**University of Wisconsin-Milwaukee**

**Sheldon B. Lubar School of Business**

**Business Administration 840 – Section 1**

**Current Issues: Financial Reporting**

**Spring 2020**

**Instructor:** Laura Swenson; [swensola@uwm.edu](mailto:swensola@uwm.edu); 229-3837

Lubar N316, mailbox located on fourth floor off main elevators

**Office Hours:** Mondays 10:00 a.m. to 11:00 a.m., Tuesdays 4:00 p.m. to 5 p.m., Wednesdays 12:15 p.m. to 1:15 p.m., or by appointment

**Class Meetings:** Tuesdays 5:30-8:10 PM, LUB S311

**Texts and materials:** In addition to the items listed below, from time to time I will supplement or even replace materials listed as new materials become available.

Readings are available on Canvas.

Intermediate Accounting, 16th edition, Kieso, Weygandt and Warfield. If you don’t have it, borrow it from someone who does.

Advanced Accounting, 13e, Hoyle, Schaefer, and Doupnik. Because we will only use select chapters of this textbook in UWM graduate accounting courses, Dr. Neely (BUSADM 724) and I have worked with McGraw Hill to offer a modified version of this textbook that only includes the applicable chapters for this course and BUSADM 724. You may purchase the modified textbook at the bookstore for $94.50 or directly from McGraw using this link <http://shop.mheducation.com/mhshop/productDetails?isbn=1260733955> for $70 (plus shipping and handling). Please note that if purchased from these two sources, Connect will be included with the textbook at no cost. However, I do not plan to use Connect in the course. **For 2019-2020 academic year, we will be using a PDF version of Chapter 9 on Foreign Currency Transactions and Hedging Foreign Exchange Risk. This is available on Canvas and is up-to-date on the new hedge accounting effective December 15, 2018 for most public entities.**

**FASB Codification:** <http://www2.aaahq.org/ascLogin.cfm>

User ID: AAA51833

Password: 4R4EVbv

**Course Objective:** To investigate important current topics affecting financial reporting and to develop the ability to understand and apply the FASB’s conceptual framework to emerging issues.

**Course Prerequisites:** Grad standing; BUS ADM 722(P) or 402(P)

**Course Requirements:** We meet once each week throughout the semester. On average, students should expect to spend 48 hours per credit per semester on in-class activities and activities outside of the classroom (i.e. 144 hours for a 3-credit course).

Because so much of the learning occurs in the classroom, it is very important that you attend every class. You are expected to participate in class by asking/answering questions and contributing to discussions. The *Course Schedule* (below and available on Canvas) outlines the plan for each lecture throughout the semester. Note that the actual schedule may sometimes change and will be announced in class. If it does, a new schedule will be available on Canvas. Prepare for class by reading the assigned materials, including textbook chapters, supplemental readings, and Powerpoints, and completing the assigned homework.

**Course Drop/Withdrawal Deadlines:** This information is available at the following website: [*http://www4.uwm.edu/faculty\_staff/instructional\_support/registrars\_calendar.cfm*](http://www4.uwm.edu/faculty_staff/instructional_support/registrars_calendar.cfm)

**Course Grade:**

Exam 1 25%

Exam 2 30%

Exam 3 25%

Attendance/Participation 5%

Codification Project 5%

IFRS Project 5%

Final Current Issues Project Presentation 5%

A traditional grading scale (A 92%, A- 90%, B+ 88%, B 82%, B- 80%, C+ 75%, C 70%, and D 60%) will be used as a starting point however it may be modified as determined necessary by the instructor based on class performance.

**Course Procedures:** Participation by everyone is essential to the **success of the course**, as well as **your success in the course**. Readings/homework assignments are listed on the course schedule on Canvas and should be completed before coming to class on that assigned day. In addition, we will also have cases and other readings that will be distributed and discussed during class.

**Examination Information and Schedule:** Students should bring calculators to the examination. No other materials (books or notes) are allowed in the examination room.

No makeup examinations are given. To register for this session, you must be able to sit for the exams on the scheduled dates. The midterm examinations will be administered during class on the dates indicated in the course schedule.

You will have three exams, including the final exam, during the term. The final examination will be administered in accordance with the university final exam schedule. The location of the final exam will be announced on Canvas later in the semester.

**Suggested Practice Problems:** These are listed on the course schedule on Canvas and solutions will be made available on Canvas. Although these are not collected for grading, I highly suggest you work through these problems on your own. These questions are representative of types of questions you will see on the CPA exam and on the examinations in this class.

**University Policies**

Please use the following link to the Secretary of the University web site that contains University policies <https://uwm.edu/secu/syllabus-links/>

**Syllabus Links**

1. *Students with disabilities*. Notice to these students should appear prominently in the syllabus so that special accommodations are provided in a timely manner. <http://uwm.edu/arc/>

2. *Religious observances*. Accommodations for absences due to religious observance should be noted. <https://www4.uwm.edu/secu/docs/other/S_1.5_ACCOMMODA_OUS_BELIEFS.pdf>

3. *Students called to active military duty*. Accommodations for absences due to call-up of reserves to active military duty should be noted. Students: http://uwm.edu/active-duty-military/ Employees: <https://www.wisconsin.edu/ohrwd/download/policies/ops/bn9.pdf>

4. *Incompletes*. A notation of "incomplete" may be given in lieu of a final grade to a student who has carried a subject successfully until the end of a semester but who, because of illness or other unusual and substantiated cause beyond the student's control, has been unable to take or complete the final examination or to complete some limited amount of term work. <https://www4.uwm.edu/secu/docs/other/S_31_INCOMPLETE_GRADES.pdf>

5. *Discriminatory conduct*. Discriminatory conduct will not be tolerated by the University. It poisons the work and learning environment of the University and threatens the careers, educational experience, and well-being of students, faculty, and staff. <https://www4.uwm.edu/secu/docs/other/S_47_Discrimina_duct_Policy.pdf>

6. *Title IX/Sexual Violence*. Title IX is a federal law that prohibits sex discrimination in education program or activities, and UWM policy prohibits such conduct (see Discriminatory Conduct, above). This includes sexual violence, which may include sexual harassment, sexual assault, relationship violence, and/or stalking in all educational programs and education-related areas. UWM strongly encourages its students to report any instance of sex discrimination to UWM’s Title IX Coordinator (titleix@uwm.edu). Whether or not a student wishes to report an incident of sexual violence, the Title IX Coordinator can connect students to resources at UWM and/or in the community including, but not limited to, victim advocacy, medical and counseling services, and/or law enforcement. For more information, please visit: <https://uwm.edu/sexual-assault/>.

7. *Academic misconduct*. Cheating on exams or plagiarism are violations of the academic honor code and carry severe sanctions, including failing a course or even suspension or dismissal from the University. <http://uwm.edu/academicaffairs/facultystaff/policies/academic-misconduct/>

8. *Complaint procedures*. Students may direct complaints to the head of the academic unit or department in which the complaint occurs. If the complaint allegedly violates a specific university policy, it may be directed to the head of the department or academic unit in which the complaint occurred or to the appropriate university office responsible for enforcing the policy. <https://www4.uwm.edu/secu/docs/other/S_47_Discrimina_duct_Policy.pdf>

9. *Grade appeal procedures*. A student may appeal a grade on the grounds that it is based on a capricious or arbitrary decision of the course instructor. Such an appeal shall follow the established procedures adopted by the department, college, or school in which the course resides or in the case of graduate students, the Graduate School. These procedures are available in writing from the respective department chairperson or the Academic Dean of the College/School. <https://www4.uwm.edu/secu/docs/other/S_28_Grade_Appe_by_Students.pdf>

10. *LGBT+ resources*. Faculty and staff can find resources to support inclusivity of students who identify as LGBT+ in the learning environment. <http://uwm.edu/lgbtrc/>

11. *Smoke and Tobacco-Free campus*. UWM prohibits smoking and the use of tobacco on all campus property. <https://www4.uwm.edu/secu/docs/other/S_49_Smoke_Toba_Free_Policy.pdf>

12. *Final Examinations*. Information about the final exam requirement, the final exam date requirement, and make-up examinations. <https://www4.uwm.edu/secu/docs/other/S_22_Final_Examinations.pdf>

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| Class Period | Date Sections 1&2 | Topics | Reading/Homework Assignment (Canvas) | Suggested Practice Problems | Cases and other to be distributed during class |
| 1 | Jan. 21 | Introduction - Accounting Theory |  |  | eBay Motors (Lewis 2011) |
| 2 | Jan. 28 | Standard Setting Process, Principles versus Rules Based Accounting, and SEC Reporting Requirements | 1. On the Road to an Objectives-Oriented Accounting System  2. Valeant Shows the Perils of Fantasy Numbers  3. HSD Chapter 12 | HSD Problems 1-18 on pp. 534-536 |  |
| 3 | Feb. 4 | Conceptual Framework | 1. EY Behind the Scenes Conceptual Framework  2. Future Cash Flow Measurements - JOA |  | Lottery ticket |
| 4 | Feb. 11 | Fair Value | **Codification take home project due.** Submit to **Canvas** dropbox by 10pm on Feb. 11.  1. KWW fair value discussion (p. 52-54)  2. Complete Camelback Investment Company Case Study (bring solutions to class) | See EYARC Fair Value Homework Problems on Canvas |  |
| 5 | Feb. 18 | Exam 1 |  |  |  |
| 6 | Feb. 25 | Derivatives Instruments  **\*\*Selection of final project topics.** | KWW Appendix 17A | E17-23, E17-26, P17-15, P17-16 |  |
| 7 | March 3 | Foreign Currency Transactions | HSD Chapter 9 – Updated Chapter on Canvas | HSD Questions 3, 5, 6, 9, 10, 11, 16. |  |
| 8 | March 10 | Foreign Currency Transactions (continued) | HSD Chapter 9 – Updated Chapter on Canvas | HSD Problems 25, 26, 31, 33 |  |
|  | March 17 | **Spring Recess No Class** |  |  |  |
| 9 | March 24 | Foreign Currency Transactions (continued)  Review for exam 2 | HSD Chapter 9 – Updated Chapter on Canvas | HSD Problems 38, 41 |  |
| 10 | March 31 | Exam 2 |  |  |  |
| 11 | April 7 | IFRS | 1. EY US GAAP vs. IFRS  2. Complete “A Universal Remote?” Case  3. HSD Chapter 11 |  | Hail, Leuz, & Wysocki (2010) |
| 12 | April 14 | **No class.**  IFRS and Final Project Work Day. | Please use this time to complete the IFRS Group Projects and work on Final Project Presentations. I will be available during class time to answer questions. |  |  |
| 13 | April 21 | IFRS | **IFRS Group Project due IN Class**  1. KWW Chapter 9 IFRS Insights  2. KWW Chapter 11 IFRS Insights  3. KWW Chapter 12 IFRS Insights | IFRS9-1, IFRS 9-5, IFRS9-7, IFRS9-8, IFRS9-9  IFRS11-3, IFRS11-9, IFRS11-11, IFRS11-13  IFRS12-6, IFRS12-7, IFRS12-10 |  |
| 14 | April 28 | IFRS | 1. KWW Chapter 13 IFRS Insights  2. KWW Chapter 14 IFRS Insights  3. KWW Chapter 15 IFRS Insights  4. KWW Chapter 24 IFRS Insights | IFRS13-3, IFRS13-4, IFRS 13-9  IFRS14-3  IFRS15-11 |  |
| 15 | May 5 | **Final Project Presentations** |  |  |  |
|  |  | **Exam 3** | **Tuesday, May 12 5:30-7:30**  **Location: S311** |  |  |

\*\* All Reading Assignments and Suggested Problems Listed above are from the 16th Edition (FASB Update) of Kieso, Weygandt and Warfield Intermediate Textbook (KWW) or the 13th Edition of Hoyle, Schaefer, and Doupnik (HSD). **Note for Chapter 9, this is taken from a different edition of the textbook that is not yet available – please use the PDF available on Canvas.** If you have a different version of the textbook, please come see me.