

City University of Hong Kong

**Information on a Course
offered by Department of Accountancy
with effect from Semester B in 2014 / 2015**

Part I

Course Title: Corporate Accounting II

Course Code: AC5602

Course Duration: 1 semester

Credit Units: 3

Level: P5

Medium of Instruction: English

Prerequisites: AC5601 Corporate Accounting I

Precursors: Nil

Equivalent Courses: Nil

Exclusive Courses: Nil

Part II

Course Aims

This course aims to:

1. develop students' conceptual skills and professional competence in the accounting for different forms of business combinations, capital reductions and reorganizations in compliance with the regulatory and financial framework in Hong Kong;
2. provide students with an in-depth understanding of the underlying accounting concepts and accounting standards governing the preparation of financial statements for a Group under Hong Kong Financial Reporting Standards (HKFRSs) for external users.

Course Intended Learning Outcomes (CILOs)

Upon successful completion of this course, students should be able to:

No.	CILOs	Weighting (if applicable)	DEC-related dimension
1.	Discuss and explain the appropriate accounting concepts and relevant Hong Kong Financial Reporting Standards (HKFRSs) underlying the different forms of business combinations, including: <ul style="list-style-type: none">- Group companies created on an acquisition basis- Group companies created on a merger basis- Associates- Joint ventures		Attitude / Ability / Accomplishment
2.	Prepare consolidated financial statements using the acquisition method of accounting in accordance with the Hong Kong financial reporting framework.		Ability / Accomplishment
3.	Apply the equity method of accounting for an associate in accordance with the Hong Kong financial reporting framework.		Ability / Accomplishment
4.	Account for foreign currency transactions and translation of functional currency to presentation currency in accordance with HKFRSs.		Ability / Accomplishment
5.	Discuss the different arrangements for reorganization of a company's capital structure under the relevant regulatory framework in Hong Kong and prepare accounts in accordance with a company's capital reorganization scheme.		Attitude / Ability / Accomplishment

Teaching and Learning Activities (TLAs)

(Indicative of likely activities and tasks designed to facilitate students' achievement of the CILOs. Final details will be provided to students in their first week of attendance in this course)

CILO No.	TLAs	Hours/week (if applicable)
CILO 1 CILO 4 CILO 5	Lectures, in-class learning activities and assignments designed to assist students' understanding and learning of the topics and the practical applications of the concepts and accounting standards learned.	
CILO 2 CILO 3	Lectures, in-class learning activities, assignments and analysis of Group companies' annual reports designed to assist students' understanding and preparation of consolidated financial statements under the acquisition method of accounting for subsidiaries and the equity method of accounting for associates in accordance with the Hong Kong financial reporting framework.*	

***DEC TLA element**

Assessment Tasks/Activities

(Indicative of likely activities and tasks designed to assess how well the students achieve the CILOs. Final details will be provided to students in their first week of attendance in this course)

CILO No.	Type of Assessment Tasks/Activities	Weighting (if applicable)	Remarks
CILOs 1 – 5	AT1, AT2, AT3 and AT4		

Coursework: 50%

AT1 Class-based assessment activities (10-15%) such as quizzes, assignments, in-class exercises and participation to assess students' understanding and knowledge of the weekly topics.

AT2 A mid-term test (20-30%) to provide a mid-semester assessment of students' competence level of the topics.

AT3 A case analysis / project (10-20%) at the latter part of the semester to assess students' analysis, evaluation and interpretation of financial accounting information reported in the Group annual report of a Hong Kong listed company.*

Examination: 50% (a 3-hour examination)

AT4 A written comprehensive examination to assess students' competence level of the topics.

***DEC AT element**

Students are required to pass both coursework and examination components in order to pass the course.

Grading of Student Achievement: Also refer to Grading of Courses in the Academic Regulations for Taught Postgraduate Degrees.

CILO No.	Excellent (A+, A, A-)	Good (B+, B, B-)	Adequate (C+, C, C-)	Marginal (D)
CILO 1	Demonstrate a superior grasp of the appropriate accounting concepts and relevant HKFRSs underlying the different forms of business combinations.	Demonstrate a good grasp of the appropriate accounting concepts and relevant HKFRSs underlying the different forms of business combinations.	Demonstrate basic knowledge of the appropriate accounting concepts and relevant HKFRSs underlying the different forms of business combinations.	Demonstrate some familiarity with the appropriate accounting concepts and relevant HKFRSs underlying the different forms of business combinations.
CILO 2	Provide all or almost all correct entries required in preparing the consolidated financial statements using the acquisition method of accounting in accordance with the Hong Kong financial reporting framework. Prepare an excellent set of consolidated financial statements as requested.	Provide most of the correct entries required in preparing the consolidated financial statements using the acquisition method of accounting in accordance with the Hong Kong financial reporting framework. Prepare a reasonably correct set of consolidated financial statements as requested.	Provide some correct entries required in preparing the consolidated financial statements using the acquisition method of accounting in accordance with the Hong Kong financial reporting framework. Prepare a partially correct set of consolidated financial statements as requested.	Provide a few correct entries required in preparing the consolidated financial statements using the acquisition method of accounting in accordance with the Hong Kong reporting framework. Prepare a partially correct set of consolidated financial statements as requested.
CILO 3	Demonstrate sound knowledge of the equity method of accounting and correctly apply all or almost all of the concepts under the equity method in accounting for an associate in accordance with the Hong Kong financial reporting framework.	Demonstrate a good grasp of the equity method of accounting and correctly apply most of the concepts under the equity method in accounting for an associate in accordance with the Hong Kong financial reporting framework.	Show basic knowledge of the equity method of accounting and demonstrate some application of it in accounting for an associate in accordance with the Hong Kong financial reporting framework.	Show some knowledge of the equity method of accounting and demonstrate some application of it in accounting for an associate in accordance with the Hong Kong financial reporting framework.

CILO No.	Excellent (A+, A, A-)	Good (B+, B, B-)	Adequate (C+, C, C-)	Marginal (D)
CILO 4	Demonstrate sound knowledge of the appropriate accounting concepts for foreign currency transactions and translation of functional currency to presentation currency. Provide all or almost all correct entries required in accounting for foreign currency transactions in accordance with HKFRSs.	Demonstrate a good grasp of the appropriate accounting concepts for foreign currency transactions and translation of functional currency to presentation currency. Provide most of the correct entries required in accounting for foreign currency transactions in accordance with HKFRSs.	Demonstrate basic knowledge of the appropriate accounting concepts for foreign currency transactions and translation of functional currency to presentation currency. Provide some correct entries required in accounting for foreign currency transactions in accordance with HKFRSs.	Demonstrate some knowledge of the appropriate accounting concepts for foreign currency transactions and translation of functional currency to presentation currency. Provide a few correct entries required in accounting for foreign currency transactions in accordance with HKFRSs.
CILO 5	Demonstrate sound knowledge of the appropriate accounting concepts relating to capital reductions and reorganizations and correctly account for all or almost all of the items in a company's capital reorganization scheme.	Demonstrate a good grasp of the appropriate accounting concepts relating to capital reductions and reorganizations and correctly account for most of the items in a company's capital reorganization scheme.	Demonstrate basic knowledge of the appropriate accounting concepts relating to capital reductions and reorganizations and correctly account for some of the items in a company's capital reorganization scheme.	Demonstrate some knowledge of the appropriate accounting concepts relating to capital reductions and reorganizations and correctly account for a few of the items in a company's capital reorganization scheme.

Part III

Keyword Syllabus

Business combinations; Goodwill; Consolidated financial statements; Subsidiaries; Associates; Joint ventures; Merger accounting; Foreign currency transactions; Capital reductions and reorganizations.

Recommended Reading

Text(s)

1. Picker, R., K. Leo, J. Loftus, V. Wise, K. Clark, and K. Alfredson. *Applying International Financial Reporting Standards*, Wiley, latest edition.
2. Wong, S, and C. Yeung, *Advanced Financial Accounting*, McGraw Hill, latest edition.
3. Ng, E. J., *Consolidated Financial Statements*, McGraw Hill, latest edition.
4. Chow, L., S. Kan, D. Taylor, and C. Tsui, *Advanced Financial Accounting in Hong Kong*, Longman, latest edition.
5. HKICPA. *Hong Kong Financial Reporting Standards (HKFRSs) – Members Handbook*, Hong Kong Institute of Certified Public Accountants.

Online Resources

1. Canvas site for the course
2. *Hong Kong Financial Reporting Standards (HKFRSs) – Members Handbook*, Hong Kong Institute of Certified Public Accountants
<http://app1.hkicpa.org.hk/ebook/index.php>