

**The University of Hong Kong**  
**Faculty of Business and Economics**  
**School of Business**

***BUSI0003 A,B & C***  
***Advanced Financial Accounting***  
**2<sup>nd</sup> Semester 2008-2009**

**I. Course Information**

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**Tutors (EMAIL IS PREFERRED CONTACT):**

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**Prerequisite:**

- This course is mandatory to 3<sup>rd</sup> year students in the BBA (A&F) Program
- Students MUST pass the Intermediate Accounting I&II courses

**Textbook and Reading Materials:**

- Advanced Financial Accounting: An IAS and IFRS Approach, by Pearl Tan Hock Neo & Peter Lee Lip Nyeon (ISBN 978-007-126431-0)
- Weekly lecture notes and tutorial materials

**II. Course Description and Objectives**

**Course Description:**

Advanced Financial Accounting continues to address accounting theory and practice with an emphasis on business combinations, consolidated financial statements and foreign exchange transactions.

### Course Objectives:

1. To gain a deep knowledge of the financial reporting environment in Hong Kong.
2. To obtain an understanding of accounting concepts and principles beyond the introductory or intermediate level in order to better prepare students for careers in accounting.
3. To develop a global outlook in accounting.

### III. Course Learning Outcomes (CLOs)

Upon the successful completion of this course, students should:

1. Know how to describe and discuss the various changes and aspects of the Hong Kong financial reporting environment.
2. Be familiar with the significance and application of different accounting standards (e.g., IFRS).
3. Be able to apply different accounting treatments to various types of group accounting (consolidation accounting) and be capable of identifying legal issues and definitions of business combinations.
4. Know the differences among the different group structures and account for accurately.
5. Know how to consolidate financial statements accurately with the incorporation of foreign currency translation.
6. Demonstrate sound verbal and written communication skills.

### IV. Alignment of Program and Course Outcomes

Program Learning Outcomes (PLOs)	Course Learning Outcomes (CLOs)
1. Should be able to describe the fundamental principles and theories of accounting, business and economics.	CLOs 1, 2, 3 & 4
2. Should be able to use knowledge learned to solve accounting and finance problems.	CLOs 1, 2, 3, 4 & 5
3. Should be able to evaluate ethical and social issues, function in teams effectively and display leadership traits.	CLOs 3 & 6
4. Should be able to discuss international issues and to function in multicultural settings.	CLOs 2 & 5
5. Should be able to use specific technical terminology and make convincing and coherent presentations, both verbal and written formats.	CLO 6

### V. Teaching and Learning Activities

#### TLA1: Interactive Lectures

- Lectures: in-depth coverage of advanced financial accounting is presented with PowerPoint slides and other additional illustration materials if necessary.
- Time will be given at the end of each lecture for students to raise questions to reflect what have been learnt from each topic.

## TLA2: In-class Discussion Exercises/Cases

- In-class activities: In-class exercises and cases will be discussed each week to ensure that students understand the issues properly.
- Students are required to work in small groups and be able to demonstrate knowledge in the materials taught by applying relevant concepts to these problems/cases.

## TLA3: Guest Speakers' Lectures

- Professional and experienced guest speakers are invited to provide mass lectures throughout the course to demonstrate how the topics taught in *Advanced Financial Accounting* are applicable in today's world and to provide useful inspirations to our final year students.
- Students are required to attend these guest speakers' lectures and to participate actively during the Q&A sessions.

## TLA4: Intensive Tutorials

- Weekly tutorial work: students are required to complete assigned questions and problems that demonstrate concepts and techniques learned before attending each tutorial session; *three* homework assignments will be randomly collected at tutorial sessions during the semester. The tutors will inform students whether one homework assignment will be collected or not in the beginning of the tutorial sessions. The homework assignments collected will be graded for completeness only. **NO** late homework will be accepted after it is collected.
- Small group presentations: students are required to make small presentations on problems and cases selected by the tutor and should be also be active in discussions and other in-class exercises.

## VI. Assessment Tasks/Activities (ATs)

1. <i>Tutorial Participation</i>	7%
2. <i>Class Participation</i>	7%
3. <i>Homework</i>	6%
4. <i>Quizzes</i>	10%
5. <i>Mid-term Test</i>	20%
6. <i>Final Exam</i>	50%
<b>Total</b>	<b>100%</b>

Course Learning outcome (CLOs)	Teaching and learning activity (TLAs)	Assessment Tasks (ATs)
1. Know how to describe and discuss the various changes and aspects of the Hong Kong financial reporting environment.	TLA 1 & 3	AT 2, 3, 4, 5 & 6
2. Be familiar with the significance and application of different accounting standards (HKAS, IFRS, Companies Ordinance, etc.).	TLA 1, 3 & 4	AT 2, 3, 4, 5 & 6
3. Be able to apply different accounting treatments to various types of group accounting	TLA 1 & 2	AT 3, 4, 5 & 6

and be capable of identifying legal issues and definitions of business combinations.		
4. Know the differences among the different group structures and account for accurately.	TLA 1 & 3	AT 3, 4, 5 & 6
5. Know how to consolidate financial statements accurately with the incorporation of foreign currency translation.	TLA 1,2 & 4	AT 1, 2, 3, 4,5 &6
6. Demonstrate sound verbal and written communication skills.	TLA 1, 2 & 4	AT 1 & 2

*AT1. Tutorial Participation (7%)*

Students are required to attempt assigned questions/problems and be ready to participate actively in tutorials. The tutor may require students to present their prepared work and initiate discussions. Students will be graded by the tutor based on their attendance and participating rate. Quietly sitting in the tutorials will not earn marks but being absent from tutorials will negatively affect the overall performance grade. The objective of the tutorials is to help you further understand and apply the knowledge you have learned from the lectures.

*AT2. Class Participation (7%)*

Students need to prepare for assigned in-class questions in advance. The lecturer may ask students to present some of the questions based on the groups formed at the beginning of the semester.

There will be guest speakers' lectures throughout the semester and students are required to attend all of these and participate actively. A Q&A session will be organized at the end of each guest speaker's lecture and students will be graded on the number and quality of questions asked/answered. Attendance marks will be recorded by the tutor.

The main objective of ensuring good quality class participation is to enhance students' communication skills and being able to demonstrate what they have learned by sharing with others.

*AT3. Homework assignments (6%)*

Three homework assignments will be randomly collected and graded for completeness only. No homework will be accepted after it is collected during the tutorial sessions.

*AT4: Quizzes (10%)*

Two short quizzes will be given during the semester.

*AT5. Mid-term Test (20%)*

There will be a one hour mid-term test held after reading week to ensure students are coping with the course. The test will usually consist of 2-3 practical problems to see whether students are able to apply their knowledge learned and convey them

diligently. Students will be graded on accuracy, application skills and conceptual knowledge. The main objective of holding a mid-term test is to ensure students are coping with the materials taught over the first half of the course and is able to apply what they have learned to practical problems when there is no guidance and is also time constrained.

*AT6. Final Exam (50%)*

The final examination will be held in the normal exam period. It is closed book, comprehensive and covers all the chapters on the course syllabus. With the exception of extremely special cases, NO MAKEUP exam will be allowed if you fail to seek ADVANCE permission from the lecturer. The objective of the final exam is to further enhance your understanding of the basic concepts and theories and develop your ability to apply the knowledge in advanced financial accounting.

**Grading Criteria**

*Tutorial Participation (AT1)*

CLOs	A+ A A-	B+ B B-	C+ C C-	D+ D	F
CLOs 5 & 6	Able to correctly solve the assigned problem sets and present the solutions in a logically clear and concise manner.  Able to actively participate in class discussions and contribute to the class discussions /presentations by unique thoughts/remarks.	Able to correctly solve the assigned problem sets and present the solutions in a logically clear and concise manner.	Able to correctly solve most of the assigned problem sets and present the solutions in understandable way.	Able to correctly solve limited problem sets.	Frequent absence from the tutorials and failure to fulfill the tutor's assigned work.

*Class Participation (AT2)*

CLOs	A+ A A-	B+ B B-	C+ C C-	D+ D	F
CLOs 1, 2, 5 & 6	Able to present assigned problems/cases effectively with full accuracy and high quality presentation skills.	Able to present assigned problems/cases with high accuracy and good quality presentation skills.	Able to present assigned problems/case with reasonable accuracy and presentation	Able to present assigned problems/cases with limited accuracy and presentati	Unable to present assigned problems/cases.  Unable to respond when

	Able to respond interactively when questions are raised.  Able to initiate thoughtful discussions that are relevant to the topic taught.  Full attendance of lectures.	Able to respond when questions are raised.  Very high attendance of lectures.	skills.  Able to raise questions when there is uncertainty.  Reasonably high attendance of lectures.	on skills.  50% or less of attendance of lectures.	questions are asked directly at you.  Frequent absence from lectures.
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*Homework (AT3)*

CLOs	Check Plus (√+)	Check (√)	Check Minus (√-)	0
CLOs 1 - 5	Completely and clearly finish all the assignments.	Completely work on all the assignments. Less than 20% of the work is unclear or not readable.	Work on assignments incompletely.	Do not seriously work on homework assignments.

*Quizzes (AT4)*

CLOs	A+ A A-	B+ B B-	C+ C C-	D+ D	F
CLOs 1-5	Able to precisely and accurately present the solutions to the test problems in a sound logical manner.	Able to present the solutions to the test problems with high accuracy and logic.	Able to present the solutions to the test problems with some accuracy and logic.	Able to present limited solutions to the test problems.	Failure to provide reasonable solutions to the test problems or even fail to attempt the quizzes.

*Mid-term Test (AT5)*

CLOs	A+ A A-	B+ B B-	C+ C C-	D+ D	F
CLOs 1, 2, 3, 4 & 5	Able to precisely and accurately present the solutions to the test problems in a sound logical manner.	Able to present the solutions to the test problems with high accuracy and logic.	Able to present the solutions to the test problems with some accuracy and logic.	Able to present limited solutions to the test problems.	Failure to provide reasonable solutions to the test problems or even fail to attempt the mid-term test.

*Final Exam (AT6)*

CLOs	A+ A A-	B+ B B-	C+ C C-	D+ D	F
CLOs 1, 2, 3, 4 & 5	Able to present solutions and thoughts in a logically rigorous manner with excellent accuracy and sound application of advanced financial accounting concepts.	Able to present solutions and thoughts in an easily readable manner with good accuracy and application of advanced financial accounting concepts.	Able to present solutions and thoughts in an easily readable manner with some accuracy and some application of advanced financial accounting concepts.	Able to present limited solutions and thoughts and demonstrate a reasonable attempt of the exam problems.	Failure to present logical solutions to the exam problems or even fail to attempt the exam.

**VII. Standards for assessment**

- The success of this course depends on your individual and collective contribution to the class discussions. Please read the assigned readings and prepare before each class so that you can contribute effectively to case discussions.
- You are expected to participate voluntarily, or will be called upon, to contribute to set exercises and problems. The learning objective of this part of the course is to enhance your communication and analytical skills.

**VIII. Academic Conduct**

- Plagiarism and copying of copyright materials are serious offences and may lead to disciplinary actions. You should read the chapters on “Plagiarism” and “Copyright” in the Undergraduate/Postgraduate Handbook for details. You are strongly advised to read the booklet entitled “What is Plagiarism?” which was distributed to you upon your admission into the University, a copy of which can be found at [www.hku.hk/plagiarism](http://www.hku.hk/plagiarism). A booklet entitled “Plagiarism and How to Avoid it” is also available from the Main Library.
- The use of all electronic devices, including computers, mobile phones and games is strictly prohibited.
- You are required to attend all the classes on time. In case you cannot attend a class you should inform the instructor beforehand.

**IX. Course Schedule (An updated schedule will be provided in the beginning of the Semester)**

**Advanced Financial Accounting  
Tentative Course Schedule  
Spring 2009  
T/Th**

WEEK	DATE	CHAPTER	LECTURE TOPIC	QUESTIONS DISCUSSED IN TUTORIAL SESSIONS	HOMEWORK ASSIGNMENTS	NOTES
1	Jan. 12- Jan. 16	Handouts	Accounting Standards in Hong Kong/International Accounting Standards			
2	Jan. 19 - Jan 23	Ch. 2/Ch3	Consolidation- Concepts and Context/Acquisition Method	Handout Questions	Handout Questions	
<b>Holidays for the Lunar new Year (Jan 26 - Jan 31 )</b>						
3	Feb. 2 -Feb. 6	Ch. 3	Consolidation - Acquisition Method	Exer. 2-1; Handouts; Exer. 2-2;	Concept Question 2.2; 2.7; Exer. 2-2;	Quiz 1
4	Feb. 9 -Feb. 13	Ch3/ Ch. 4	Acquisition Method/ Consolidation under IAS 27	Problem 3.6; Problem 3.1; Problem 3.7	Problem 3.1; Problem 3.7	
5	Feb. 16 -Feb 20	Ch4/ Ch. 5 & Intermediate Acct.Related Chapters	Consolidation under IAS 27 / Equity Method	Problem 4.1; Problem 4.5	Problem 4.1	

6	Feb. 23- Feb. 27	Review	Catch-up/Review	Problem 5.4; Problem 5.5	Problem 5.4	
<b>Reading Week (Mar. 2 -Mar. 6)</b>						
7	Mar. 9- Mar. 13	Ch. 6	Consolidation - Special Issues	TBA		
8	Mar. 16 - Mar. 20	Ch. 1/Ch. 7	Risk Reporting/Foreign Currency Accounting	Problem 6.8; Problem 6.9	Problem 6.8; Problem 6.9	
9	Mar 23 - Mar. 27	Ch. 7	Foreign Currency Accounting	Problem 1.2; Problem 1.3	Problem 1.2; Problem 1.3	Quiz 2
10	Mar. 30 - Apr. 3	Ch. 8	Financial Instruments	Problem 7.8; Problem 7.10	Problem 7.8; Problem 7.10	
11	Apr. 6 - Apr. 10	Ch. 9	Derivatives and Hedge Accounting	Problem 8.4; Problem 8.8	Problem 8.4; Problem 8.8	
12	Apr. 13 - Apr. 17	Ch. 12	Share-Based Payment	Problem 9.15	Problem 9.15	
13	Apr 20 - Apr. 24	Review	Review & Other topics	Problem 12.5; Problem 12.6	Problem 12.5; Problem 12.6	
<b>Final Exam</b>						