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ACCT 611.01: Consolidated Financial Statements

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Acct 611: Consolidated Financial Statements  
Fall 2006 Syllabus

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Required text: Custom text, available at bookstore  
Course web site: http://courseware.business.umt.edu/

Values

As a young professional, you probably now realize that you face a long uphill climb to achieve your goals. Whether you want to work for a local CPA firm, a Big Four firm, in public practice, or somewhere else, your career as an accountant will not be easy. I cannot climb that professional mountain for you, nor can I move it or lower it. Rather, my goal as your professor is to set standards in the classroom that are appropriate for the level of the course, and then do everything in my power to help you meet those standards.

Now that you have entered the MAcct program, the standards for performance are necessarily higher than they are in a typical undergraduate course. Success in this course, for example, requires more than mere memorization of technical accounting rules for consolidating financial statements—it also requires a conceptual understanding of the logic (and occasional lack thereof) behind those rules, and the ability to communicate this understanding to others. The reason for this is simple: the technical rules often change. As professionals, you need to be aware of the issues surrounding these changes in order to be prepared for the new rules. The FASB and the IASB are currently working on a joint project to re-define the rules for business combinations, so this point is even more salient for our course than it may be for others. Memorizing the technical rules that are currently in place is not enough when those rules are set to change in the next year or two.

This course is part of your education as a young accounting professional. You will be treated with the respect that all young professionals deserve, and you are expected to accept the responsibilities of a young professional in return. While this sounds like a simple concept, its implications are far-reaching. For example, all of you are capable of high performance in this class—if you weren’t, you wouldn’t be in the MAcct program. However, some students fail to gain an appropriate understanding of the material either because they fail to apply appropriate effort to this course, or they apply their effort to the wrong activities.

I will present material and activities that are designed to help you understand the concepts and procedures related to consolidated financial statements, but I will not force you to do the things that will help you learn the material. As a young professional, you are responsible for your own motivation, and for making sure that you are learning the material that is presented in the classroom. If you aren’t sure whether you’re on the right track, it is your responsibility to talk to me about your concerns. I will offer all the help I can, but only if I know that you want it!

Objectives

This course is designed to help you:

1. Gain an understanding of the current accounting rules for business combinations, including: the equity method of accounting for investments, accounting for acquisitions, non-controlling interests, intercompany transfers, intercompany debt, and other consolidation issues.
2. Refine the professional skills that the accounting profession has identified as required competencies. (See related handout.)

Every activity in this course is designed to achieve one of these objectives. If you are unclear how a particular activity relates to these objectives, please feel free to discuss your concerns with me.

**Expectations**

**Participation**
Preparation and participation are **absolutely essential** components of this course. You will significantly improve your grade by preparing for and participating in class. The instructor may occasionally give pop quizzes in class. Your performance on these quizzes will influence your participation grade. Participation credit will be assigned at the instructor’s discretion and will also be based on your attention and attitude in class, your contribution to the course discussion board, and the quality of your participation in class discussions. Finally, your participation score will be affected by your Grouptalk performance and your group members’ evaluations of your work (see next section for more details).

**Grouptalk**
Success in business contexts requires research and presentation skills. During selected class periods, student groups will make in-class presentations (grouptalks) on topics relevant to the course or to the accounting assurance profession. Grouptalk teams will be randomly assigned on the first day of class. Grouptalk assignments generally will be posted on the course web site.

For each posted topic, two groups will be identified: one group will present, and the other group will prepare questions for the presenting group and critique the presentation. Before class, the presenting group should prepare handouts (e.g., analyses, annotated bibliographies, outlines) and audio-visual software files (e.g., MS PowerPoint). They also should practice their presentation. The critiquing group should be familiar enough with the materials to ask at least 4-5 thoughtful questions of the presenting group. (I will evaluate the quality of students' questions as part of the class participation component of your grade.) If an insufficient number of students volunteer to ask questions during a grouptalk, I will randomly select students to ask questions.

Groups can appoint individuals to present. Presenters will have ‘control’ of the floor for 10 to 15 minutes. Falling outside the 10-15 minute time range will result in a lower score. When presenting, use technology at your discretion. After your presentation, a free-flowing Q&A session will follow.

**Homework**
Assigned homework will not be collected and graded. However, on most days the assignment will form the basis for class discussions, thus you are **very strongly encouraged** to complete the assignment before coming to class. You will not learn this material if you ignore the homework assignments.

**Exams**
There will be one exam (see schedule for date). Only approved calculators will be allowed during the exam (see “fine print” below); the use of other electronic devices (PDAs, cellular phones, non-approved calculators, etc.) is strictly prohibited. Except in extremely rare circumstances, **make-up exams will not be offered.** Missing the exam will generally result in a score of zero; in cases of extreme emergency, I may (at my discretion) assign a score other than zero. (At a minimum, students in such cases must provide me with what I judge to be an unavoidable, reasonably verifiable excuse.)
Group project
The AICPA has identified the ability to work in a team setting as a “high opportunity competency” for accountants. Accordingly, a final team project is an important part of this course. Specific details about the project will be distributed in class, and the project will be due on the final day of class (3 November 2006).

Email/web access
The course website (listed above) will be utilized extensively throughout the course for certain activities (e.g., selected homework assignments, midsemester course evaluations, announcements, posting of grades, etc.). You are responsible for checking the website and your email often. Most announcements related to this course will be made via the website and over email. You are strongly encouraged to check your profile within the “Blackboard” program and ensure the email address listed is the one that you wish to use.

Discussion board
One potentially useful tool on the website is the Discussion Board. While I will check this board periodically, the usefulness of this learning tool will increase dramatically with the participation of you and your classmates.

If you have never used a discussion board before, you should consider it to be like an electronic “bulletin board” where ideas and questions can be posted, and other users can respond when they log in. Each “thread” within the main discussion board represents a discussion about a particular topic, and includes the original post and all responses to that post. (More details about the discussion board and its appropriate uses will be given during one of the first class sessions.)

Rewards
Your course grade will be based on three main components: Preparation & participation, final exam score, and final project score. Specific weights for each of these components are as follows:

<table>
<thead>
<tr>
<th>Item</th>
<th>Percentage of final grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Final exam score</td>
<td>40%</td>
</tr>
<tr>
<td>Final project score</td>
<td>30%</td>
</tr>
<tr>
<td>Preparation &amp; participation</td>
<td></td>
</tr>
<tr>
<td>Grouptalk presentation</td>
<td>10%</td>
</tr>
<tr>
<td>Grouptalk questions &amp; critique</td>
<td>10%</td>
</tr>
<tr>
<td>In-class activities and quizzes</td>
<td>5%</td>
</tr>
<tr>
<td>Instructor discretion</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
The “fine print”:

Academic integrity
Integrity and honesty are hallmarks of the accounting profession. It is your duty to abide by the University’s academic policies, and it is my duty to enforce those policies. Cheating of any sort will not be tolerated. Cheating, failure to follow instructions, and/or failure to follow course policies may result in a reduced grade or a failing grade at the instructor’s option.

A message about academic integrity, from the Provost’s office:

All students must practice academic honesty. Academic misconduct is subject to an academic penalty by the course instructor and/or a disciplinary sanction by the University.

All students need to be familiar with the Student Conduct Code. The Code is available for review online at http://www.umt.edu/SA/VPSA/index.cfm/page/1321.

Calculator policy
The faculty of the Department of Accounting and Finance has approved two calculators for use in all accounting and finance courses. The specific models are the Texas Instruments BA II+ and the Hewlett-Packard 10BII. Only these two calculators will be allowed during exams.

Classroom Conduct
Professionalism and common courtesy are expected and students who are disruptive may be asked to leave. If you have questions as to proper classroom behavior, please ask the instructor.

Disability accommodations
If you have a documented disability for which you are requesting accommodations, please see the instructor during the first week of class.

Greivance policy
Although conflicts between students and instructors are rare, they do occasionally occur. Please be aware that the standard operating procedure for dealing with such conflicts in the School of Business Administration is as follows:

1. Try to resolve the conflict with the instructor.
2. If you feel that the conflict cannot be resolved between yourself and the instructor, contact the department head.
3. If, after speaking with the department head and the instructor, you still feel that the conflict has not been resolved, contact the dean of the School of Business Administration.

Incomplete policy
University policies regarding incompletes will be followed. In particular, the policy on incompletes is as follows:

The incomplete is not an option to be exercised at the discretion of students. In all cases it is given at the discretion of the instructor within the following guidelines . . . A mark of incomplete may be assigned students when:

1. They have been in attendance and doing passing work up to three weeks before the end of the semester, and
2. For reasons beyond their control and which are acceptable to the instructor, they have been unable to complete the requirements of the course on time. Negligence and indifference are not acceptable reasons.

SOBA mission statement
The faculty and staff of the School of Business Administration at The University of Montana are committed to excellence in innovative learning and professional growth through research and service.