

University of Notre Dame
Accounting for Mergers and Acquisitions
ACCT 70141 Fall 2020

Professor Keith Urtel

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Office hours: By appointment via Zoom only

Class times: 8:00-9:45 AM Tuesday and Thursdays — August 18 through September 29

Course Goals

To help students develop expertise in the financial reporting objectives, procedures and information flows that accompany mergers and acquisitions. Other goals include helping students gain expertise in accounting for foreign operations and the consolidation of foreign subsidiaries. This course may be useful for the following reasons:

- Mergers and acquisitions continue in our economy as a business growth and efficiency strategy. Accounting and finance professionals, analysts, and business managers are frequently confronted with a vast array of financial data in preparation for mergers, and in analyzing the effects of mergers and acquisitions.
- Our economy is increasingly engaged in global operations requiring an understanding of accounting for foreign transactions and investments.
- The course is designed to help students develop their research, communication, and critical thinking skills within the context of financial reporting for mergers and acquisitions.
- The course is designed to help students improve their abilities to identify, analyze, and solve complex financial reporting problems related to combined reporting entities.

Performance Evaluation

Grades for this course will be based on the total course points earned. The mean grade for this course is expected to be approximately 3.6 in accordance with College and departmental guidelines. The point allocation applicable to the various assignments is as follows:

- 100 point examination 1
- 100 point examination 2
- 40 points total for four graded *individual* case assignments (10 points each)
- 20 points for graded **Group** Acquisition Method Case assignment
- 60 points for graded Connect homework
- 60 points for graded Connect chapter quizzes
- 20 points total for class participation and course engagement

Course Materials

- Text: *Fundamentals of Advanced Accounting*, 8th ed., Hoyle, Schaefer, and Douppnik, 2021, electronic or hard copy (see discount purchase link in Sakai Overview and also available at ND bookstore).
- All communication and information sharing should be through in Piazza. PLEASE post any questions to instructor therein, and ONLY mark “private” if truly a “private” matter. IF you don’t understand something or need additional information, please don’t mark “private” as likely someone else in the class will benefit from your question, but you may post anonymously. Instructor reserves the right to change a private post to “public” from anonymous if appropriate. Course slides, lecture notes and other reference materials will be in Piazza.
- All homework and quizzes are in Connect.
- Individual case and group case assignments will be posted and submitted in Sakai.

Individual and Group Case Memoranda Assignments

The case memoranda require you to research, interpret and apply authoritative accounting literature to complex case situations. More details will be provided for each written assignment and a grading rubric will be provided in Sakai. Conduct associated with the individual and group case work is governed by the Code of Honor which is discussed below.

Code of Honor

We will follow the guidelines of The *Mendoza College of Business Graduate Academic Code of Honor*, which you can find at <https://gbpstudentservices.nd.edu/academic-and-honor-codes/>. Students will not plagiarize others work in completing case assignments. Individual assignments/assessments are just that – individual assignments/assessments. Communication of any type with others, whether or not they are current students, is unacceptable. If an honor violation occurs, I will implement procedures outlined in the *Mendoza College of Business Academic Code of Honor*.

Accounting professionals must have the ability to work with others to accomplish objectives. This requires not only developing the ability to work cooperatively towards the completion of a common goal, but also the ability to consult with others openly and honestly to reach a consensus around complex questions that oftentimes have no clear cut answers. The **group** work may be discussed **within your own group ONLY, you may not discuss the case with anyone else except your instructor.**

Group work represents the collaborative effort of all group members. By participating in your group work, you are affirming you have each contributed your fair share of the work. Accepting credit for a group assignment without doing one's fair share could be considered academic dishonesty and a violation of the *Mendoza College of Business Academic Code of Honor*. You will be responsible for preparation of a peer evaluation for each group assignments. The results of those evaluations will be considered in assigned individual student grades from the group assignment grades.

Office Hours

Due to COVID19, there will be no posted office hours, however, your professor will be available upon request at a mutually convenient time via Zoom meeting. You may arrange a meeting either by sending me a message in Piazza or by making an appointment during selected dates/times by using the link to my Google calendar:

<https://calendar.google.com/calendar/selfsched?sstoken=UUJtUjjWOFjTWIBWfGRIZmE1bHR8NjQ2YjNhYTBlODRhYTg1NzQ0MzU0ZDVIZTMzNjlyMWU>

Of course, other times other than those in my Google calendar are available upon specific request. Please make any office hour requests via Piazza. Once an appointment is booked, I'll send a Zoom meeting calendar invite to confirm the date/time.

Changes to the Syllabus and/or Tentative Course Calendar

While changes to the syllabus or course calendar are not anticipated, I reserve the right to modify either the syllabus or course calendar if I believe a change will benefit most students. Please always check Piazza (in Sakai) for most current version. Thank you in advance for your understanding and consideration.

Other matters

Mental Health Resources

Care and Wellness Consultants provide support and resources to students who are experiencing stressful or difficult situations that may be interfering with academic progress. Through Care and Wellness Consultants, students can be referred to The University Counseling Center (for cost-free and confidential psychological and psychiatric services from licensed professionals), University Health Services (which provides primary care, psychiatric services, case management, and a pharmacy), and The McDonald Center for Student Well Being (for problems with sleep, stress, and substance use). Visit care.nd.edu.

Health and Safety Protocols

In this class, as elsewhere on campus, students must comply with all University health and safety protocols, including:

- Face masks that completely cover the nose and mouth will be worn by all students and instructors;
- Physical distancing will be maintained in all instructional spaces;
- Students will sit in assigned seats throughout the semester, which will be documented by faculty for purposes of any needed contact tracing; and
- Protocols for staged entry to and exit from classrooms and instructional spaces will be followed.

We are part of a community of learning in which compassionate care for one another is part of our spiritual and social charter. Consequently, compliance with these protocols is an expectation for everyone enrolled in this course. If a student refuses to comply with the University's health and safety protocols, the student must leave the classroom and will earn an unexcused absence for the class period and any associated assignments/assessments for the day. Persistent deviation from expected health and safety guidelines may be considered a violation of the University's "Standards of Conduct," as articulated in *du Lac: A Guide for Student Life*, and will be referred accordingly.

Health Checks and Attendance

Every morning, members of the Notre Dame Community will be asked to complete a daily health check and submit their information via the Return to Campus Advisor application. The health check application will indicate one of the following:

- a) Student is cleared for class and should attend class in person; or
- b) Student is advised to stay home to monitor symptoms and should participate in class virtually and complete all assignments and assessments; or
- c) Student must consult a healthcare provider and should contact University Health Services (UHS) for an assessment. In the meantime, the student should participate in class virtually and complete all assignments and assessments. Depending on the medical assessment, UHS will follow the University's standard protocol for obtaining an excused absence for medical reasons.

Inclusiveness

The University of Notre Dame is committed to social justice. As a community, we share that commitment and strive to maintain a positive learning environment based on open communication, mutual respect, and non-discrimination. In this class, we will not discriminate on the basis of race, sex, age, economic class, disability, veteran status, religion, sexual orientation, color or national origin. Any suggestions as to how to further such a positive and open environment will be appreciated and given serious consideration.

ACCT 70141 Tentative Course Calendar — Fall 2020

<i>Weekday (Sakai)</i>	<i>Date</i>	<i>Topics</i>	<i>Ch</i>	<i>Connect HW**</i>	<i>Case Assignments</i>
Tuesday	Aug. 18	Course Overview and Equity investments			
Thursday	Aug. 20	Mergers and wholly-owned subsidiaries <i>FASB ASC 805, 810</i>	2	P2-26, P2-30, P2-33	Kroger Case* (Sakai)
Tuesday	Aug. 25	Parent-subsiary relationships Goodwill and fair value allocations	2	P2-34, P2-35	Microchip Case* (Sakai)
Thursday	Aug. 27	Post-acquisition consolidated statements Excess fair-value disposition	3	P3-28 P3-29, P3-34, P3-37	
Tuesday	Sept. 1	Consolidated income determination Goodwill impairment Noncontrolling interest introduction	3 4	P3-18, P3-38 P4-23	CVS Impairment Case* (Sakai)
Thursday	Sept. 3	Valuation theories and outside ownership <i>Guest speaker: Oscar Munoz, Executive Chairman, United Airlines</i>	4	P4-24, P4-25, P4-27, P4-39	Each student needs to develop at least two unique questions for guest speaker and post in Piazza
Tuesday	Sept. 8	Control premiums, mid-year acquisitions, step acquisitions Acquisition method case introduction	4	P4-32, P4-29, P4-45	Celgene Case* (Sakai) Preview Acquisition Method Case (Sakai)
Thursday	Sept. 10	Examination 1: Chapters 2, 3, and 4			
Tuesday	Sept. 15	Intra-entity profits in transferred inventory (Ch. 5 LO5-1 to LO5-5 -- pp. 203-234 only)	5	P5-17, P5-20	
Thursday	Sept. 17	Intra-entity profits in transferred Inventory continued Foreign currency introduction	5 7	P5-33, P5-34	
Tuesday	Sept. 22	Foreign operations and hedge accounting (Ch. 7 LO7-1 to LO7-7-- pp. 307-354 only)	7		
Thursday	Sept. 24	Foreign currency continued	7	P7-29, P7-30, P7-31	
Tuesday	Sept. 29	Financial statement translation issues	8	P8-24, P8-36	Acquisition Method Case* (Sakai)
TBD	TBD	Examination 2: Chapters 5, 7, and 8			

* Assignments marked by an asterisk must be submitted to Sakai.nd.edu ***prior to class***. See Sakai for submission details.

** All graded homework problems must be completed in Connect. See Connect for submission due dates.

P = End-of Chapter Problem in Textbook

Students who miss an evaluation event (exam, quiz, or assignment) receive a zero grade for the event unless the professor excuses the absence. Excuses are considered if notification occurs prior to the event and for legitimate documented reasons. Students with approved excuses may reschedule the evaluation at a date approved by the professor..