

**City University of Hong Kong
Course Syllabus**

**offered by Department of Accountancy
with effect from Semester B 2019/20**

Part I Course Overview

Course Title: Corporate Accounting II

Course Code: AC5602

Course Duration: 1 semester

Credit Units: 3

Level: P5

Medium of Instruction: English

Medium of Assessment: English

Prerequisites:
(Course Code and Title) AC5601 Corporate Accounting I

Precursors:
(Course Code and Title) Nil

Equivalent Courses:
(Course Code and Title) Nil

Exclusive Courses:
(Course Code and Title) Nil

Part II Course Details

1. Abstract

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.

2. Course Intended Learning Outcomes (CILOs)

(CILOs state what the student is expected to be able to do at the end of the course according to a given standard of performance.)

No.	CILOs	Weighting (if applicable)	Discovery-enriched curriculum related learning outcomes (please tick where appropriate)		
			A1	A2	A3
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 	10%	✓	✓	✓
2.	Prepare consolidated financial statements using the acquisition method of accounting in accordance with the Hong Kong financial reporting framework.	40%		✓	✓
3.	Apply the equity method of accounting for an associate in accordance with the Hong Kong financial reporting framework.	20%		✓	✓
4.	Translate financial statements prepared under the functional currency to presentation currency in accordance with HKFRSs.	15%		✓	✓
5.	Discuss the different arrangements for reorganization of a company's capital structure under the relevant regulatory framework in Hong Kong.	15%	✓	✓	✓
		100%			

- A1: *Attitude*
Develop an attitude of discovery/innovation/creativity, as demonstrated by students possessing a strong sense of curiosity, asking questions actively, challenging assumptions or engaging in inquiry together with teachers.
- A2: *Ability*
Develop the ability/skill needed to discover/innovate/create, as demonstrated by students possessing critical thinking skills to assess ideas, acquiring research skills, synthesizing knowledge across disciplines or applying academic knowledge to self-life problems.
- A3: *Accomplishments*
Demonstrate accomplishment of discovery/innovation/creativity through producing /constructing creative works/new artefacts, effective solutions to real-life problems or new processes.

3. Teaching and Learning Activities (TLAs)

(TLAs designed to facilitate students' achievement of the CILOs.)

TLA	Brief Description	CILO No.						Hours/week (if applicable)
		1	2	3	4	5		
Lectures	Students will learn through the in-class lectures designed to enhance students' understanding, knowledge and practical applications of accounting standards in compliance with the regulatory framework and the Hong Kong Financial Reporting Standards (HKFRSs).	✓	✓	✓	✓	✓		
Case analysis/ project [#]	Students are required to select a Hong Kong listed company to perform analysis for showing their understanding and preparation of consolidated financial statements of Group companies' annual reports.	✓		✓		✓		
In-class activities	Students need to participate the in-class activities such as mini-case study to explain and apply the relevant accounting standards and the preparation of consolidated financial statements.	✓	✓	✓	✓	✓		

[#] DEC TLA element

4. Assessment Tasks/Activities (ATs)

(ATs are designed to assess how well the students achieve the CILOs.)

Assessment Tasks/Activities	CILO No.					Weighting	Remarks
	1	2	3	4	5		
Continuous Assessment: <u>50%</u>							
<u>Class based assessment activities</u> Students need to participate the in-class activities such as mini-case study to explain and apply the relevant accounting standards and the preparation of consolidated financial statements.	✓		✓			10%	
<u>Mid-term test</u> Students will be assessed by answering specific theoretical and practical questions to explain the relevant accounting concepts and to prepare the consolidated financial statements.	✓	✓				20%	
<u>Case analysis/project[#]</u> Students will work in groups, and deliver presentations on selected Hong Kong listed company to explain and apply on consolidation concepts in real life situation.	✓		✓		✓	20%	
Examination: <u>50%</u> (duration: 3 hours) [Closed-book examination]							
<u>Final examination</u> Students will be assessed by answering specific theoretical and practical questions to explain the relevant accounting concepts as to the application of equity method, translation of financial statements prepared under the functional currency to presentation currency, and merger accounting.	✓	✓	✓	✓		50%	
						100%	

DEC AT element

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

5. Assessment Rubrics

(Grading of student achievements is based on student performance in assessment tasks/activities with the following rubrics.)

	Assessment Task	Criterion	Excellent (A+, A, A-)	Good (B+, B, B-)	Fair (C+, C, C-)	Marginal (D)	Failure (F)
1.	Class based assessment and assignments	1.1 ABILITY to DISCUSS and EXPLAIN the appropriate accounting concepts.	High	Significant	Moderate	Basic	Not even reaching marginal level
		1.2 ABILITY to DEMONSTRATE the initiative and interactions relating to the course topics in class.	High	Significant	Moderate	Basic	Not even reaching marginal level
2.	Mid-term test and Final examination	2.1 ABILITY to DISCUSS and EXPLAIN the appropriate accounting concepts and relevant Hong Kong Financial Reporting Standards (HKFRSs) underlying the different forms of business combinations and PREPARE the financial statements for a group.	High	Significant	Moderate	Basic	Not even reaching marginal level
		2.2 ABILITY to TRANSLATE financial statements prepared under the functional currency to presentation currency in accordance with HKFRSs.	High	Significant	Moderate	Basic	Not even reaching marginal level
3.	Case analysis / project report	3.1 ABILITY to ANALYZE and EVALUATE critically the information from the financial statements of a Group.	High	Significant	Moderate	Basic	Not even reaching marginal level
		3.2 ABILITY to DISCUSS and EVALUATE arrangements for reorganization of a company's capital structure under the relevant regulatory framework in Hong Kong.	High	Significant	Moderate	Basic	Not even reaching marginal level

Part III Other Information (more details can be provided separately in the teaching plan)

1. Keyword Syllabus

(An indication of the key topics of the course.)

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

2. Reading List

2.1 Compulsory Readings

(Compulsory readings can include books, book chapters, or journal/magazine articles. There are also collections of e-books, e-journals available from the CityU Library.)

1.	Picker, R., K. Leo, J. Loftus, V. Wise, K. Clark, and K. Alfredson. <i>Applying International Financial Reporting Standards</i> , Wiley, latest edition.
2.	Wong, S, and C. Yeung, <i>Advanced Financial Accounting</i> , McGraw Hill, latest edition.

2.2 Additional Readings

(Additional references for students to learn to expand their knowledge about the subject.)

1.	Lam, N., K.P. Yuen, and J. Kwong, “ <i>Advanced Financial Reporting</i> ”, latest edition, McGraw-Hill.
2.	Tan, H.N., C.Y. Lim, and L.N. Lee, “ <i>Advanced Financial Accounting</i> ”, latest edition, McGraw-Hill.
3.	HKICPA. <i>Hong Kong Financial Reporting Standards (HKFRSs) – Members Handbook</i> , Hong Kong Institute of Certified Public Accountants.