

**UNIVERSITY OF ALBERTA
SCHOOL OF BUSINESS
DEPARTMENT OF ACCOUNTING & OIS**

**Accounting 480, Section A1
Term I, 2019/2020
Course Outline**

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Office Hours: T R 13:30 – 15:00 and by appointment

Class Time and Place:

MW 15:30 – 16:50

Bus. 4-9

Required material:

A course package that includes copyright case materials is available free of charge from the department office. Course notes are posted to eClass. Since in the early part of the course, we will begin the preparation of some exercises in forward-looking financial statements in class, you should bring your computer to class with you. I expect all students to have basic proficiency in excel.

Course Description:

This is primarily a case-based course that covers the preparation of integrated pro forma financial statements and their use in making financial decisions, as well as selected other topics in financial accounting. The course contains sufficient technical material to ensure familiarity with the financial reporting issues discussed, but we will also focus on the interpretation and use of financial information for purposes of decision making.

This course is aimed at students who have demonstrated excellence in their coursework to date. In addition to learning the new skill of preparing forward-looking financial statements, this course will building upon your financial accounting knowledge by giving you the opportunity to apply that knowledge in case situations that are less structured than textbook problems. Professional accounting exams, and the practice of professional accounting, require that you demonstrate good business sense as well as technical proficiency. You will need to develop the ability to identify issues that are not directly brought to your attention, and be able to rank issues so as to allocate your time to more pressing issues first before turning to issues that are not as important or time sensitive. The case method will give you good practice in doing this.

Both oral and written communications are important in business, and accordingly, you will be evaluated on both in this course. While you will have been evaluated extensively on written communication already, you may have less experience with evaluation of oral communication. Please see the description under the “Evaluation” heading for information on how I will evaluate your communication.

The course incorporates the learnings goals of the undergraduate program, in particular, critical thinking, communication skills, (both written and verbal), and quantitative skills.

E-mail

I will reply to e-mail enquiries within two working days. Messages will be read and answered only if they are sent from a University of Alberta address. If your question requires a long or involved answer, I reserve the right to ask you to come to my office rather than attempting an explanation via e-mail.

The Evaluation System

There will be two take-home case exams, a participation grade, and a case presentation. You may work in groups of 2 for your case presentation.

	<u>Date</u>	<u>Weight</u>
Participation	All term	20%
Hand in exam 1*	October 9	30%
Hand in exam 2*	November 18	30%
Case presentation*	See class schedule	<u>20%</u>
		<u>100%</u>

* Since the cases used for hand-in examinations will be discussed in class on the date they are due, late work will not be accepted. If you fail to hand in take-home work, or fail to present the case assigned to you, I will replace the evaluation with a final examination to be written December 13 at 9 am, which is the date scheduled by the registrar for the final examination in this course. The duration of your final examination will be dependent on the extent of take-home examination material you have failed to hand in, to a maximum of 3 hours. There will be no final examination for students who have completed all of the take-home examinations.

Please refer to the note “Introduction to the Case Method” for information as to how to prepare both a written case submission and a presentation. I have not set a minimum or maximum page limit for written case submissions. Note, however, that I will deduct marks both for omission of items you should consider and for padding the write-up with irrelevant material. Your report should include the material (qualitative as well as quantitative) that you consider necessary to address the issues raised in the case, and only that. Quantitative analysis should be attached as appendices to the report, and appropriately referenced in the body of the report. I will grade you on the organization of your report as well as on content. You will lose marks for a report that is not spell-checked and grammatically correct. Your report should be presented in well-organized paragraphs with complete sentences, not in point form.

For your group presentations, if you are the group assigned to present the case, I also require that you hand in a written analysis of the case. I will grade you on both your presentation and your written report All students should be prepared to take part in the discussion of the cases assigned for group presentation, since we will follow the group presentation with a class discussion of the case.

You should come to class having read all the assigned materials, ready to participate in the discussion of the assigned case and/or other materials. Twenty % of your final grade is the result of your contribution to the class discussion. The grade I assign you will be a subjective assessment of the value of your input and will be based on the records I keep of each student's contribution after each class. For example, starting a discussion with a good review of the issues, or sharing meaningful analysis and interpretation of the issues will count more than a casual comment or being part of the general discussion. If the case includes a quantitative analysis that is necessary to your decision (which most cases do), I will not assign you a high participation score if it is evident that you have not attempted the quantitative analysis. Comments that indicate you have not prepared the case materials will detract from your participation grade. You should feel free to disagree with another student (or with me), but comments that are derogatory to another student will detract from your participation grade. The case discussion environment is a learning experience, so if one of your classmates makes a point that you feel is incorrect, it is entirely appropriate to comment on this, but it is important to do so courteously. Please also refer to the "Course Etiquette" section of the syllabus for guidance on the behaviour I expect of you. Note that you can only obtain participation points by coming to class and participating; I do not make appointments with students who miss class to allow them to demonstrate outside of class time that they have prepared the case. Further, although you obviously cannot participate if you do not attend class, simply attending class does not constitute participation; you need to contribute to the discussion.

I will convert percentage grades to letter grades as follows:

<u>Percentage Grade</u>	<u>Letter Grade</u>
95%+	A+
90%-94%	A
85%-89%	A-
80%-84%	B+
75%-79%	B
70%-74%	B-
65%-69%	C+
60%-64%	C
56%-59%	C-
53%-55%	D+
50%-52%	D
<50%	F

People below these cut-offs may receive the higher scale score; however, this will be at my discretion.

If you have concerns about grading, I will re-grade your work if you submit it to me along with a written request explaining why you feel you deserve more marks within 2 weeks of my handing the work back.

Etiquette

Certain types of behaviour are distracting both to the instructor and to your fellow students. Therefore, I ask that you:

1. Arrive on time for class and stay until class is over.
2. Refrain from using personal communication or entertainment devices in class.
3. Not engage in conversations with your fellow students that are separate from the class discussion.
4. Turn off your cell phone.

Please note that any of the above behaviors will detract from your participation grade.

Academic Integrity

The University of Alberta is committed to the highest standards of academic integrity and honesty. Students are expected to be familiar with these standards regarding academic honesty and to uphold the policies of the University in this respect. Students are particularly urged to familiarize themselves with the provisions of the Code of Student Behaviour (online at <http://www.governance.ualberta.ca/StudentAppeals.aspx> and avoid any behaviour which could potentially result in suspicions of cheating, plagiarism, misrepresentation of facts and/or participation in an offence. Academic dishonesty is a serious offence and can result in suspension or expulsion from the University.

Schedule of Topic Coverage

Please note that for all of the cases, I have posted the requirements to your Ulearn page. Complete these requirements rather than the questions contained in cases.

	Topic	Readings and assignments
September 4	Introduction to the case method	Read “Introduction to the case method”.
September 9	Cash flow analysis (historical)	Complete the case Polly Peck International.
September 11	Cash flow analysis (historical)	Complete the first set of assignment questions on the case Justin Anson Distillery.
September 16	Cash flow projections	Read the note “Building Forward Looking Financial Statements”. We will complete cash flow projections for Justin Anson Distillery in class.
September 18	Cash flow projections	Complete the case Urban Water Partners.
September 23	Cash flow projections	Complete the case Guna Fibres.
September 25	Cash flow projections	Complete the case Cartwright Lumber. PICK UP EXAM 1 IN CLASS.
September 30	Earnings management	Read the note “Interpreting the earnings number in the presence of strategic management disclosures” and the articles “The power of auditors”, “Never say never”, and “Informative or misleading?” Complete the Bausch and Lomb exercise contained in the note. Complete the case The Midnight Journal Entry
October 2	Accounting for cannabis firms	Prepare the case HEXO Corp.

October 7	Revenue recognition and multiple deliverables	Read the note “Multiple Deliverables and Accounting for the iPhone Upgrade program”. Complete the case Accounting for the iPhone Upgrade program. (Questions are contained in the note on Multiple Deliverables.)
October 9	Hand in EXAM 1 <u>at the beginning of class</u> ; Exam 1 discussed in class	
October 14	THANKSGIVING (no class)	
October 16	Consolidation at acquisition	Read the note “Consolidation at acquisition”.
October 21	Consolidation at acquisition	Prepare the case “Bluewater Foods”.
October 23	Leases	Read the note “IFRS 16: Leases”. Prepare the case “Air Canada: Bond Ratings and Off-Balance Sheet Operating Leases”.
October 28	Convertible Debt	Read the note “Debt or Equity?”. Prepare convertible debt problems (found on final page of course note).
October 30	Convertible Debt	Prepare the case “Corning Inc.: Zero Coupon Convertible Debentures”. PICK UP EXAM 2 IN CLASS
November 4	Stock-Based Compensation	Read the note “Employee Stock Options”. Prepare the case Kinross Gold Corporation: Accounting for Stock-based Compensation.
November 6	UFE Case 1	Prepare the case ASAP
November 11-15	FALL CLASS BREAK	
November 18	Hand in EXAM 2 <u>at the beginning of class</u> ; Exam 2 discussed in class	
November 20	UFE case 2	Prepare the case Mitchum Office Supplies
November 25	UFE case 3	Prepare the case Reality TV
November 27	UFE case 4	Prepare the case Bold Spice
December 2	UFE case 5	Groups 1 and 2 present (maximum ½ hour each)
December 4	UFE case 6	Groups 3 and 4 present (maximum ½ hour each)