

NOVA COLLEGE-WIDE COURSE CONTENT SUMMARY ACC 230 - ADVANCED ACCOUNTING (3 CR.)

Course Description

Develops the skills necessary to prepare financial statements for complex business organizations. Includes the preparation of consolidated financial statements focusing on business combinations, multinational corporations and foreign currency translation. Covers accounting for partnerships, state and local governments and nonprofit organizations. Lecture 3 hours per week

General Course Purpose

This course is a one semester (16 week) advanced level course for students who want to develop skills necessary to prepare financial statements for complex business organizations. Topics include the preparation of consolidated financial statements focusing on multinational corporations, business combinations and foreign currency translation. Other topics include partnership accounting, accounting for state and local governments and nonprofit organizations.

Course Prerequisites/Corequisites

Prerequisite or Corequisite: ACC 222 or equivalent

Course Objectives

Upon completion of this course, the student will be able to:

- Perform accounting procedures and prepare financial statements for business combinations such as statutory mergers, statutory consolidations and stock acquisitions
- Determine the proper method of accounting for the ownership of inter-corporate investments in common stock to include either consolidated financial statements, the equity method or the cost method of financial reporting
- Prepare work papers to enable the proper elimination of the effects of inter-corporate ownership and intercompany transactions on the consolidated balance sheet as of the date of acquisition
- Prepare work papers to enable proper elimination of the parent's inter-corporate investment balance and the subsidiary's equity accounts, income from the subsidiary recognized by the parent and intercompany receivables and payables for the purpose of preparing consolidated financial statements for periods subsequent to the purchase of a subsidiary
- Account for the removal of intercompany transactions such as unrealized intercompany profits, unrealized gains and losses, transfer of inventory and issuance/sale of bonds
- Explain the use of foreign currency exchange rates, foreign currency forward exchange contracts and fair value and cash flow hedges
- Restate financial statements of a foreign business entity into U.S. dollars using translation of the foreign currency or re-measurement of the foreign entity's statements
- Apply accounting procedures to the formation and the operations of a partnership including equitable allocation of profit and loss in accordance with partnership agreements and to a termination or liquidation of a partnership

- Understand the concepts of current resource measurement focus and modified accrual basis for governmental fund financial statements and the economic resource measurement focus for government-wide statements, proprietary and fiduciary fund statements
- Account for revenues and expenditures in governmental, proprietary and fiduciary funds and understand the reporting requirements of GASB 34
- Understand financial reporting for private, not-for-profit entities including classification of restricted and unrestricted net assets and accounting for contributions and pledges

Major Topics to be Included

- Intercompany acquisition and investments in other entities
- Reporting intercompany interests
- The reporting entity and consolidated financial statements
- Consolidation as of the date of acquisition
- Consolidation following acquisition
- Intercompany transfers of noncurrent assets
- Intercompany inventory transactions and intercompany indebtedness
- Multinational accounting of foreign currency transactions and translation of foreign entity statements
- Formation, operation and changes in partnership membership
- Liquidation of partnerships
- Accounting for governmental entities including the general fund, special funds and government-wide financial statements
- Accounting for not-for-profit entities

Extra Topics which may be Included

Accounting for Business Segments.