Administrative Unit: Business Administration Department

Course Prefix and Number: ACCT 488

Course Title: Advanced Financial Accounting

Number of: Credit Hours: 3 Lecture Hours: 3 Laboratory Hours: 0

Catalog Description: Policies and procedures used in preparing financial statements and reports. Prerequisites: ACCT 382 and 383. Occasional offering.

Prerequisite(s)/Corequisite(s): ACCT 382 and ACCT 383.

Text(s): Most current editions of:


Microsoft Excel Spreadsheet.

Course Objective:

- To understand the policies and procedures used in preparing financial statements and reports of consolidated corporations.

Measurable Learning Outcomes:

- Explain the various forms of business combinations.
- Prepare consolidated financial statements at date of acquisition and at subsequent dates.
- Calculate assignment, depreciation, and amortization of the difference between cost and book value.
- Account for the elimination of unrealized profit in intercompany sales of inventory.
- Account for the elimination of unrealized profit on intercompany sales of property and equipment.
- Differentiate among changes in ownership interest, indirect ownership and reciprocal stockholdings.
- Explain pooling of interests and alternative concepts of consolidated financial statements.
- Apply the equity method of reporting investments in common stock.
- Properly describe home office and branch activities.
- Prepare foreign currency transactions account information.
- Interpret financial statements of foreign affiliates.
- Prepare appropriate partnership accounting records.
Topical Outline (major areas of coverage):

All Business Administration courses include a written and oral presentation component.

- Business combinations
- Consolidate financial statements—date of acquisition
- Consolidated financial statements—after acquisition
- Assignment, depreciation, and amortization of the difference between cost and book value
- Elimination of unrealized profit in intercompany sales of inventory.
- Elimination of unrealized profit on intercompany sales of profit and equipment
- Changes in ownership interest
- Indirect ownership and reciprocal stockholdings
- Consolidated financial states—miscellaneous topics
- Pooling of interests and alternative concepts of consolidated financial statements
- The equity method of reporting investments in common stock
- Accounting for home office and branch activities
- Accounting for foreign currency transactions
- The translation of financial statements of foreign affiliates
- Partnerships: formation, operation, ownership changes and liquidation

Recommended maximum class size for this course: 30

Library Resources: Online databases are available at http://www.ccis.edu/offices/library/resources.asp. You may access them from off-campus using your eServices login and password when prompted.

Prepared by: Thomas Stauder

Date: April 6, 2006

NOTE: The intention of the master syllabus is to provide an outline of the contents of this course, as specified by the faculty of Columbia College, regardless of who teaches the course, when it is taught or where it is taught. Faculty members teaching this course for Columbia College are expected to facilitate learning pursuant to the course objectives and cover the subjects listed in the topical outline. However, instructors are also encouraged to cover additional topics of interest so long as those topics are relevant to the course’s subject. The master syllabus is, therefore, prescriptive in nature but also allows for a diversity of individual approaches to course material.

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