerequisites**

ACCT 3210

**Co-requisites**

None

## **Texts/Materials**

Hilton, Murray W. and Herauf, Darrell, Modern Advanced Accounting in Canada, Seventh Edition, Toronto: McGraw-Hill Ryerson Limited, 2013.

Financial calculator: Hewlett Packard or Texas Instruments recommended

## **Student Evaluation**

Midterm(s)	30 - 40%
Assignments and quizzes	10 - 20%
Final exam	30-50%

Students must pass the final exam to pass the course.

## **Course Topics**

1. Introduction
  - Survey of international accounting
  - Development of accounting standards
2. Temporary and long-term investments in debt and equity securities
  - FVTPL and FVTOCI investments in both debt and equity
  - Investments in associates
  - Cost method
  - Equity method
3. Business combinations
  - Types of business combinations
  - Consolidation theories and methods
  - Joint ventures
    - Proportionate consolidation
  - Consolidation
    - On date of acquisition
    - Subsequent to acquisition
    - Intercompany profits in inventory, land, and depreciable assets
    - Intercompany bond-holdings
    - Changes in ownership interests
    - Consolidated financial statements
4. Foreign currency transactions
  - Accounting for foreign currency transactions
  - Hedges
    - Hedging a recognized monetary item
    - Hedging an unrecognized firm commitment
    - Hedging a forecasted transaction
5. Translation and consolidation of international operations

- Functional currency
  - Foreign currency transactions approach
  - Foreign operation approach
  - Translation gains and losses
6. Accounting for not-for-profit organizations
- Not-for-profit accounting
  - Fund accounting
  - Deferral method
  - Restricted fund method
  - Donated assets and services
  - Budgetary controls and encumbrances
7. Public Sector Reporting
- Government reporting objectives
  - Government reporting issues

**Methods for Prior Learning Assessment and Recognition**

As per TRU policy

**Attendance Requirements – Include if different from TRU Policy**

As per TRU policy

**Special Course Activities – Optional**

**Use of Technology – Optional**