BAKER COLLEGE
STUDENT LEARNING OUTCOMES

ACC4910 Advanced Accounting
3 Semester Credit Hours

Student Learning Outcomes and Enabling Objectives

1. Apply the appropriate financial accounting and reporting requirements (GAAP) to business combinations
    a. Identify the types of business combinations and describe the accounting for each.
    b. Calculate the carrying amount of equity method investments and prepare journal entries.
        i. Distinguish when the equity method of accounting is applied to an investment.
        ii. Measure impairment losses to be recognized in the financial statements on equity method investments.
    c. Calculate the consideration transferred in a business combination.
    d. Prepare journal entries to record the identifiable net assets acquired in a business combination that:
        i. Results in the recognition of goodwill.
        ii. Includes a controlling interest.
        iii. Results in the recognition of a bargain purchase gain.
    e. Adjust the financial statements to properly reflect changes in contingent consideration related to a business combination
    f. Adjust the financial statements to reflect measurement period adjustments related to a business combination.

2. Produce consolidated financial statements from supporting documentation.
    a. Explain basic consolidation concepts and terms (i.e., controlling interest, non-controlling interest, primary beneficiary, variable interest entity).
    b. Prepare consolidating worksheets (including adjustments, eliminations, and/or non-controlling interests) from supporting documentation.
        i. Adjust consolidated financial statements for inter-company transactions.
        ii. Detect, investigate, and correct discrepancies identified while agreeing the consolidated financial statement amounts to supporting

documentation.

c. Record and disclose the activity of Variable and Special interest entities.
d. Determine the impact of differences between IFRS and U.S. GAAP on the consolidated financial statements.

3. Analyze the impact of foreign currency transactions on financial reporting and analysis.
    a. Discuss the basic functional currency concepts, including the indicators considered when determining an entity's functional currency.
        i. Identify the variables that effect exchange rates
        ii. calculate whether a currency has depreciated or appreciated against another currency over a period of time, and evaluate the impact of the change
    b. Calculate transaction gains and losses recognized from monetary transactions denominated in foreign currency.
    c. Adjust an entity's financial statements (local currency to functional currency or functional currency to reporting currency) and recognize the effect on equity through net income or other comprehensive income.
    d. Calculate the impact of changes in exchange rates on financial ratios.
    e. Discuss the possible impact on management and investor behavior of volatility in reported earnings.

4. Demonstrate how currency futures, currency swaps, and currency options can be used to manage exchange rate risk
    a. Identify the characteristics of a freestanding and/or embedded derivative financial instrument to be recognized in the financial statements
    b. Identify the criteria necessary to qualify for hedge accounting.
    c. Prepare journal entries for hedging transactions
    d. Prepare journal entries for derivative financial instruments (swaps, options, and forwards).

5. Apply the appropriate financial accounting and reporting requirements (GAAP) to interim and segment reporting.
    a. Explain the goal of interim reporting and how the interim period is viewed relative to an annual period.
    b. Demonstrate how principles of revenue and expense recognition are modified for interim reporting purposes.
    c. Show how income tax expense or benefits tied to income from continuing operations are determined for an interim period.
    d. Determine the income tax expense or benefit for non-ordinary items of

income and loss reported for interim periods.

e. Explain why segmental reporting is important, and define an operating segment.
f. Apply the criteria used to determine which segment is reportable.
g. Describe the information about a reportable segment that must be disclosed.
h. State which entity-wide disclosures must be provided.

6. Examine the accounting procedures for partnerships
    a. Explain the basic characteristic of a partnership
    b. Identify the basic elements that should be included in a partnership agreement.
    c. Describe the four stages of the partnership life-cycle: formation, operation, realignment, and dissolution.
    d. Prepare journal entries for the formation of a partnership.
    e. Apply the various bases used for allocating profits or losses among partners.
        i. Discuss the conceptual differences between the bonus and goodwill methods.
        ii. Describe the criteria for determining the appropriate method.
    f. Prepare a statement of partners' capital.
    g. Account for the admission of a new partner through direct contribution to an existing partner.
    h. Explain the impact of a partner's withdrawal from the partnership.
    i. Describe the order in which assets must be distributed upon liquidation of a partnership, and explain the right-of-offset concept.
    j. Understand the treatment for capital deficiencies and unsatisfied creditors.
    k. Calculate the assets to be distributed to a given partner in a lump-sum or installment liquidation, and understand the concept of maximum loss absorbable.
    l. Prepare an installment liquidation statement and a schedule of safe payments.

7. Apply the appropriate accounting and financial reporting requirements to bankruptcies and reorganizations.
    a. Distinguish between Chapter 7 and Chapter 11 bankruptcy.
    b. Describe the ways in which debt can be restructured in a reorganization.
    c. Prepare the documentation and reporting required for liquidations and reorganizations.

8. Analyze public company reporting requirements.
    a. Discuss the purpose of forms 10-Q, 10-K and 8-K that a U.S. registrant is required to file with the U.S. Securities and Exchange Commission under the Securities Exchange Act of 1934.
    b. Identify the significant components of Form 10-Q and Form 10-K filed with

the U.S. Securities and Exchange Commission.

c. Prepare financial statement note disclosures for reportable segments.

Big Ideas and Essential Questions

Big Ideas

- Business combinations
- The consolidation processes
- Foreign currency transactions and translation
- Derivatives and hedging
- Accounting for partnerships
- Bankruptcy and reorganization
- SEC and Financial reporting

Essential Questions

1. How does Generally Accepted Accounting Principles (GAAP) determine the proper financial accounting and reporting of business combinations?

2. How does Generally Accepted Accounting Principles (GAAP) determine the proper financial accounting and reporting of partnerships?

3. How does Generally Accepted Accounting Principles (GAAP) determine the proper financial accounting and reporting of foreign currency transactions?

4. What role does the Securities and Exchange Commission play in public company financial reporting?

5. Why are there different types of bankruptcy filings?

6. How does Generally Accepted Accounting Principles (GAAP) impact interim and segment reporting?

These SLOs are not approved for experiential credit.

Effective: Fall 2023