Class: 6:00 pm – 8:50 pm Wednesday
3 BCM (Commercial)

Prerequisite: ACG 3151
Professor: Mark Kohlbeck
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Website: Blackboard
Office: 136 Fleming West, Boca Raton Campus
Phone: (561) 297-1363
Office Hours: Wednesday, 11:00 am until 3:00 pm (136 Fleming West),
Wednesday, 5:00 pm until class (3 BCM),
Wednesday, after class until 10:00 pm (3 BCM),
and by appointment on the Boca Raton Campus

Course Description and Objectives

The course is a study of advanced topics in accounting theory and focuses on complex corporate reporting issues including fair values, derivatives, variable interest entities, foreign currency, reorganization accounting, among others.

The class is not oriented toward the CPA exam but many of these topics are likely to be tested on it. While some emphasis is placed on analysis, interpretation, and use of accounting data for investing, credit, and management decisions, the reporting function of accounting to external users (investors and creditors) will be stressed. This will not only entail the study of current financial reporting and disclosure requirements, but will include controversial and emerging practices.

The course is designed to develop your life-long learning skills. In today’s market, it is structurally impossible to have an encyclopedic knowledge of the accounting rules that will serve you for large parts of your career. The body of U.S. GAAP is undergoing a rapid rate of transformation in response to changes in the business environment, and in response to demands for new and different information from stakeholders and regulators. A grasp of the theory that underlies the rules and the business context in which the rules are made is essential in understanding the nature and causes of the demands for accounting information.

In this course, students need to develop and demonstrate:

Financial Accounting Knowledge

• Learn and evaluate current financial accounting rules.
• Understand complex financial events and their effect on financial statements, cash flows, and accounting-based contracts.
• Read and critically evaluate financial statements.
• Understand and appreciate of the role of professional judgment in the financial reporting process, and of the ethical issues involved in financial reporting decisions through lecture and classroom discussions.

Critical Thinking, Research and Communication Skills
• Develop critical thinking skills by completing research tasks in an individual and group-learning environment.
  • Critical thinking is a rational response to questions that cannot be answered definitively and for which all the relevant information may not be available.
  • Critical thinking is an investigation whose purpose is to 1) analyze a problem, 2) arrive at a conclusion that integrates all available information, and 3) justify the conclusion convincingly to others.
• Develop teamwork and communication skills through case analysis and presentation, in-class group participation and group term project.
• Develop research skills required for practice as a professional accountant through cases and the group term project.

The accounting profession has called for major structural changes in the way that we teach accounting at all levels. Your future employers have asked to place more emphasis on critical thinking and communication skills than on technical skills. In polls of partners from the large firms, the top three items on the Partners’ New employee wish list includes an ability to work effectively in teams, better communication skills, and better presentation skills.

Professor Information

Professor Kohlbeck’s area of expertise is financial accounting and reporting. He is currently teaching financial accounting courses at the University. Mark previously taught at the University of Wisconsin – Madison, The University of Texas at Austin and Southern Methodist University. His primary research interests concern banking and financial institutions in the areas of intangible assets, regulation, accounting choice, and accounting disclosures. Previously, Mark was an auditor and management consultant for Deloitte & Touche in Dallas and Milwaukee. His professional experience includes restructuring troubled financial institutions, mergers and acquisitions, and litigation support. Mark is also a member of Beta Alpha Psi, Beta Gamma Sigma, the AICPA, and the American Accounting Association.

Text Books and Course Materials

Required
• 2004 Financial Accounting Research System CD-ROM or similar access to U.S. accounting standards
Supplemental readings will be distributed in class or through Blackboard. You are also encouraged (but not required) to subscribe to the *Wall Street Journal* (or similar periodical).

**Active Collaborative Learning**

The traditional framework, and the one that you are probably most familiar with, involves a one-way information flow from professor to student. Professors tell you what you need to know and how to learn it. The majority of the class time is spent on formal lectures, with the professor working problems with you that results in “one correct” answer. The focus of the class is on acquiring technical knowledge with relatively little integration of the larger business environment. The role of the student is to read the book at some point, attend lecture and take notes on the professor’s lecture, copy down the sample problems, turn in lots of homework, and to occasionally ask questions when the technical material is not clear.

While this approach is convenient and comfortable, it has minimal relationship to your future professional environment. Worse – it fails to outfit you with the fluid set of skills that you will need for success in your career. The financial reporting environment in the U.S. is dynamic, rapidly changing; the vast majority of the technical financial and tax reporting that you learn as a student will be rendered obsolete during your professional career. Thus, as the American Accounting Association has pointed out, the traditional top-down lecture approach to learning accounting is not in your best long-term interests.

In response to the requests of the profession to equip you with *life-long learning skills*, the community of accounting educators and educators in other disciplines has developed an “Active Collaborative Learning” or a “Discovery-Based” approach. This approach is characterized by an increased focus on building a *culture of learning* in the classroom and an increased focus on non-classroom-oriented education.

What does this mean for you? It means that in this class, you will be taking a more active role in and responsibility for your educational experience than you may be used to. As the proverb says, you can give a man a fish and feed him for a day or you can teach him to fish and feed him for a lifetime.

**My Role.** I will address the technical material that forms the backbone of the course. To promote an active learning environment, I will spend more time as a high-level resource – answering your questions and facilitating discussion and interaction – and less time delivering traditional lectures. I will spend more time providing supplemental material that you may find useful and interesting in exploring the business context and professional issues surrounding the technical material (e.g., videos, articles) – and less time overlapping the textbook. I will spend more time working problems *with* you and less time working problems *for* you. I will endeavor to provide the richest possible learning environment, one that is conducive to a two-way flow of information. What I learn from you is different from what you learn from me, but equally powerful and important.
Your Role. You will spend less time taking lecture notes – and more time becoming engaged with the material. You will spend less time watching me work problems – and more time getting supervised hands-on experience with the technical material in class. You will identify your own unique learning style and be given the flexibility to work within it rather than struggling with a one-size-fits-all approach. You will work intensively in groups. You will develop an ability to assess your comparative advantages in relation to those of your team members and learn how to maximize these advantages for your success and that of your group. You will be given more opportunities to provide feedback, and more control over the direction of the class. In short, you will assume the responsibility for learning the material, and I will assume the responsibility for creating an active and welcoming learning climate and making sure that you have the resources you need to succeed.

This class requires hard work, but anything worthwhile has a price. Stay current, make generous use of my office hours, discussions on Blackboard and the other instructional resources that I offer you, and remember – you get out of a learning experience what you put into it.

Grading and Learning Activities

The following table summarizes each component of your grade for this course.

<table>
<thead>
<tr>
<th>Component</th>
<th>Points</th>
<th>Percent</th>
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</thead>
<tbody>
<tr>
<td>Exams (2)</td>
<td>250</td>
<td>50%</td>
</tr>
<tr>
<td>Learning Activities</td>
<td>40</td>
<td>8%</td>
</tr>
<tr>
<td>Assignments</td>
<td>50</td>
<td>10%</td>
</tr>
<tr>
<td>Term Project</td>
<td>120</td>
<td>24%</td>
</tr>
<tr>
<td>Participation</td>
<td>40</td>
<td>8%</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>500</strong></td>
<td><strong>100%</strong></td>
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Students may view their total points to-date by using Blackboard. Letter grades are only relevant to final point totals and will be assigned based on the following distribution of the percentages of total possible points.

<table>
<thead>
<tr>
<th>Percentage Range</th>
<th>Letter Grade</th>
<th>Percentage Range</th>
<th>Letter Grade</th>
<th>Percentage Range</th>
<th>Letter Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>93 ≤ Your %</td>
<td>A</td>
<td>90 ≤ Your % &lt; 93</td>
<td>A-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>87 ≤ Your % &lt; 90</td>
<td>B+</td>
<td>83 ≤ Your % &lt; 87</td>
<td>B</td>
<td>80 ≤ Your % &lt; 83</td>
<td>B-</td>
</tr>
<tr>
<td>77 ≤ Your % &lt; 80</td>
<td>C+</td>
<td>73 ≤ Your % &lt; 77</td>
<td>C</td>
<td>70 ≤ Your % &lt; 73</td>
<td>C-</td>
</tr>
<tr>
<td>67 ≤ Your % &lt; 70</td>
<td>D+</td>
<td>63 ≤ Your % &lt; 67</td>
<td>D</td>
<td>60 ≤ Your % &lt; 63</td>
<td>D-</td>
</tr>
<tr>
<td>Your % &lt; 60</td>
<td>F</td>
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Exams. Exam questions focus on accounting concepts illustrated through classroom discussions, assignments, and homework exercises. The exams are designed to extend your thinking through analysis and applications of these concepts in new or unique situations. The exam format may include multiple choice, problems, and short answer.
Learning Activities. In the interests of refining your team-working, communication, and presentation skills (as requested by your future employers), this class will make extensive use of learning activities, primarily in a group setting. Learning activities focus on the material being covered and may require advance preparation. Activities will likely comprise analysis / discussion of cases, or completion of exercises.

You will be assigned to a group at the beginning of a term and will sit and work with that group throughout the semester. I expect conflicts to be resolved within the team. If you are unable to do so, please let me know. I am also available if you would like some advice or direction even if your group has not encountered a problem. If there is a slacker or “free rider,” the group, after appropriate consultation with me, has the ability to expel the non-performer. Anyone so expelled will be obliged to propose and execute individual projects, etc. which will be graded under the same criteria applied to the group activities.

Effective teamwork requires that group members both be familiar with their individual strengths and weaknesses, and that members be willing to extend themselves to develop greater competencies in areas outside of their weaknesses. In addition, as noted above, quality communication skills are an essential element of success in the business environment. Therefore, while each group should devise and implement a strategy for allocating work in a fair and reasonable manner, it is expected that group members will share in the presentation/public speaking aspects of the group work.

Periodically I will ask you to prepare a problem or case in advance for class. All groups should prepare the problem or case. One group will be randomly chosen to present their work and to lead a class discussion on the problem or case. You will not need to turn in a write-up, but you will need to be prepared to share your work and conclusions as a group with the other members of the class and to lead discussions of the case or problem with the rest of the class. It may be necessary or helpful to develop visual support in the form of slides or computerized materials. These will not need to be the full Song and Dance expected from the term project, but should be clean and readable.

The effectiveness of the group activities depends on student preparation, when possible, and contribution to group discussions by all members. Since each group member present will receive the same points for each activity, the group’s performance requires its members to come prepared and actively contribute. To counter the effect of free loading, peer evaluations (including that related to the term project) may be completed and scores adjusted accordingly.

Assignments. Two of the learning activities will be formal assignments. These assignments will require a formal write-up and / or presentation and may rely on financial analysis. Requirements for these assignments will be distributed in class.

The assignments have been developed assuming students are proficient in preparing Excel spreadsheets and the use of its financial functions and understand how to use the FARS CD (or similar GAAP resource) and the SEC website to find applicable
authoritative guidance. If this is not the case, the assignment will likely take longer to complete.

**Term Project.** The term project is a semester long project. Project requirements will be distributed separately. All team members will receive the same grade: 50% of the grade comes from the written paper and 50% of the grade comes from the presentation. See the project requirements for additional details.

**Participation.** The ability to interact in a meaningful manner and convey relevant information efficiently with colleagues is a critical component of success, regardless of your particular career objectives. Communication is a skill, and may therefore be learned and improved with practice. In an effort to provide you with a relatively low-cost venue and high-benefit incentive for developing these skills a portion of your grade in this class is based on participation points.

It is a goal of the active-collaborative learning philosophy to empower you, the student, as much as possible. Allocating a significant quantity of points to participation provides you with a significantly higher degree of control of your grade and learning experience than allocating the same points to homework or to exams. **You are in control of when, why, and how you participate.** I consider substantive contributions through either medium in the participation grade.

All participation is assessed based on the quality (and quantity) of participation in the learning community. You may ask questions in class or on the Discussion Boards. You may have questions about application of the material, or extensions of the course material to other arenas. You may offer the benefit of your personal work experience. You may discuss issues of pertinent interest to the accounting profession or the business environment as a whole, or to your general professional development. You will find that many of the topics covered in class are very hot in the business press and for the regulators, and may wish to provide comments on articles you have read or news shows that you have seen. Some of you are destined for careers in public accounting and may wish to discuss topics related to that profession. Some of you are destined for graduate school or law school and may have unique perspectives to offer on current events in the business world. Some of you may have the opportunity to attend special lectures or events that might be of interest to your colleagues, and may wish to share your experiences and observations from those events. You don’t have to be *right*; you just have to be *relevant.*

Please note that not only will high quality participation make the class much more interesting for everyone, it has the potential to provide a relatively cheap yet significant boost to your final grade. Unlike exam performance, which is subject to the slings and arrows of outrageous fortune, breakups, family problems, test anxiety, interview schedules, and illnesses, the participation aspect of the course is completely within your control. Seize the opportunity.

**Readings.** You must read the assigned material at least once before class meets. In addition to the assigned readings from the textbook, I will make selected readings from the business press and professional journals available to you on occasion. I strongly
encourage you to take advantage of this opportunity to become familiar with the practitioner viewpoint on the issues. The overall emphasis will be firmly on the “real world” – current issues, ethical dilemmas that you may well face at some point, etc. For the most part, these articles will be written by investors, by managers, and by your future colleagues in the accounting profession.

**Homework.** Homework is assigned, may be reviewed in class, but will not be collected. The homework focuses on the basic concepts or involves analysis of accounting situations. Homework designed to help you master the technical material and to provide you with an instant and painless feedback mechanism with respect to your grasp of the technical material. I have selected a number of end-of-chapter exercises that are designed to satisfy this function. Students are reminded that their preparation and completion of homework assignments directly affects their ability to participate in class discussions and perform on exams. If you have questions about the problems, feel free to ask me about them.

**Policies**

**Honor Code.** The Florida Atlantic University Honor Code governs all student activities throughout this course. A fundamental principle of academic, business, and community life is honesty. Violation of this ethical concept shall result in penalties ranging from a grade of ‘F’ in the course to dismissal from the University. In all penalties, a letter of fact shall be included in the student’s file.

**Professional Conduct.** To foster a more professional learning environment and to develop habits that lead to success in the business work, all participants must engage in professional behavior, including:
1. Taking responsibility for individual actions.
2. Attending each class session, including arriving promptly and leaving at the designated time. Attendance sign-in sheets may therefore be used and excess absences may impact the participation grade.
3. Being attentive and an active participant in group activities and class discussions.
4. Respecting diversity in the classroom and treating everyone involved in the class in a civil manner.
5. Planning outside activities to avoid conflicts with the activities outlined in the syllabus.
6. Meeting all deadlines in the course for assignments, projects, etc.
7. Acknowledging the importance of clarity of expression in written and oral communication and understanding that the course grade will be affected by your ability to communicate.

**ADA.** Students may seek accommodations in accordance with the Americans with Disabilities Act of 1990. Students with disabilities needing academic accommodations should review the University’s ADA Policy and work the Office for Students with Disabilities (OSD). Students who require special accommodation due to a disability to properly execute coursework must register with the OSD and follow all OSD procedures.
Turnitin®. Written components of any assignment or project may be submitted to Turnitin® to evaluate the originality of the work. Any students found to be submitting work that is not their own will be deemed in violation of the University’s honor code discussed above.

Missing Exams. Make-up exams will be given for valid reasons (medical emergency, family emergency, university-scheduled events, religious observation, or class conflicts) consistent with University policy and the professor’s discretion. If you do not have a valid reason for missing an exam, a zero grade may be assigned. The professor also has the option of not providing a make-up exam and re-weighting the remaining exam(s) accordingly.

Incompletes. There are no incompletes for this course except in the case of extraordinary circumstances (for example, excessive absences due to severe illness). The professor determines when an incomplete is appropriate.

Points Awarded. It is the responsibility of the student to monitor the points awarded to-date in Blackboard. The student has up to two weeks following the posting of any points to contest the number of points, after which the points are considered final.

Electronic Communication. Blackboard and FAU email will be used in this course for content delivery, assignments, and other communications. Accordingly, it is the student’s responsibility to check the Blackboard course site and their FAU email account for announcements, etc.

Religious Holidays. It is the responsibility of the student to promptly notify the professor of any conflicts due to religious observance so that accommodations can be arranged.

Pictures. Photographs of each student may be taken / used in connection with the course.