Accounting 406/706
Advanced Financial Reporting

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Note: This textbook is important to the course because we will follow the book quite closely and the homework problems are from the book. Previous versions of the book will not work. There are many changes from edition to edition. For your convenience, a copy of the textbook is put on reserve at the Business Library.

Office Hours: Office hours will be held on Thursdays between 10am and 12pm or by appointment. You are strongly encouraged to stop by to discuss current business issues, ask questions about the course material, go over homework problems, get professional advice or just stop by to get to know me on a more personal basis. If office hours do not work for you, then send me an e-mail and we will set up an appointment at an alternate time. You can also get your questions answered through e-mail.

Grading:

Three unit exams @ 25% each 75%
Participation 15%
Case write ups (4 group cases) 10%

The final grade will be based on curving. The average will be somewhere between B and AB, since this is both an undergraduate and graduate course. (Undergraduate and graduate students will be treated equally in terms of grading.)

Course Objectives: We will be covering three areas: (1) business combinations and consolidations, (2) foreign currency transactions, and (3) reporting for state and local governments. The class will be taught in discrete units that correspond to these three broad areas, with an exam at the end of each unit. (We will not have a final exam.) This course will help you toward CPA exam, and more importantly, will help you cumulate knowledge and develop learning skills for your long-run career.

IFRS note: The body of U.S. GAAP is undergoing a rapid rate of transformation in response to changes in the business environment and in response to demands for new and different information from stakeholders and regulators. This can be appreciated by examining the topics in our courses: most of the standards are newly implemented in the last several years. There are potentially more changes to come with the converging of U.S. GAAP and IFRS. Therefore, a grasp of the theory that underlies the rules is essential in adapting to the changing regulatory environment. From time to time, I will supplement the textbook with materials on U.S. GAAP and IFRS comparisons, related standard setting processes and concerns, policy debates, etc.

Readings: You should read the assigned material at least once before the class meets and go through the material more after class to fully grasp the material.

Homework: Homework is assigned but will not be collected. Assignments are designed to help you master the material. I have selected a number of end-of-chapter assignments for each chapter.
Solutions will be available on-line. **You should attempt the assignments before looking at solutions as merely reading the solutions will be of little use to you.** Historically, there has been a strong link between achieving comfort and accuracy with the homework and achieving a high grade on the examination. If you have questions about the problems after reviewing the solutions, feel free to ask me about them. If you feel that you would like to do more practice problems to cement your technical skills, please let me know and I will provide you with the solutions to those as well.

**Exams:** Each unit will be tested by a comprehensive exam, given during regular class hours. Exams will be a combination of conceptual material (tested through multiple choices, essays, or short answers) and technical material (tested through problems). Before each exam, I will conduct a review session, clarify what will be covered and what will not be and will give out more information about the format of each specific exam. Practice exams (and solutions) will be made available on line.

If you believe that an error has been made in grading your exam, you should stop by and talk to me about why you believe an error has been made. You will have about one week after each exam to do that.

**Participation:** The participation grade will be based on several dimensions, including attendance, participation in in-class exercises, participation in case discussions, and general participation. In terms of participation, you do not have to be correct to earn good participation points; the key is being attentive and active; everybody will benefit from your being an active, contributing member of the class.

If you have an excused absence, let me know beforehand. For a list of situations warranting an excused absence, see the student handbook or the school’s website.

**Group Work:** You will be randomly assigned to a group at the beginning of a term and will work with that group throughout the semester on four cases. For each case, a two-page (single-spaced) write up from each team will be collected at the beginning of class. At the end of the term, I will ask you to fill out a team evaluation form. The grades for the cases may be adjusted upwards or downwards as a function of the feedback from team evaluations.

**FULL DISCLOSURE OF MATERIAL RISKS:** I want this class to be an enjoyable and valuable experience for everyone. To ensure maximum goal convergence, I offer the following Full Disclosure. Please read these carefully in order to determine if this is the class for you, and if this is the right term in which to take this class.

- **This is the fifth in a five-class sequence on financial reporting.** If you are missing the prerequisites (Intermediate I and II) or you are unfamiliar with U.S. GAAP, you should consider taking it later. Please talk to me about specific concerns.
- **This class is directed at accounting students and focuses on professional accounting issues.** If you are not an accounting student or you are not interested in the details of accounting for business combinations and foreign transactions, you should take a different class.
- **This course emphasizes in-class exercises and participation.** This is a difficult course (ask anyone who has taken CPA exam how they like consolidation and you get the idea.) Therefore practice is very important. I will provide many opportunities for in-class exercises and reviews. You are expected to engage actively in the exercises and review questions.
• **This class requires access to the Internet.** You must have a UW Logon and access to a computer in order to obtain handouts, solutions, outlines, and receive your grades. Remember to check the course website frequently for updated material.

• **This class requires a minimum of 10 hours of work per week in addition to the time you spend in class.** If you are taking more than four courses this semester, or are enrolled in more than two accounting courses, you may wish to take this class in another term.

Make-Up Work: Make-up exams will be given only for university-approved and documented absences. In order to qualify for a make-up exam, you must 1) contact me before the exam to arrange the make-up, and 2) provide documentation of a university approved absence.

**Academic Dishonesty:** The professional value of an accountant lies in his or her professional reputation. Investors, creditors, and government officials rely on our collective integrity to make decisions that have the potential to cost millions of dollars. As a practicing professional, you will be called upon to exercise your professional judgment in countless situations where no “bright line” standard exists. It is a good idea to start now and pay careful attention to maintaining academic integrity.

**Disabilities and other circumstances:** If you have a disability and require accommodations to obtain equal access in this course, please contact me at the beginning of the semester and in advance of any test or assignment for which an accommodation is required. If other circumstances arise that need special accommodations, let me know and I will try my best.

**H1N1 disclosures:** The University has expressed concerns about the H1N1 virus and the potential for an epidemic during fall 2009 semester. The University has advised all instructors to prepare for a potential university shut-down dictated by the state or CDC should an epidemic break out. I have made tentative plans to conduct this course online rather than in person should it become necessary. Should the term be cut short, the grades will be based on what have been delivered and tested upon.