

SYLLABUS
Accountancy 70131
Topics in Accounting Measurement and Disclosure
Spring, 2021

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Office: 321J Mendoza
Office Hours: MW 8:30 – 9:30 am
Mon & Tues 2 – 4 pm

Meeting Times: MW 10 – 11:15 am and 11:30 am – 12:45 pm MCOB 122

Introduction:

Accounting is today is complex, challenging, and more difficult now than it has ever been. This difficulty arises from the ever-increasing complexity of business transactions, intricate corporate structures, and changes in accounting principles designed to respond to these structures and transactions. The complexity will only continue to increase in future years.

This course will help you learn how to recognize, research, and determine the appropriate accounting for certain of these transactions and instruments. It will be focused on practical application of your accounting knowledge and learning valuable skills that will help you in your career.

Course Learning Objectives:

Upon completion of this course, students will be able to:

- Evaluate selected current US accounting standards, considering the Conceptual Framework concepts
- Effectively research and analyze complex financial reporting matters using US GAAP and SEC regulatory professional literature
- Prepare clear, concise professional memoranda stemming from research and analysis of complex accounting and reporting issues and effectively summarizing and communicating proposed solutions
- Apply current US accounting standards in the areas of revenue recognition, derivative financial instruments, variable interest entities, fair value accounting, and non-GAAP measures

In addressing the above objectives, the course also attempts to improve student skills in the following areas:

- Interpreting and explaining professional responsibility for financial accountants
- Communicating effectively, both orally and in writing
- Researching and working with professional standards
- Working collaboratively in teams

Course Materials:

The *Accounting Standards Codification* (ASC) is available through the AAA. The website is <https://aaahq.org/Research/FASB-GARS>. There is a FASB User Login button towards the top. Click on the button and enter the following username and password:

- Username - AAA52094
- Password - PCeF84f

We will be using the *Guide to Intermediate Accounting Research, 2e* (“Guide” in course calendar) as a reference for exploring the fundamentals of the accounting research process and related documentation process. You may purchase the guide directly from the publisher. **The cost is \$26 for the hard copy (\$22 for the ebook). I would recommend the hard copy so you may retain the book for future use. To purchase use the following link:** <https://cambridgepub.com/book/intermediate-accounting-research-2e#purchase>

There is a *Topics in Measurement & Disclosure* “textbook” which is a compilation of certain cases and reference materials that is available from McGraw Hill (“TMD” in course calendar). It may be purchased online as an e-book, and **the cost of the ebook is \$23.77 using the following:**

1. Go to <https://create.mheducation.com/shop/>
2. Search for and select book by Title, ISBN, Author, or State/School.
ISBN: 9781307772470
Title: Topics in Measurement & Disclosure
3. Add the book to your cart and pay using a credit card.

The readings for some sessions include articles from academic journals. Journal articles (e.g., “Barth (2014)”), cases and other items are available in Canvas. Materials available in the McGraw Hill “e-book” are referenced with “TMD” on the course calendar. Readings for certain of the technical accounting topics are from EY publications (e.g., EY FRD or Technical Line) geared to support a professional level knowledge of the subject; they are not designed to be read as a textbook. The EY guides contain much that is beyond what you need to understand the material and research the cases. You should use them to help you get a working knowledge of the subject matter and point you toward the appropriate sections of the ASC. The FASB did not design the ASC for “reading” in the same way as textbooks or firm accounting guides. It designed the ASC to support use by professional accountants. It is important for you to have an overall understanding of the subject matter before you dive into the ASC. Applicable ASC sections are included in the EY FRD booklets.

Group Cases

During the semester, there will be four instances for you to work on cases as a group. In three instances, the deliverable will be a memo. In one instance, the deliverable will be a presentation and the associated presentation materials.

The case memoranda require you to research, interpret and apply authoritative accounting literature to complex case situations. Some students have prior experience preparing professional memoranda using the FASB Codification; others do not. Accordingly, we will be covering how to conduct accounting research and then document the results of that research in a clear, concise professional technical memorandum.

More details for each assignment, as well as a grading rubric, are provided in Canvas.

Preparation and Participation

Whether you end up working as a CPA for a public accounting firm, as an accountant in a corporate environment, or in some other position either for-profit or not-for-profit, your ability to communicate both orally and in writing is critical to your success. You cannot sit in meetings and never offer your ideas, not ask questions or not respond to those running the meeting; they will conclude that you are unprepared (at best). The written case assignments will help you with written communication, however, only your commitment to actively participating in the class will help you with the former.

Professionalism is a rather broad topic that includes everything from being prepared and on time, compliance with the University’s rules of engagement, actively participating in class, to your conduct while in class or another setting (e.g., not dual tasking through e-mail or texting, or sleeping). There are 50 points allocated to class participation and professionalism. My experience, although limited, is that Notre Dame students are generally polite and considerate of others. If I believe your conduct is in some fashion less than professional (e.g., disruptive of class or disrespectful), I will attempt to speak with you privately the first time.

I will do my best to keep track of those who are less inclined to ask or answer questions in class and will make every attempt to give everyone opportunities to practice speaking in a professional group setting.

Grading

Grades for this course will be based on the total course points earned. The mean grade for this course is expected to be approximately 3.45 in accordance with College and departmental guidelines. The point allocation applicable to the various assignments is as follows:

Group cases	
Case 1 – Liability/Equity (memo)	125
Case 2 – Revenue (memo/presentation)	125
Case 3 – VIEs (memo)	150
Case 4 – Various (memo/presentation)	125
Individual memo - Derivatives ¹	200
Class participation	75
Exam – Midterm (No FINAL)	<u>200</u>
Total	<u>1,000</u>

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 case assignments are just that – individual assignments. Communication of any type with others, whether they are current students or not, 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 individual case assignment, while it captures the technical complexities inherent in the world of the accounting professional, admittedly it does not capture the consultation aspect of professional accounting research. While the **group** work may be discussed **within your own group ONLY, you may not discuss the individual case with anyone, including members of your own group.**

Group presentations represent the collaborative effort of all group members. By participating in the presentation, group members are affirming they have each contributed their fair share to the project. Accepting credit for a group project 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 project. The results of those evaluations will be considered in assigned individual student grades from the group project grades.

Office Hours

Office hours are Monday/Tuesday 2 pm - 4 pm, Monday/Wednesday 8:30 am – 9:30 am, and by arrangement. Generally, I plan to be in the office when I am not in class. Drop-ins are encouraged; however, if you are making a separate trip, I suggest you call or e-mail ahead to make sure I am around. I will attempt to accommodate all reasonable requests for appointments (other than when I am in class, any day or time is possible).

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 Canvas for most current version. Thank you in advance for your understanding and consideration.

¹ No final exam, and individual case memo will be in place of a final exam.

Students with Disabilities

It is the policy and practice of The University of Notre Dame to provide reasonable accommodations for students with properly documented disabilities. Students who have questions about the Office of Disability Services or who have, or think they may have, a disability are invited to contact the Office of Disability Services for a confidential discussion in the Sara Bea Learning Center for Students with Disabilities or by phone at 574-631-7157. Because the University's Academic Accommodations Processes generally require students to request accommodations well in advance of the dates when they are needed, students who believe they may need an accommodation for this course are encouraged to contact the Office of Disability Services at their earliest opportunity. Additional information about Disability Services and the process for requesting accommodations can be found at disabilityservices.nd.edu.

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.

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.

Class	Date	Topic	Readings - Articles, Cases, Firm Materials	Homework	Cases Due
1	1/10	Introduction/Accounting Research	Guide - Chapter 1		
2	1/12	Accounting Research	Guide - Chapters 2 and 3		
	1/17		No class - MLK		
3	1/19	Conceptual Framework	TMD - Conceptual Framework for Financial Reporting (pp1-7); Schuetze (2001); Barth (2014); Introduction to articles only - Francis (2013); Kadous (2012);		
4	1/24	Revenue Recognition	<i>EY FRD Revenue from Contracts with Customers Sec 1.1; 2.2-2.3; 3.1; 4.1-4.3; 5.2-5.5</i>	<i>EYE Spy case in Canvas</i>	
5	1/26	Revenue Recognition	<i>EY FRD Revenue from Contracts with Customees Sec 6.1-6.4; 7.1-7.2; 8.1-8.3; 9.1</i>		
6	1/31	Revenue Recognition	<i>EY Technical Lines- Airlines; Jet Blue Case</i>		Group Case 1 - Liabilities/Equity
7	2/2	Derivative Financial Instruments	TMD: Derivatives in a Nutshell (pp 9-20); The Forward Contract (pp 21-29); The Swap Contract (pp 31-37); The Option Contract (pp 39-59); Ch 19 pp.61-84 EY Derivatives Appendix A EY Derivatives Sec 1.1-1.5; 2.1-2.4.3;2.4.4; 2.7-2.8	<i>Problems in Canvas (Intro)</i>	
8	2/7	Hedging Criteria and Fair Value Hedging	EY Derivatives Sec 4.1-4.4.2; 4.8-4.8.2.1; 4.8.3-4.8.3.1; 4.9-4.9.2.1; 5.1-5.2; 5.5 (Examples 1-2); TMD 69-75	<i>Problems in Canvas (Fair Value)</i>	
9	2/9	Cash Flow Hedging	<i>EY Derivatives Sec 6.1-6.2; 6.9 (Examples 1, 3)</i>	<i>Problems in Canvas (Cash Flow)</i>	
10	2/14	Group Presentations - Review of Case			Group Case 2
11	2/16	Group Presentations - Review of Case			
12	2/21	Midterm			
	2/23	No class - reading day			
	2/28	No class - Inter term			
	3/2	No class - Inter term			
	3/7	No class - Spring Break			
	3/9	No class - Spring Break			

Class	Date	Topic	Readings - Articles, Cases, Firm Materials	Homework	Cases Due
13	3/14	Variable Interest Entities	<i>EY FRD Consolidations Sec. 1.1-1.2; 2.1-2.2; 2.4-2.6; 2.8-2.15; 5.1-5.2.1.2; 5.2.2</i>		
14	3/16	Variable Interest Entities	<i>EY FRD Consolidations Sec. 7.1-7.2; 7.2.2-7.2.2.4; 7.3-7.3.1.3; 7.3.2-7.3.2.2; 7.3.3-7.3.3.1</i>		
15	3/21	Variable Interest Entities	<i>EY FRD Consolidations Sec.8.1-8.2; 8.2.1-8.2.2; 8.2.3; 8.2.4-8.2.4.3; 8.3-8.3.2</i>	<i>Problems in Canvas</i>	Individual Memo - Derivatives
16	3/23	Variable Interest Entities	<i>TMD: Read Rawhide Brewery case (pp99-104) prior to class</i>		
17	3/28	Fair Value	<i>EY FRD Fair Value Sec 4.1-4.2.2; 5.1-5.3; 6.1-6.5; 7.1-7.2</i>	<i>Problems in Canvas</i>	
18	3/30	Fair Value	<i>EY FRD Fair Value Sec 14.1-14.1.3; 15.1-15.4; 16.1-16.3; 17.1-17.3; 18.1-18.1.1.1.1</i>	<i>Problems in Canvas</i>	
19	4/4	Non-GAAP Measures	<i>TMD: Read Groupon (pp.115-130) & Telsa (pp. 105-114); Non-GAAP Earnings; Non-GAAP Financial Measures</i>		Group Case 3 - VIE
20	4/6	Conceptual Framework	<i>Group Debate - Rules vs Principles-based Standards - Schipper (2003); Nobes (2005); Introduction to article only - Cohen (2013)</i>		
21	4/11	Current Topics	TBD		
22	4/13	Professionalism & Resolving Differences	<i>Moore, G (2009) McMillan (2004)</i>		
	4/18	No class - Easter Monday			
23	4/20	Group Presentations - Review of Case			Group Case 4
24	4/25	Group Presentations - Review of Case			
25	4/27	Group Presentations - Review of Case			