



**The University of Hong Kong  
Faculty of Business and Economics  
School of Business  
Academic Year 2016 – 17**

**ACCT4104 / BUSI0003 Advanced Financial Accounting  
Course Outline**

**I. COURSE INFORMATION**

**Course Name:** Advanced Financial Accounting

**Course Code:** ACCT4104 / BUSI0003

**Prerequisite:** Students MUST have passed ACCT3103 / BUSI0020

**Textbook:** *Advanced Accounting*, by Hoyle, Joe Ben and Schaefer, Thomas F., 12<sup>th</sup> Edition (McGraw-Hill).

<u>Subclass</u>	<u>Instructor</u>	<u>Email</u>
A,B	Dr. Jasmine KWONG	jkwong@business.hku.hk
C, D, E	Dr. Jasmine KWONG	jkwong@business.hku.hk

**II. COURSE DESCRIPTION AND OBJECTIVES**

Advanced Financial Accounting continues to address accounting theory and practice beyond the intermediate level and with an emphasis on business combinations, consolidated financial statements and foreign exchange transactions. We aim to equip students with a deeper knowledge of the financial reporting environment with a global outlook. This course will look at the various methods the accounting profession uses to prepare group accounts. The preparation of group accounts is an important accounting technique. One strand to the course is the methodology of group accounts - the various accounting procedures needed to prepare consolidated balance sheets and income statements. The other aspect is an awareness of the reasons for the controversies which have developed around the various methods of accounting for business combinations. We shall discuss the relative merits of these different methods.

**III. LEARNING OUTCOMES**

**INTENDED LEARNING OUTCOMES (ILOs)**

On completion of this course, students will be able to:

*ILO1.* Identify different kinds of business combinations and business group structures;

*ILO2.* Apply appropriate accounting procedures to consolidate group accounts accurately;

- ILO3.* Incorporate foreign currency translation in consolidation of financial statements of multinational companies;
- ILO4.* Describe the significance of different accounting standards (e.g. IFRS, US GAAP) in group accounting;
- ILO5.* Demonstrate sound communication skills with precise business language and good quality of leadership skills through team work.

#### **ALIGNMENT OF PROGRAM AND COURSE ILOs**

<b>Program ILOs</b>	<b>Course ILOs</b>
1. Acquisition and internalization of knowledge of accounting, business and economics	ILOs 1,2,3,4
2. Application and integration of knowledge	ILOs 2,3
3. Inculcating professionalism and leadership	ILO 5
4. Developing global outlook	ILOs 3,4
5. Mastering communication skills	ILO 5

#### **IV. TEACHING AND LEARNING ACTIVITIES (TLAs)**

##### *TLA1. Interactive lectures*

- Lectures: in-depth knowledge of advanced financial accounting is covered using PowerPoint slides. The concepts and techniques are illustrated using examples. In order to follow the lectures closely, students are encouraged to work along with the lecturer on these examples.
- In-class discussions: students are encouraged to raise questions, participate in discussions and share ideas with their peers. These discussions facilitate students to formulate their own opinion on controversial issues.

Major focus: ILOs 1, 2, 3, 4, 5.

##### *TLA2. Weekly Tutorials*

- Weekly assignments: students are required to complete assigned homework individually before each tutorial session. Completing assignments is essential for students to better understand the concepts and techniques learned in class. The solutions of assignments will be discussed during the tutorials so that students are aware of the common mistakes.
- In-class exercises: another purpose of tutorials is to further develop students' ability to apply the knowledge learned from the lectures and the course textbook through more practices. Students are required to participate actively in the in-class exercises and discussions.

Major focus: ILOs 1, 2, 3, 4.

*TLA3. Group project and outside-classroom activities*

- Group project: Students are required to apply the knowledge learned from this course to analyze issues on business combinations. Group members are to meet, work together and contribute jointly to complete the project. Students are required to make a presentation to discuss certain important issues of the project. The issues have a broad coverage, including applications of accounting knowledge to real-life situations, discussions of controversial issues in standard setting, discussions of ethical issues, etc. This project aims to help students improve critical thinking abilities and research skills.
- Instructor and tutor consultations: each instructor (tutor) will provide 3 (4) hours of consultation weekly to address students’ questions related to the course.

Major focus: ILOs 1, 2, 3, 4, 5.

**V. STUDY LOAD**

Course Teaching and Learning Activities	Expected Contact Hour	Study Load (% of study)
T&L1. Interactive Lectures	36	30%
T&L2. Tutorials	12	10%
T&L3. Group Project	24	20%
T&L4. Assignments and Self-study	48	40%
Total	120	100%

**VI. ASSESSMENT TASKS (ATs) AND GRADING CRITERIA**

Assignments	10%
Tutorial Participation	5%
Group project	15%
Mid-term Test	20%
<u>Final exam</u>	<u>50%</u>
Total	100%

*AT1. Assignments (10%)*

Students are required to complete selected assignments individually before tutorials. The assignments will be collected and graded by the tutor.

**Grading Criteria**

ILO	A+ A A-	B+ B B-	C+ C C-	D+ D	F
ILOs 1,2,3	Submitted all assignments with more than 90% accuracy.	Submitted at least 80% of assignments with more than 80% accuracy.	Submitted at least 70% of assignments with more than 70% accuracy.	Submitted at least 60% of assignments with more than 60% accuracy.	Submitted less than 60% of assignments with less than 60% accuracy.

*AT2. Tutorial Participation (5%)*

Students are expected to attend and participate actively in the course. Being absent from class will negatively affect students’ participation performance. Discussions will be held during tutorials. Each student will be evaluated on the quality as well as quantity of their participation by the tutor on an individual basis.

### Grading Criteria

ILO	A+ A A-	B+ B B-	C+ C C-	D+ D	F
ILOs <b>1,2,3, 4,5</b>	Extremely well prepared for class discussion, active in sharing views and experience.	Partially prepared for class discussion, quite active in sharing views and experience.	Not well prepared for class discussion, limited active in sharing views and experience.	Not well prepared for class discussion, no sharing of views but limited sharing of experience.	Poorly prepared for class discussion and no sharing of views and experience.

### AT3. Group Project (15%)

Students are required to form their own groups of 5 members. The project aims to provide students an opportunity to apply their knowledge learned in this course to analyze issues in business combinations. Each group is responsible for giving an oral presentation regarding a case study on certain ethical or accounting issues in business combinations. Details of the group project will be given in a separate document.

Major focus: ILOs **1, 2, 3, 4, 5**

### Grading Criteria

Grade	<b>Depth and breadth of coverage, critical elements, structure, language and conventions</b>
A+,A, A-	<p>The presentation was highly successful at communicating the essential elements of the topic to the audience.</p> <p>Concepts were thoroughly explained and clarified.</p> <p>The presentation demonstrated deep understanding and comprehension of the topic.</p> <p>There was clear evidence of independent thought and reflection on the topic.</p> <p>The topic was covered in a highly professional and organized manner.</p> <p>The presenter displayed excellent verbal skills and delivered a highly interesting, coherent presentation at an appropriate level for the audience.</p>
B+, B, B-	<p>The presentation was successful at communicating the essential elements of the topic to the audience.</p> <p>Most concepts were well explained and clarified.</p> <p>The presentation demonstrated sound understanding and comprehension of most aspects of the topic.</p> <p>The topic was covered in a professional and organized manner.</p> <p>The presenter displayed good verbal skills and mostly delivered an interesting, coherent presentation at an appropriate level for the audience.</p>
C+, C, C-	<p>The presentation adequately communicated most of the essential elements of the topic to the audience.</p> <p>Most concepts were adequately explained.</p>

	<p>The presentation demonstrated good understanding and comprehension of most aspects of the topic.</p> <p>The topic was covered in an organized manner.</p> <p>The presenter displayed adequate verbal skills and delivered a mostly coherent presentation at an appropriate level for the audience.</p>
D+, D	<p>The presentation basically covered the main aspects of the topic.</p> <p>The presentation demonstrated basic understanding and comprehension of most of the topic.</p> <p>The topic was covered in a basic manner.</p> <p>The presenter displayed minimal standards of verbal skills and or coherence and organization.</p>
F	<p>The presentation was poorly addressed and or concepts were inadequately explained.</p> <p>The presentation did not demonstrate sufficient understanding and comprehension of the topic.</p> <p>The topic was not covered acceptably and or was poorly organized.</p> <p>Verbal skills were inadequate.</p>

*AT4. Mid-Term Test (20%) and Final Exam (50%)*

With the exception of extremely special cases, **NO MAKEUP** test will be allowed unless students have sought and received **ADVANCE** permission from the lecturer. The test will be held mid of the term as part of the continuous assessment of the course. Since the course material taught is cumulative, students are encouraged to put in timely and continuous effort throughout the semester.

The final exam will be held in the normal examination period. It is a closed book comprehensive exam which covers all chapters and topics listed in Part VII. The objective of the final exam is to further enhance students' understanding of the concepts and theories and develop their ability to apply the knowledge in different business situations.

**Grading Criteria**

ILO	A+ A A-	B+ B B-	C+ C C-	D+ D	F
ILOs <b>1, 2, 3, 4, 5</b>	Provided accurate solutions to all problems, gave detailed and insightful responses to all essay questions and scored	Provided accurate solutions to most problems, gave detailed responses to most essay questions and scored	Provided accurate solutions to some problems, gave limited responses to some essay questions and scored	Provided accurate solutions to a few problems, gave unclear responses to most essay questions and scored correctly on	Skipped some problems or provided inaccurate solutions to most problems, gave poor responses to most essay

	correctly on more than 90% of the multiple choice questions	correctly on more than 80% of the multiple choice questions	correctly on more than 70% of the multiple choice questions	more than 60% of the multiple choice questions	questions and scored correctly on less than 60% of the multiple choice questions
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## VII. COURSE SYLLABUS

Course Coverage	Topic
Ch. 1	The Equity Method of Accounting for Investments
Ch. 2	Consolidation of Financial Information
Ch. 3	Consolidations – Subsequent to the Date of Acquisition
Ch. 4	Consolidated Financial Statements and Outside Ownership
Ch. 5	Consolidated Financial Statements – Intra-Entity Asset Transactions
Ch. 6	Variable Interest Entities, Intra-Entity Debt, Consolidated Cash Flows, and Other Issues
Ch. 7	Consolidated Financial Statements – Ownership Patterns and Income Taxes
Ch. 10	Translation of Foreign Currency Financial Statements

## VIII. ACADEMIC CONDUCT

- Plagiarism and copying of copyright materials are serious offences and may lead to disciplinary actions. You should read the chapters on “Plagiarism” and “Copyright” in the Undergraduate/Postgraduate Handbook for details. You are strongly advised to read the booklet entitled “What is Plagiarism?” which was distributed to you upon your admission into the University, a copy of which can be found at [www.hku.hk/plagiarism](http://www.hku.hk/plagiarism). A booklet entitled “Plagiarism and How to Avoid it” is also available from the Main Library.
- You are required to attend all classes and tutorials on time. In case you cannot attend a class you should inform the instructor beforehand.

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