WILMINGTON UNIVERSITY
COLLEGE OF BUSINESS
BASIC COURSE INFORMATION

COURSE TITLE: Advanced Accounting I
COURSE NUMBER: BAC 401

I. RATIONALE:

Accountants must know how to deal with the accounting and reporting requirements of issues such as mergers and acquisitions, complex business entities, and new organizational structures for conducting business.

II. MAJOR INSTRUCTIONAL GOALS:

GOAL A:
The student will account for business combinations under the purchase method.

Learning Outcomes: The student will:

A-1 Identify forms and methods of business combinations
A-2 Determine the components of the purchase price for asset or stock acquisitions
A-3 Identify appropriate accounting and reporting methods for business combinations
A-4 Allocate purchase price to assets and liabilities acquired, including goodwill.
A-5 Describe the disclosure requirements for business combinations.

GOAL B:
The student will account for inter-corporate investments.

Learning Outcomes: The student will:

B-1 Account for investments in common stock using the cost method.
B-2 Account for investments in common stock using the equity method.

GOAL C:
The student will consolidate financial statements as of the date of acquisition.

Learning Outcomes: The student will:

C-1 Complete a consolidating work paper to prepare a consolidated balance sheet, including elimination of inter-corporate investments as of the date of acquisition.
GOAL D:
The student will prepare consolidating financial statements following acquisition.

Learning Outcomes: The student will:

D-1 Identify and apply “control” concepts to parent/subsidiary relationships.
D-2 Prepare eliminating journal entries required to prepare consolidated financial statements, including applicable recognition of cost, equity and full consolidation reporting.
D-3 Complete consolidating work papers to prepare a consolidated balance sheet, income statement, and retained earnings statement subsequent to the date of combination.

GOAL E:
The student will account for inter-corporate transfers of noncurrent assets.

Learning Outcomes: The student will:

E-1 Prepare elimination and adjusting entries to account for transfers of noncurrent assets.
E-2 Prepare consolidating work papers to account for transfers of noncurrent assets.

GOAL F:
The student will account for intercompany inventory transactions.

Learning Outcomes: The student will:

F-1 Prepare elimination and adjusting entries to account for inventory transactions.
F-2 Prepare consolidating work papers to account for inventory transactions.

GOAL G:
The student will account for intercompany indebtedness.

Learning Outcomes: The student will:

G-1 Prepare elimination and adjusting entries to account for notes and bonds payable.
G-2 Prepare consolidating work papers to account for intercompany notes, bonds and other debt obligations.
GOAL H:
The student will account for complex ownership issues.

Learning Outcomes: The student will:

H-1 Account for the changes in subsidiary ownership or step-acquisition accounting
H-2 Account for the sale of a parent’s investment in common stock.
H-3 Account for subsidiary equity transactions.

GOAL I:
The student will prepare a consolidated statement of cash flows.

Learning Outcomes: The student will:

I-1 Use a consolidated work paper to prepare the statement of cash flows
I-2 Use a consolidated work paper to prepare the statement of cash flows, including recognition of the impact of business combinations

GOAL J:
The student will compute consolidated earnings per share.

Learning Outcomes: The student will:

J-1 Compute consolidated earnings per share, basic.
J-2 Compute consolidated earnings per share, diluted.

GOAL K:
The student will identify consolidation income tax issues.

Learning Outcomes: The student will:

K-1 Determine appropriate income tax accounting for consolidated financial statements, including impact of subsidiaries in different legal, or tax, jurisdictions.
K-2 Determine tax expense and appropriate balance sheet recognition of income taxes applicable to consolidated financial statements.
K-3 Identify the tax effects of inter-company transactions.