Instructor: Rajib Doogar  
Office: 225 E David Kinley Hall  
E-mail: doogar@uiuc.edu

Office hours: M W, 4:00-5:00 pm and by appointment.

Course Home Page: [www.cba.uiuc.edu/doogar/Accy493/493.htm](http://www.cba.uiuc.edu/doogar/Accy493/493.htm)

TA: Sam Han  
Office: 205 Survey  
E-mail: shan3@uiuc.edu

Office hours: T R, 4:00-5:00 pm and by appointment.

**Class meeting times:**

- **Section D1**  M, W  8:00 - 9:50 am  431 Armory
- **Section D2**  M, W  10:00 -11:50 am  431 Armory
- **Section MSA**  M, W  2:00 - 3:50 pm  112 Speech and Hearing

**Text and readings:** A custom readings packet available from TIS book store and select chapters from the following texts:


The following optional readings may be helpful (and interesting):


**Course Objectives:**

Financial reporting and accounting policy choices are influenced by the economic self interests of managers and owners as well as key decision-makers’ need for reliable and relevant information. This course is organized around some recurrent themes of the craft: How are transactions to be classified? How should values be measured? How should they best be disclosed or communicated? We use these questions to better understand the basics of US GAAP for some important classes of transactions.

**Expectations**

Students are expected to prepare the assigned readings and work through the homework problems before coming to class. If the assigned reading is a case, preparation includes any preliminary calculations that may be informative.

**Homework**

The number of problems assigned for homework varies. On days when more than three problems are assigned for homework, you may select three problems to solve for homework. Homework is due at the beginning of class each day. Bring two copies of your homework solutions to class each day. On randomly selected days you will be asked to turn in one copy at the beginning of class. The other copy will be very useful to you during the class discussion. No late work will be accepted under any circumstances. No make-up work will be assigned.
Quizzes & Exams
There will be six quizzes and three exams (two mid-term and one final) given on the
dates indicated in the schedule. All quizzes and exams will be closed book, closed notes
with no text-storing calculators allowed. It is not contemplated that you will miss a quiz
or an exam. No make-up quizzes or exams will be given. Absences will be dealt with
based upon the circumstances.

Grading
Item                                      Points
Homework                                  100
Class participation                       75
Quizzes (best 5 @ 20 points each)         100
2 Midterms and 1 Final Exam (3 X 75 points each) 225
Total                                     500

Your final grade will be based on the sum of the points earned on these components
applied to a final grade scale.

Other
I encourage students to provide me with feedback about all aspects of the course. It is
best to contact me by e-mail. However you are welcome to stop by during office hours or
by appointment as well.
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<td>Partnership Accounting: Liquidation</td>
<td>AA: E 14-6,7</td>
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<td>Strategic Investments: Alliances and Equity Investments</td>
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<td>Day 7: M 9/22</td>
<td><strong>Quiz 1</strong> &amp; Mergers and Acquisitions: Economic and Strategic Considerations</td>
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<td>Mergers and Acquisitions: Accounting for Business Combinations II</td>
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<td><strong>Thanksgiving Break: No classes 11/24 &amp; 11/26</strong></td>
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<td>Final Exam: TBA</td>
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Module 1: Introduction and Overview

Day 1  Course Introduction: Financial Reporting Fundamentals
HBS 9-100-010 Perspective, Institutions and Basic Issues [RC #1]

Day 2  Strategic Aspects of Financial Reporting: The Role of Asymmetric Information
HBS 9-190-188 Financial Reporting Strategy and Analysis under Asymmetric Info [RC #2]
HBS 9-101-072 Accounting for the Intel Pentium Chip Flaw. [RC #3]

Module 2: Organizational Form and Scope

Day 3/4  Choice of Organizational Form and Financial Statement Engineering
AA, Chapter 13. “Partnerships: Characteristics, Formation and Accounting for Activities.”
AA, Chapter 14. “Partnerships: Characteristics, Formation and Accounting for Activities.”

Day 5/6  Strategic Alliances and Equity Investments
IA, Chapter 17. “Investments.”

Day 7  Quiz 1 & Mergers and Acquisitions: Economic and Strategic Considerations
AA, Chapter 1. “Business Combinations.”

Day 8/9  Mergers and Acquisitions: The details
AA, Chapters 2 and 3. “Consolidated Statements: Date of Acquisition.”

Day 10  Quiz 2 & Conclusion of M&A Accounting discussion

Day 11  Exam I
Day 12 Topics in Reporting: Foreign Currency Translation and Segmental Reporting

Day 13 Topics in Reporting: Segmental Operations
AA, Chapter 12. “Disclosures About Segments of an Enterprise.”
Heterogeneous Investment Opportunities in Multiple-Segment Firms and the Incremental Value Relevance of Segment Accounting Data. Chen and Zhang, The Accounting Review, April 2003, (78:2): 397-434. [EJC]

Module 3: Financing Business Activities

Day 14 Quiz 3 & Capital Structure

Day 15 Debt & Troubled Debt

Day 16 Equity: Common, Preferred, Repurchases

Day 17 Dividends

Day 18 Convertibles & EPS.
PCF, Chapter 23. “Warrants and Convertibles.”
Day 19 Quiz 4 & Reorganization: Restructuring
[RC #6]
HBS 9-196-135 Restructuring in the 1990s.[RC #7]

Day 20
Exam II

Module 4: Compensation & Pensions

Day 21/22 Performance Evaluation and Employee Compensation
HBS 9-100-031 The Boeing Company’s Accounting for Executive Stock Compensation [RC #8]

Day 23/24 Financing with Leases
IA, Chapter 21. “Accounting for Leases.”

Day 25 Quiz 5 & Post-employment Benefits: Pensions

Day 26 Post-employment Benefits: Pensions & OPEBS

Day 27 Post-employment Benefits: Pensions & OPEBS Wrap-up
IA, Chapter 20. “Accounting for Pensions and Postretirement Benefits.”

Day 28 Quiz 6 & Review
HBS 9-193-045 Diversity in Accounting Principles: a Problem, a Strategic Imperative or a Strategic Opportunity? [RC #9]