

Macao Polytechnic Institute

School of Business

Bachelor of Accounting

Module Outline

Academic Year 2020 / 2021 Semester 1

Learning Module	Advanced Financial Accounting 1		Class Code	ACCT4100-411	
Pre-requisite(s)	Nil				
Medium of Instruction	English		Credit	3	
Lecture Hours	45 hrs.	Lab/Practice Hours	0 hrs.	Total Hours	45 hrs.
Instructor	Dr. Thomas Choi		E-mail	kkchoi@ipm.edu.mo	
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Description

This course explores in depth the financial reporting issues and related disclosure relating to a group of companies with reference to both statutory and professional requirements. Emphasis will be placed on the methodology of preparing group accounts and the various accounting procedures unique to different reporting entities in preparing their financial statements. Accounting issues associated with inter-corporate investment activity that conveys significant influence or control as well as cross-border activities will also be addressed.

Learning Outcomes (CILOs)

Upon completion of this course, students should be able to perform the followings:

1. Determine the appropriate accounting methods for an investment in equity shares of another company.
2. Differentiate the various forms of business combinations.
3. Explain the concept of control, identify the parent company from a group of corporate entities, and construct a worksheet to combine the financial reports of entities from different methods of accounting for subsidiaries.
4. Determine the appropriate methods to report transactions (such as acquisition, addition, and/or disposal) within a group of related companies.
5. Distinguish between the differences of financial reporting for upstream and downstream transactions, and apply the necessary procedures to eliminate the effects of these arms-length transactions during the preparation of consolidated financial statements.
6. Demonstrate the necessary steps to eliminate the effect of intra-entities transactions involving long term assets and debts in the construction of consolidated financial statements.

7. Distinguish the reporting differences in preparing consolidated financial statements when indirect control is present, or when a corporate ownership structure is characterized by a connecting affiliation or mutual ownership.

Alignment of Program and Module Learning Outcomes

PILOs	CILO1	CILO2	CILO3	CILO4	CILO5	CILO6	CILO7
1. Integrate the contemporary theories, principles of accounting and business disciplines relevant to general business practice.	✓	✓	✓	✓	✓	✓	✓
2. Assess general business scenarios with mathematical and statistical skills.	-	-	-	-	-	-	-
3. Apply critical thinking and logical analysis skills and techniques to solve business problems.	✓	✓	✓	✓	✓	✓	✓
4. Interpret and analyse accounting information for internal control, planning, performance evaluation, and coordination to continuously improve business process.	-	-	-	-	-	-	-
5. Apply accounting or business software for business analysis.	-	-	✓	-	✓	✓	-
6. Develop queries to assess management information from database to improve efficiency and effectiveness.	-	-	-	-	-	-	-
7. Synthesize the latest requirement of international accounting and auditing standards in preparing financial statements and auditing reports.	✓	-	✓	-	✓	✓	✓
8. Utilize appropriate written and spoken forms to communicate effectively with stakeholders in various cultural environments.	-	-	✓	-	-	-	✓
9. Recommend an appropriate course of action by ethically examining the economic, environmental, political, legal and regulatory contexts of global business practice.	-	-	-	-	-	-	-
10. Utilize the latest empirical findings and academic studies to support the recommendation of business projects.	✓	✓	-	-	-	-	-

Content

Upon completing the following topics, students should be able to apply GAAPs to prepare consolidated financial statements for corporate investments under different ownership patterns, and determine the necessary disclosure requirement associated with its portfolio of investments. They should also be able to apply their accounting knowledge to analyze and evaluate the information from consolidated corporate reports to make equity investment proposals. The following time schedule is tentative and is subject to change according to the actual the progress of learning.

Chapter	Topic	Assessments
	Introduction of the course (1.5 hr.)	
Ch.1	The Equity Method of Accounting for Investments (3.5 hrs.)	Online assignment-Connect
Ch.2	Consolidation of Financial Information (5.5 hrs.)	Online assignment-Connect
Ch.3	Consolidations-Subsequent to the Date of Acquisition (4.5 hr.)	Online assignment-Connect
Ch. 4	Consolidated Financial Statements and Outside Ownership (5 hrs.)	Online assignment-Connect
Ch.5	Consolidated Financial Statements - Intra-Entity Asset Transactions (4 hrs.)	Online assignment-Connect
Ch.1-4	Mid-term test (3 hrs.)	In-class written test
Ch.6	VIE, Intra-Entity Debt, Consolidated Cash Flows, and Other Issues (6 hrs.)	Online assignment-Connect

Ch.7	Financial Statements – Ownership Patterns (6 hrs.)	Online assignment-Connect
1-7	Overall Review (3 hrs.)	
Ch. 1-7	Comprehensive Final Exam (3 hrs.)	In-class written exam

Teaching Method

This course adopts a progressive interactive learning approach to guide students to actively acquire and apply the necessary knowledge, and skills to solve simulated accounting scenarios through online assignments. These activities are grouped as follows:

TLA1: Interactive lectures.

TLA2: In-class discussions, exercises, and short quizzes.

TLA3: Assignments.

To achieve the learning outcomes, the following learning tasks are considered essential:

- Preview lecture material before class, which is essential to reinforcing assimilation of lecture material
- Review and work on exercises after class to apply newly learned concepts
- Search online from professional associations for accounting updates
- Form study group to discuss and share knowledge to enhance understanding
- Allow ample time to prepare for test and final exam

Alignment of Teaching Methods with CILOS

CILO No.	TLAs are primarily designed to enhance students' comprehension of lecture materials
CILOs 1~7	TLA1: Interactive lectures <ul style="list-style-type: none"> • Lectures: PowerPoint slides are used to illustrate main points of advanced financial accounting, assisted with any contemporary information that may arise.
CILOs 1~7	TLA2: In-class discussion exercises and formative quizzes <ul style="list-style-type: none"> • In-class exercises and Q&As are intended to enhance students' understanding and to reflect on the newly acquired knowledge. • Online Quizzes are given at the end of lectures to monitor learning progress.
CILOs 1~7	TLA3: Assignments <ul style="list-style-type: none"> • Written assignments are intended to help students apply their acquired knowledge and skills to simulated working scenarios. No late submission will be accepted

Attendance

Class attendance is administered according to the attendance requirement stated in the "Academic Regulations Governing Bachelor's Degree Programmes of Macao Polytechnic Institute". Students who have not met the stipulated attendance requirements for the enrolled subject are not eligible to attend the final examination and re-sit examination, and will be given an "F" as the final grade for the subject.

Assessment

Evaluation for this course will be divided into the following components

Tools/Activities used to assess students' achievement of CILOs	Weighting	Mode of assessment
Participations and Interactions, pop quizzes (ungraded), Q&As	15%	Progressive
Online Assignments –via Connect (graded)	15%	Progressive
Mid-term test (graded)	25%	Progressive
Final Exam (graded)	45%	Summative
Total:	100%	

There will be no make-ups for missing the mid-term test. However, students may request to use their final exam to replace their mid-term test by submitting valid proof of absence permitted by the Institute.

Teaching Material(s)

Textbook(s)

Hoyle, Schaefer, and Douppnik, 2020, Advanced Accounting plus Connect Code card for one year, 14th edition, McGraw-Hill
(ISBN 978-1-260-57591-0)

References

Reference Books

Tan, Hock Neo Pearl, Lim and Nyeau, Advanced Financial Accounting: An IAS and IFRS Approach, 2015, 2nd edition, McGraw
Christensen, Cottrell and Budd, 2019, Advanced Financial Accounting, 12th edition, McGraw-Hill
Kieso, Weygandt, and Warfield, Intermediate Accounting IFRS edition, Vol. 1 and 2, Wiley

Accounting Standards

Financial Accounting Standards Board, Accounting Standards Codification Topic 320, Investments-Debt and Equity Securities
Financial Accounting Standards Board, Accounting Standards Codification Topic 805, Business Combinations
Financial Accounting Standards Board, Accounting Standards Codification Topic 810, Consolidation
FASB Accounting Standards Update September 2011, Intangibles-Goodwill and Other (Topic 350), Testing Goodwill for Impairment
International Accounting Standards Board, International Accounting Standard 28, Investments in Associates
International Financial Reporting Standard 3 (Revised), Business Combinations
International Financial Reporting Standard 10, Consolidated Financial Statements
International Financial Reporting Standard 12, Disclosure of Interests in Other Entities
FASB Exposure Drafts and Public Comment Documents (<http://www.fasb.org/jsp/FASB/Page/SectionPage&cid=1176157086783>)
Journal of Accountancy

Website(s)

<https://connect.mheducation.com/>

The following two websites are used to locate relevant accounting standards issued by the FASB and IASB.

<https://asc.fasb.org/>

<http://www.ifrs.org/IFRSs/IFRS.html>