



## Course Outline

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Accounting and Finance  
School of Business & Economics  
ACCT 4200 - **3.00** - Academic  
Advanced Financial Accounting

## Rationale

Update Calendar Description.

## Calendar Description

Students examine a number of complex issues in advanced financial reporting. Topics include financial accounting standards, temporary and long-term investments in both debt and equity securities, investments with significant influence, an in-depth study of business combinations, joint ventures, foreign currency transactions, fair value and cash flow hedges, consolidation of foreign operations, not-for-profit organizations, and public sector reporting objectives and issues.

## Credits/Hours

**Course Has Variable Hours:** No

**Credits:** 3.00

**Lecture Hours:** 3.00

**Seminar Hours:** 0

**Lab Hours:** 0

**Other Hours:** 0

*Clarify:*

**Total Hours:** 3.00

**Delivery Methods:** (Face to Face)

**Impact on Courses/Programs/Departments:** none

**Repeat Types:** A - Once for credit (default)

**Grading Methods:** (S - Academic, Career Tech, UPrep)

## Educational Objectives/Outcomes

1. Apply conceptual principles when selecting appropriate accounting policies.
2. Demonstrate the ability to assess a situation, identify issues and alternatives, and provide a recommendation using advanced accounting knowledge and ethical professional judgment.
3. Classify and account for various financial instruments using International Financial Accounting Standards.

4. Explain the concept of business combinations and the main theories and methods of accounting for business combinations.
5. Prepare consolidated financial statements at acquisition and in subsequent years for both fully owned and partially owned subsidiaries.
6. Apply the equity method of accounting for joint ventures (IFRS 11).
7. Translate foreign currency transactions and account for fair value and cash flow hedges.
8. Choose and apply the proper method to translate and consolidate foreign operations.
9. Explain the objectives of not-for profit organizations and account for these organizations using the guidelines in Part III of the CPA Canada Handbook. Apply the deferral method and the restricted fund method. Apply fund accounting and budgetary control.
10. Describe the financial reporting objectives for government and discuss the reporting issues relevant to government.

## Prerequisites

ACCT 3210-Intermediate Financial Accounting 2 or equivalent with a minimum C-

## Co-Requisites

## Recommended Requisites

## Exclusion Requisites

ACCT 4201-Advanced Financial Accounting  
BBUS 4200-Advanced Financial Accounting BBUS

4201-Advanced Financial Accounting

## Texts/Materials

### Textbooks

1. **Required** Hilton, Murray W. and Herauf, Darrell. *Modern Advanced Accounting in Canada*, 8th Canadian ed. McGraw-Hill Ryerson, 2016

## Student Evaluation

The Course grade is based on the following course evaluations.

**Term tests 40%**

**Assignments and quizzes 20%**

**Final exam 40%**

**Students must pass the final exam to pass the course.**

## Course Topics

Topics Include

1. Introduction
  - Survey of international accounting
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## Development of accounting standards

### 2. Temporary and Long-term Investments in Debt and Equity Securities

- FVTPL and FVTOCI investments in both debt and equity
- Investments in associates
- Cost method
- Equity method

### 3. Business Combinations

- Types of business combinations
- Joint ventures

### 4. Consolidation at Acquisition

- Consolidation theories and methods
- Consolidation on date of acquisition

### 5. Consolidation Subsequent to Acquisition

- Consolidation subsequent to acquisition
- NCI calculations subsequent to acquisition

### 6. Consolidation – Intercompany Profit in Inventory and Land

- Intercompany profits in inventory and land
  - Consolidated financial statements
  - Impairment

### 7. Consolidation – Intercompany Profit in Depreciable Assets

- Intercompany profits in depreciable assets
  - Intercompany bond-holdings

### 8. Foreign Currency Transactions

- Accounting for foreign currency transactions
- Hedges
  - Fair value hedge
  - Cash flow hedge

### 9. Translation and Consolidation of International Operations

- Functional currency
- Foreign currency transactions approach
- Foreign operation approach
- Translation gains and losses

## 10. Accounting for Not-for-profit Organizations

- Not-for-profit accounting
- Fund accounting
- Capital assets, and donated goods and services
- Deferral method
- Restricted fund method
- Budgetary controls and encumbrances
- Public sector reporting
  - Government reporting objectives
  - Government reporting issues

## **Methods for Prior Learning Assessment and Recognition**

As per TRU Policy

### **Last Action Taken**

Implement by Submission Preview Subcommittee Chair CurricUNET Administrator

Current Date: 27-Oct-20