



# Course Outline

## RSM 320 H1F Intermediate Financial Accounting III Fall 2024

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→→**Course Delivery:** RSM320H1 F Intermediate Financial Accounting III. Section L0101, Tuesday 11 am–1 pm. The section will be offered in person. The sessions will **not** be recorded.

→→**Office Hours:** Will be offered online during the times indicated below.

**Instructor: Joel Amernic [please communicate by email]**

**Office: #500 Rotman;**

**Email: [joel.amernic@rotman.utoronto.ca](mailto:joel.amernic@rotman.utoronto.ca);**

**Webpage: <https://q.utoronto.ca>**

**Office Hours:** Tuesday during the term, 4:30 pm to 5:30 pm (Toronto time), online via ZOOM (accessible via the course page on Quercus). Contact me by email for other appointments.

### Course Scope and Mission

This course covers broader areas in financial reporting, drawing upon regulatory documents, corporate communications, and the context within which reporting organizations operate. Topics include: reporting quality, employee future benefits, employee compensation disclosure and analysis, income tax accounting, narrative reporting (including analysis of the CEO letter), internet reporting within the framework of history and technology, and other related topics. Emphasis is on both the content and the context of financial reporting, including an organization's 'tone at the top' and governance, as means of improving the quality of accounting.

### **COURSE OBJECTIVES**

The specific objectives of the course are as follows:

- Understand the various requirements and components of financial reporting
- Explore the implications of accounting choices on financial reporting with emphasis on the quality of earnings and tone at the top
- Apply accounting techniques and methods for the topics covered in the course
- Identify some of the key differences between International Financial Reporting Standards (IFRS) and Accounting Standards for Private Enterprises (ASPE)
- Recognize the integration of the material and concepts discussed in the course

Financial reporting must be responsive to not only firm-specific issues, but also wider issues such as the COVID-19 pandemic, climate change, the CrowdStrike meltdown of July 2024, among others, that affect markets and society broadly.

For example, COVID-19 had a significant impact on financial reporting. Virtually all topics covered in RSM 320 were affected. Certainly, the numbers presented on financial statements may be profoundly affected. Equally important is the impact on "Disclosure" in a wide variety of financial reporting communication channels, including:

- annual audited financial statements, including the accompanying notes;
- interim financial statements;
- Management Discussion and Analysis (MD&A);
- Compensation Discussion and Analysis (CD&A);
- Sustainability reports;
- CEO letters to shareholders in annual reports and other reports;
- earnings conference calls;
- annual general meetings of shareholders;
- company press releases;
- social media communication (for example, on X, formerly called Twitter);
- CEO (chief executive officer) and other executive speeches and interviews;
- etc.

As another example of a broader issue affecting financial reporting, the CrowdStrike software update meltdown has significance for financial reporting. On the CNN website on July 19, 2024, Brian Fung wrote:

“The CrowdStrike software issue at the heart of the outage runs at such a deep level in affected computers and systems that getting them up and running just to be fixed will be, in many cases, an enormous challenge...“I don’t think it’s too early to call it: this will be the largest IT outage in history,” said security expert Troy Hunt in a post on X...” (“Recovering from the global tech outage could be a long, arduous process”; <https://www.cnn.com/2024/07/19/business/recovery-global-crowdstrike-outage/index.html>).

Cooley, a global legal firm, issued the following alert regarding the software update meltdown:

“There are a number of US Securities and Exchange Commission (SEC) reporting implications arising from the server-related outages caused by CrowdStrike’s defective software update on July 19, 2024, and their impacts on public companies, particularly in light of the SEC’s new cybersecurity disclosure rules. While the situation on the ground – as well as answers to these questions – is still very much evolving, public companies impacted by the CrowdStrike update should consider doing the following:

- Ensure compliance with applicable policies and perform assessments to determine whether any impact from the CrowdStrike update is “material,” and whether any reporting is necessary or advisable.
- Perform risk assessments and gap analyses to determine whether there are any shortcomings in systems and systems-related matters, including use of third parties and relevant oversight, monitoring, disaster recovery, and other practices.
- Update risk factors and other disclosures, including regarding systems downtime and/or reliance on third parties to operate critical business systems.
- Determine if the CrowdStrike update has had or is expected to have a material impact on the company, then consider if it should be discussed in the management’s discussion and analysis (MD&A) section of SEC filings, including as a known trend for future periods.
- Be mindful of Regulation FD when communicating with analysts and investors regarding the impact of the CrowdStrike update on the company.
- Evaluate whether the CrowdStrike update has implications for the company’s internal controls and disclosure controls and procedures.”

(<https://www.cooley.com/news/insight/2024/2024-07-22-sec-reporting-implications-for-publicly-traded-companies-impacted-by-crowdstrike-defective-software-update>)

## ARTIFICIAL INTELLIGENCE (AI), CHATGPT, COPILOT, AND SIMILAR RESOURCES, AND FINANCIAL REPORTING

→→On July 1, 2023, ChatGPT was given the following command:  
**DESCRIBE FINANCIAL REPORTING AND ITS IMPORTANCE**

ChatGPT provided the following response:

**ChatGPT**

**Financial reporting is the process of disclosing an organization's financial information to external stakeholders, such as investors, creditors, regulators, and the public. It involves the preparation and presentation of financial statements, which provide a comprehensive overview of the financial performance, position, and cash flows of an entity.**

**The primary purpose of financial reporting is to provide relevant, reliable, and timely information about the financial affairs of an organization. It serves several important functions:**

- 1. Decision-making: Financial reports enable investors, shareholders, and other stakeholders to make informed decisions regarding their involvement with the organization. They help assess the profitability, stability, and growth potential of a company, aiding investors in deciding whether to buy, sell, or hold securities.**
- 2. Transparency and Accountability: Financial reporting promotes transparency and accountability within an organization. By disclosing financial information, companies are held accountable for their financial performance and management. It allows stakeholders to monitor the financial health and integrity of the entity, fostering trust and confidence in the organization.**
- 3. Compliance and Regulation: Financial reporting plays a crucial role in complying with legal and regulatory requirements. Companies are often required to prepare and publish financial statements in accordance with accounting standards and regulatory guidelines specific to their jurisdiction. This ensures consistency, comparability, and fairness in financial reporting across organizations.**
- 4. Creditworthiness and Lending: Financial reports are essential for lenders and creditors when assessing the creditworthiness and repayment capacity of an entity. These reports provide valuable insights into a company's ability to meet its financial obligations, helping lenders make informed decisions about extending credit or loans.**
- 5. Planning and Performance Evaluation: Financial reports are used internally by management to assess the financial performance and evaluate the effectiveness of business strategies. They aid in identifying areas of strength and weakness, facilitating informed decision-making for future planning and resource allocation.**

**Overall, financial reporting serves as a fundamental communication tool between a company and its stakeholders. It enables transparency, accountability, and informed decision-making, ensuring the efficient functioning of financial markets and the economy as a whole.**

→→List, with reasons, some strengths and weaknesses of this ChatGPT response. Could the wording of the command have been improved?

In a 2023 issue of the journal ISSUES IN ACCOUNTING EDUCATION, the following article was published: "The ChatGPT Artificial Intelligence Chatbot: How Well Does It Answer Accounting Assessment Questions?" ISSUES IN ACCOUNTING EDUCATION, Vol. 38, No. 4, November 2023, pp. 1–28; the Abstract of the article was as follows:

ABSTRACT: ChatGPT, a language-learning model chatbot, has garnered considerable attention for its ability to respond to users' questions. Using data from 14 countries and 186 institutions, we compare ChatGPT and student performance for 28,085 questions from accounting assessments and textbook test banks. As of January 2023, ChatGPT provides correct answers for 56.5 percent of questions and partially correct answers for an additional 9.4 percent of questions. When considering point values for questions, students significantly outperform ChatGPT with a 76.7 percent average on assessments compared to 47.5 percent for ChatGPT if no partial credit is awarded and 56.5 percent if partial credit is awarded. Still, ChatGPT performs better than the student average for 15.8 percent of assessments when we include partial credit. We provide evidence of how ChatGPT performs on different question types, accounting topics, class levels, open/closed assessments, and test bank questions. We also discuss implications for accounting education and research. Keywords: artificial intelligence; chat bots; GPT-3; accounting education; assessment; crowdsourcing.

Over 2023 and 2024, many articles about ChatGPT and similar resources have been written, some of which are pertinent to accounting education (as is the above article) and most of which deal with broader but crucial implications of AI not only in education generally but in society more broadly.<sup>1</sup>

We will examine ChatGPT and financial reporting in CLASS 2, as part of the topic "Establishing Trust in Financial Reporting: *Quality, History and Technology*". Also, this resource will be examined at times when we focus on subject-specific financial reporting topics.

## The Central Importance of Financial Reporting

Aside from the exigences imposed by the pandemic and ongoing challenges and opportunities due to changing technology (for example, blockchain, ChatGPT, etc.) and changing societal expectations, and war, the central importance of financial reporting, and accounting generally, was reinforced by historian Jacob Soll in his book entitled *The Reckoning: Financial Accountability and the Rise and Fall of Nations* (2014). He claims that:

"...Accounting is at the basis of building businesses, states, and empires. It has helped leaders craft their policies and measure their power. However, when practiced poorly or neglected, accounting has contributed to cycles of destruction, as we saw all too clearly in the 2008 financial crisis." (p. xi)

"...Over and over again, good accounting practices have produced the levels of trust necessary to found stable government and vital capitalist societies, and poor accounting and

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<sup>1</sup> For example, for education in general, see Owen Kichizo Terry, (2023), "I'm a Student. You Have No Idea How Much We're Using ChatGPT", THE CHRONICLE OF HIGHER EDUCATION, MAY 12, 2023, <https://www-chronicle-com.myaccess.library.utoronto.ca/article/im-a-student-you-have-no-idea-how-much-were-using-chatgpt>

Another example, for business in general: Baruch Labunski, "Harnessing the Power of GPT and AI: Transforming the Future of Business", NEWSWEEK, June 9, 2023, <https://www.newsweek.com/harnessing-power-gpt-ai-transforming-future-business-1805363>

Two further examples: Street, Daniel and Wilck, Joseph. "'Let's Have a Chat:' Applying ChatGPT and Other Large Language Models to the Practice of Forensic Accounting." (2023), [https://digitalcommons.bucknell.edu/cgi/viewcontent.cgi?article=3042&context=fac\\_journ](https://digitalcommons.bucknell.edu/cgi/viewcontent.cgi?article=3042&context=fac_journ)  
 McGee, Robert W., Will ChatGPT Destroy the Accounting Profession? ChatGPT Replies (April 27, 2023). Available at SSRN: <https://ssrn.com/abstract=4431100>

its attendant lack of accountability have led to financial chaos, economic crimes, civil unrest, and worse.” (p. xii)

“Without double-entry accounting, neither modern capitalism nor the modern state could exist...” (p. xiv)

And historian Alfred Crosby wrote (in his book *The Measure of Reality; Quantification and Western Society*, 1250-1600):

“In the past seven centuries bookkeeping has done more to shape the perceptions of more bright minds than any single innovation in philosophy or science. While a few people pondered the words of Rene Descartes and Immanuel Kant, millions of others of yeasty and industrious inclination wrote entries in neat books and then rationalized the world to fit their books. Precision, indispensable to our science, technology, economic and bureaucratic practice, was rare in the Middle Ages, and even more rarely quantitative.”

## Teck Resources Limited (“Teck”)

→→TECK RESOURCES LIMITED’S FINANCIAL REPORTING, INCLUDING ITS FINANCIAL STATEMENTS, SUSTAINABILITY REPORTING, MD&A, AND MORE, IS USED THROUGHOUT THIS COURSE. THE COMPANY DESCRIBES ITSELF AS FOLLOWS IN ITS 2023 ANNUAL REPORT:

### **Our Business**

Teck is one of Canada's leading mining companies, focused on providing products that are essential to building a better quality of life for people around the globe. Headquartered in Vancouver, British Columbia (B.C.), Canada, we own or have interests in nine operating mines, a large metallurgical complex, and several significant copper and zinc development projects, all in the Americas. We have expertise across a wide range of activities related to exploration, development, mining and minerals processing, including smelting and refining, commodity sales and trading, health and safety, environmental protection, materials stewardship, recycling and research.

Our corporate strategy is focused on exploring for, acquiring, developing and operating world-class, long-life assets in stable jurisdictions that operate through multiple price cycles. We maximize productivity and efficiency at our existing operations, maintain a strong balance sheet, deliver commercial and supply chain excellence and are nimble in recognizing and acting on opportunities. The pursuit of sustainability guides our approach to business, and we recognize that our success depends on our ability to ensure safe workplaces, collaborative community relationships and a healthy environment.

**Operations and Development Projects**

**Copper**

- 1 Highland Valley Copper
- 2 Antamina
- 3 Carmen de Andacollo
- 4 Quebrada Blanca

**Zinc**

- 5 Red Dog
- 6 Trail Operations

**Steelmaking Coal**

- 7 Fording River
- 8 Greenhills
- 9 Line Creek
- 10 Elbow

**Copper Development Projects**

- 11 Highland Valley Copper Mine Life Extension
- 12 Zafrañal
- 13 San Nicolás
- 14 NewRange Copper Nickel
- 15 Quebrada Blanca Asset Expansion
- 16 Galore Creek
- 17 Shaft Creek
- 18 NuevaUnión

**Zinc Development Projects**

- 19 Armasco and Altighua
- 20 Otago
- 21 Su-Lik
- 22 Tera

**Copper**

We are a significant copper producer in the Americas, with four operating mines in Canada, Chile and Peru, and eight copper development projects in North and South America.

**Zinc**

We are one of the world's largest producers of mined zinc, with production from the Red Dog mine in Alaska and from the Antamina copper mine in Peru, which has considerable zinc co-product production, and one significant zinc development project in Alaska. We also own one of the world's largest fully integrated zinc and lead smelting and refining facilities in British Columbia, Canada.

**Steelmaking Coal**

We are the world's second-largest seaborne exporter of steelmaking coal, with four low-carbon intensity<sup>1</sup> operations in British Columbia, Canada that have significant high-quality steelmaking coal reserves.<sup>2</sup>

<sup>1</sup> Carbon intensity in this context refers to the greenhouse gas (GHG) emissions per tonne of product produced (e.g., GHG per tonne of steelmaking coal). The assertion of being low-carbon is based on comparison of the aggregate carbon intensity performance (Scope 1 and 2 emissions) of Teck's steelmaking coal operations with that of other global steelmaking coal producers, based on analysis published by Skam Associates covering 2018-2022, which states that the carbon performance of Teck's steelmaking coal operations is more than 50% below the global weighted average.

<sup>2</sup> On November 13, 2023, Teck announced it had agreed to sell its entire interest in its steelmaking coal business through a sale of a majority 77% interest to Gleason plc (Gleason) and a sale of a minority 20% and 3% interest to Nippon Steel Corporation (NSC) and POSCO, respectively. For further information, see page 35.

→→TECK HAS WON SEVERAL AWARDS, INCLUDING MAJOR AWARDS FROM CPA CANADA FOR CORPORATE FINANCIAL REPORTING.

To provide some relatively current information about Teck, here is part of its news release for its second quarter results for 2024:



Teck Resources Limited  
TSX: TECK.A, TECK.B  
NYSE: TECK  
teck.com

For Immediate Release  
24-26-TR

Date: July 23, 2024

## Teck Reports Unaudited Second Quarter Results for 2024

### *Record quarterly copper production and transformation to pure-play energy transition metals company*

**Vancouver, B.C.** – Teck Resources Limited (TSX: TECK.A and TECK.B, NYSE: TECK) (Teck) today announced its unaudited second quarter results for 2024.

"We generated \$1.7 billion of Adjusted EBITDA<sup>1</sup> in the second quarter driven by record copper production with QB ramp-up continuing, as well as strong copper market fundamentals with copper prices reaching all-time highs," said Jonathan Price, President and CEO. "In early July, we completed the sale of our steelmaking coal business, and we now move forward as a pure-play energy transition metals company with leading copper growth. With cash proceeds of US\$7.3 billion we will reduce debt, retain cash to fund our near-term copper growth, and return significant cash to our shareholders."

#### Highlights

- Adjusted EBITDA<sup>1</sup> of \$1.7 billion in Q2 2024 was driven by record copper production as Quebrada Blanca (QB) continues to ramp-up operations, as well as strong copper prices and steelmaking coal sales volumes. Profit from continuing operations before taxes was \$658 million in Q2 2024.
- Adjusted profit from continuing operations attributable to shareholders<sup>1</sup> was \$413 million, or \$0.80 per share, in Q2 2024. Profit from continuing operations attributable to shareholders was \$363 million, \$0.70 per share, in Q2 2024.
- On July 11, 2024, we completed the sale of the remaining 77% interest in our steelmaking coal business, Elk Valley Resources (EVR) and received cash proceeds of US\$7.3 billion, subject to customary closing adjustments. We will deploy the cash proceeds to reduce debt, fund our near-term copper growth, and return significant cash to our shareholders.
- With the proceeds from the sale of the steelmaking coal business, the Board authorized up to a \$2.75 billion share buyback and approved payment of an eligible dividend of \$0.625 per share, including a \$0.50 per share supplemental dividend, payable on September 27, 2024 to shareholders of record on September 13, 2024. Combined with the \$500 million share buyback announced in February, total cash returns to shareholders of \$3.5 billion from the sale of the steelmaking coal business have been authorized.
- On July 15, 2024, we purchased US\$1.4 billion of our public notes through a bond tender offer.
- Our liquidity as at July 23, 2024 is \$14.3 billion, including \$8.7 billion of cash. We generated cash flows from operations of \$1.3 billion in Q2.
- We returned a total of \$346 million to shareholders in the second quarter through the purchase of \$282 million of Class B subordinate voting shares pursuant to our normal course issuer bid, and \$64 million paid to shareholders as dividends.
- Record quarterly copper production of 110,400 tonnes in the second quarter, with QB producing 51,300 tonnes. QB production continues to ramp-up to full production rates with first molybdenum produced in the quarter.
- Copper prices (LME) averaged US\$4.42 per pound in the second quarter with spot copper prices reaching all-time highs of US\$4.92 per pound in the quarter.
- Red Dog had a strong second quarter with zinc production increasing by 4% from a year ago to 139,400 tonnes and lead production increasing by 23% to 28,900 tonnes.

#### Note:

1. This is a non-GAAP financial measure or ratio. See "Use of Non-GAAP Financial Measures and Ratios" for further information.

All dollar amounts expressed in this news release are in Canadian dollars unless otherwise noted.

Reference:	Fraser Phillips, Senior Vice President, Investor Relations and Strategic Analysis	604.699.4821
	Dale Steeves, Director, Stakeholder Relations	236.987.7406

Additional corporate information is available at [www.teck.com](http://www.teck.com)

## Course Class Meeting Schedule

**RSM 320 FALL 2024 CLASS MEETING SCHEDULE [→→] "DISCUSSION QUESTIONS"  
EACH CLASS ARE AN INTEGRAL PART OF THE COURSE AND COURSE OUTLINE**

CLASS MEETING	Tuesday
	L0101 LOCATION: SEE QUERCUS OR ACORN Toronto time 11 am-1 pm
CLASS 1	September 3
CLASS 2	September 10
CLASS 3	September 17
CLASS 4	September 24
CLASS 5	October 1
CLASS 6	October 8
CLASS 7	October 15
CLASS 8	October 22
CLASS 9	November 5
CLASS 10	November 12
CLASS 11	November 19
CLASS 12	November 26

**ASSIGNMENT #1 DUE BY 12 NOON MONDAY SEPTEMBER 30 [→→] VIA QUERCUS]**

**ASSIGNMENT #2 DUE BY 12 NOON MONDAY NOVEMBER 4 [→→] VIA QUERCUS)**

**FURTHER DETAILS WILL BE PROVIDED ON QUERCUS**

**→NOTE #1: Fall Reading Week Monday October 28 – Friday November 1, 2024; NO CLASSES**

**→→OFFICE HOURS: TUESDAY, 4:30 PM – 5:30 PM VIA ZOOM**

**GENERAL INFORMATION ABOUT WINTER TERM 2024 DATES:**

<b>FALL 2024</b>	
<b>F Term Start Date</b>	Tuesday September 3, 2024
<b>Last Date to add F Term Courses</b>	Monday September 16, 2024
<b>Thanksgiving Monday</b>	Monday October 14, 2024
<b>Last Date to drop F Term Courses</b>	Monday November 4, 2024
<b>Fall Reading Week</b>	Monday October 28 – Friday November 1, 2024
<b>F Term End Date</b>	Monday December 2, 2024
<b>Make-up Day*</b>	Tuesday December 3 <sup>rd</sup>
<b>December Final Exam Period</b>	Friday December 6 to December 21, 2024

*\*This session is for those courses that lose a session due to Thanksgiving Monday.*

## Course Prerequisite

RSM221H1: Intermediate Financial Accounting II

([fas.calendar.utoronto.ca/section/Rotman-Commerce](https://fas.calendar.utoronto.ca/section/Rotman-Commerce)).



## Statement on Equity, Diversity and Inclusion

The University of Toronto is committed to equity, human rights and respect for diversity. All members of the learning environment in this course should strive to create an atmosphere of mutual respect where all members of our community can express themselves, engage with each other, and respect one another's differences. U of T does not condone discrimination or harassment against any persons or communities.

## Required Readings and Other Course Material

### Lecture Slides/Agendas and Handouts

- Lecture slides/agendas will be made available on Quercus at least one day before class; download and have available for each class.
- All other materials discussed in the lecture will be made available on Quercus either before or after class as appropriate. Students are reminded to check Quercus on a regular basis. DISCUSSION QUESTIONS, available on the Quercus, are an integral part of each class; download and bring them each week, as well as other indicated material.

### Required Readings

The main required readings for this course are as follows:

- Intermediate Accounting (Volume 2), John Wiley and Sons Canada Limited, 13th Canadian Edition, 2022 by Kieso, Weygandt, Warfield, Young, Wiecek and McConomy (referred to herein as Kieso). Hardcopy or e-edition.
- Articles, cases, websites and any other additional reading material used during class or posted on Quercus. See particularly the material in DISCUSSION QUESTIONS files.
- Journal articles available electronically via the University of Toronto Library website at [www.library.utoronto.ca](http://www.library.utoronto.ca).
- Selections from the CPA Canada Standards and Guidance Collection – Accounting, including IFRS, (referred herein as HB) accessible online at <https://www.rotman.utoronto.ca/FacultyAndResearch/BIC/Research/DatabasesBySubject> (click on “CPA Canada Standards and Guidance Collection”)

### Useful Websites for Reference (All links verified as of August 10, 2021)

- System for Electronic Document Analysis and Retrieval (SEDAR): [www.sedar.com](http://www.sedar.com) (Canadian Public Companies)
- Electronic Data Gathering Analysis and Retrieval (EDGAR): <https://www.sec.gov/edgar.shtml> (U.S. Public Companies)
- Ontario Securities Commission (OSC): <http://www.osc.gov.on.ca/>
- Canadian Securities Administrators (CSA): [www.securities-administrators.ca](http://www.securities-administrators.ca)
- U.S. Securities and Exchange Commission (SEC): [www.sec.gov](http://www.sec.gov)
- Chartered Professional Accountants of Ontario (CPA Ontario): <http://www.cpaontario.ca>
- Chartered Professional Accountants of Canada <https://cpacanada.ca/>
- International Federation of Accountants (IFAC): <https://www.ifac.org/>

## Evaluation and Grades

Grades are a measure of the performance of a student in individual courses. Each student shall be judged on the basis of how well they have command of the course materials.

Coursework component	Mark Allocation
Assignment #1 (Individual) DUE: 12 NOON MONDAY SEPTEMBER 30 (VIA QUERCUS)	35%

Assignment #2 (Individual) DUE: 12 NOON MONDAY NOVEMBER 4 (VIA QUERCUS)	35%
Final Exam	30%
<b>Total</b>	<b>100%</b>

## Course Format and Expectations, and Methods of Evaluation

### Overall

It is important that students are thoroughly familiar with the concepts introduced since assignments and the final assessment will be cumulative and will thus cover material from the beginning of the course to the class immediately prior to the due date.

### Assignments

This course uses a performance assessment and grading approach consistent with the idea of students demonstrating the ability to develop well-supported and well-argued responses to situations (i.e., a competency-based approach). This means that students should resist memory dumping and resist applying answer templates without critical consideration.

The detailed instructions for each assignment will be posted on Quercus. Assignments #1 and #2 will be submitted on Quercus, marked, and will be returned to students on Quercus.

### Individual Assignments (Assignments #1 and #2)

Each assignment will cover material up to and including the lecture before the due date and will be posted on Quercus well before the due date. A variety of questions may be included. Marks are assigned based upon the quality of the student's response to the question as a whole. This involves evaluating how a student has interpreted questions that require interpretation, how the student designed his or her approach and the maturity of his or her analyses, etc. This also presumes that the student's knowledge of technical issues can support his or her interpretations and analyses.

### Discussion Questions

Please download and bring to each class the appropriate Discussion Questions or have access to the appropriate module via Quercus.

### Practice Questions

Practice Questions are available for classes covering technical topics and will include computational questions. Practice Questions Solutions will be posted on Quercus. Although no grades are assigned to the problem questions, they are an important part of the course since your effectiveness and efficiency in making good judgments regarding financial reporting and related issues is dependent upon your good knowledge of technical material. Knowing how accounting numbers are fashioned is crucial to being able to constructively critique them.

### Final Exam

The Final Exam will cover all the course curriculum.

## Plagiarism Detection

Normally, students will be required to submit their course essays to the University's plagiarism detection tool for a review of textual similarity and detection of possible plagiarism. In doing so, students will allow their essays to be included as source documents in the tool's reference database, where they will be used solely for the purpose of detecting plagiarism. The terms that

apply to the University's use of this tool are described on the Centre for Teaching Support & Innovation web site (<https://uoft.me/pdt-faq>).

### Written Assignments and Final Exam:

Please note that **clear, concise and correct writing** will be considered in the evaluation of assignments and the final assessment.

How well you communicate your ideas, in writing or orally, will be considered in the evaluation of the assignment. In your written assignments, you should aim for clarity, strong organization, concision, professionalism, and correct grammar. Your presentations should reflect strong planning and organization, clarity of speech, and an engaging demeanour. Sources, whether in written or presentation assignments, should always be correctly attributed.

Support is available through the RC Centre for Professional Skills (CPS) for students who would like help or feedback on their writing or speaking (presentations). CPS offers both individual and group appointments with trained writing instructors and presentation coaches who are familiar with the RC program and common types of business assignments. You can also access your college Writing Centres for help with written assignments.

You can book an appointment with a writing or presentation coach through the RC Centre for Professional Skills Writing Centre. For more information about writing centres, student supports, and study resources, see the [Writing and Presentation Coaching academic support page](#).

**Please note that the last day you can drop this course without academic penalty is Monday, November 4, 2024.**

## Policies and Procedures

### Missed Assignments

Students who miss a test or assignment for reasons entirely beyond their control (e.g. illness) may request special consideration **within 2 business days** of the missed midterm/test/assignment due date.

In such cases, students must:

1. Complete the Request for Special Consideration form: <https://uoft.me/RSMConsideration>
2. Provide documentation to support the request, eg. Absence Declaration from [ACORN](#), medical note etc.

**Please note:** As of September 2023, students may use the Absence Declaration on ACORN **\*one time per term\*** to report an absence and request consideration. **Any subsequent absence will require a [Verification of Illness form](#) or other similar relevant documentation.**

Students who do not submit their requests and documentation within 2 days may receive a grade of 0 (zero) on the missed course deliverable.

**→→THE GRADE WEIGHTING ASSIGNED TO A MISSED COURSEWORK ELEMENT WILL BE DIVIDED EQUALLY BETWEEN THE REMAINING ELEMENTS.**

**Final Exams:** If you miss the final exam in this course for a legitimate reason (illness, etc) you will need to contact your College Registrar to file a petition for a deferred exam. This deferred exam will be written at a later date as established by the Faculty of Arts & Science. Instructions

can be found here: <https://www.artsci.utoronto.ca/current/faculty-registrar/petitions-appeals/preparing-petition>

## Late Assignments

All assignments are due on the date and at the time specified. Late submissions will normally be penalized by 10% if the assignment is not received on the specified date, at the specified time. A further penalty of 10% will be applied to each subsequent day. But note the information for situations beyond a student's control: **Students who, for reasons beyond their control, are unable to submit an assignment by its deadline must obtain approval from the instructor for an extension. Supporting documentation will be required as per the policy on missed tests and assignments.**

## Commitment to Accessibility

The University is committed to inclusivity and accessibility, and strives to provide support for, and facilitate the accommodation of, individuals with disabilities so that all may share the same level of access to opportunities and activities offered at the University.

If you require accommodations for a temporary or ongoing disability or health concern, or have any accessibility concerns about the course, the classroom or course materials, please [email Accessibility Services](#) or visit the [Accessibility Services website](#) for more information as soon as possible. Obtaining your accommodation letter may take up to several weeks, so get in touch with them as soon as possible. If you have general questions or concerns about the accessibility of this course, you are encouraged to reach out to your instructor, course coordinator, or Accessibility Services.

## Academic Integrity

Academic Integrity is a fundamental value essential to the pursuit of learning and scholarship at the University of Toronto. Participating honestly, respectfully, responsibly and fairly in this academic community ensures that the U of T degree that you earn will continue to be valued and respected as a true signifier of a student's individual work and academic achievement. As a result, the University treats cases of academic misconduct very seriously.

[The University of Toronto's Code of Behaviour on Academic Matters](#) outlines the behaviours that constitute academic misconduct, the process for addressing academic offences and the penalties that may be imposed. You are expected to be familiar with the contents of this document. Potential offences include, but are not limited to:

In papers and assignments:

- Using someone else's ideas or words without appropriate acknowledgement.
- Submitting your own work in more than one course without the permission of the instructor.
- Making up sources or facts.
- Obtaining or providing unauthorized assistance on any assignment (this includes collaborating with others on assignments that are supposed to be completed individually).

On test and exams:

- Using or possessing any unauthorized aid, including a cell phone.
- Looking at someone else's answers
- Misrepresenting your identity.
- Submitting an altered test for re-grading.

Misrepresentation:

- Falsifying institutional documents or grades.
- Falsifying or altering any documentation required by the University, including (but not limited to) medical notes.

All suspected cases of academic dishonesty will be investigated by the following procedures outlined in the *Code of Behaviour on Academic Matters*. If you have any question about what is or is not permitted in the course, please do not hesitate to contact the course instructor. If you have any questions about appropriate research and citation methods, you are expected to seek out additional information from the instructor or other U of T resources such as College Writing Centres or the Academic Success Centre.

### Generative AI/ChatGPT

Generative Artificial Intelligence (AI), and specifically foundational models that can create writing, computer code, and /or images using minimal human prompting, are proliferating and becoming ubiquitous. This includes not only GPT-4 (and its siblings ChatGPT and Bing), but many writing assistants that are built on this or similar AI technologies. There are now hundreds of these systems that are readily available.

- Students may use artificial intelligence tools, including generative AI, in this course as learning aids or to help produce assignments. However, students are ultimately accountable for the work they submit.
- Students must submit, as an appendix with their assignments, any content produced by an artificial intelligence tool, and the prompt used to generate the content.
- Any content produced by an artificial intelligence tool must be cited appropriately. Many organizations that publish standard citation formats are now providing information on citing generative AI (e.g., MLA: <https://style.mla.org/citing-generative-ai/>).
- Students may choose to use generative artificial intelligence tools as they work through the assignments in this course; this use must be documented in an appendix for each assignment. The documentation should include what tool(s) were used, how they were used, and how the results from the AI were incorporated into the submitted work.

### Email

At times, the course instructor may decide to communicate important course information by email. As such, all U of T students are required to have a valid UTmail+ email address. You are responsible for ensuring that your UTmail+ email address is set up and properly entered on ACORN. For more information visit [help.ic.utoronto.ca/category/3/utmail.html](http://help.ic.utoronto.ca/category/3/utmail.html).

Forwarding your utoronto.ca email to a Gmail or other type of email account is not advisable. In some cases, messages from utoronto.ca addresses sent to Gmail accounts are filtered as junk mail, which means that important messages from your course instructor may end up in your spam or junk mail folder.

### Quercus and the Course Page

The online course page for this course is accessed through Quercus. To access the course page, go to [q.utoronto.ca](http://q.utoronto.ca) and log in using your UTORid and password. Once you have logged in, you will be at the Quercus Dashboard. On this page you will see all of the courses you are presently enrolled in. If you don't see the course listed here but you are properly registered for the course in ACORN, wait 48 hours.

## Recording Lectures

Lectures and course materials prepared by the instructor are considered by the University to be an instructor's intellectual property covered by the Canadian Copyright Act. Students wishing to record a lecture or other course material in any way are required to ask the instructor's explicit permission and may not do so unless permission is granted. Students who have been previously granted permission to record lectures as an accommodation for a disability are excepted. This includes tape recording, filming, photographing PowerPoint slides, Quercus materials, etc.

If permission for recording is granted by the instructor (or via Accessibility Services), it is intended for the individual student's own study purposes and does not include permission to "publish" them in any way. It is forbidden for a student to publish an instructor's notes to a website or sell them in any other form without formal permission.

**→→THE CLASS SCHEDULE FOLLOWS ON THE NEXT PAGE**

**→→CLASS MODULES ON QUERCUS CONTAIN DETAILED CLASS SLIDES AND OTHER IMPORTANT INFORMATION**

C L A S S	CLASS TOPIC	REQUIRED READINGS (be sure to have SLIDES and DISCUSSION QUESTION files available for each class)	-DISCUSSION QUESTIONS (DQ) & PRACTICE QUESTIONS (PQ) -OTHER COMMENTS ABOUT THIS CLASS
1	Course Introduction, The Scope and Dynamism of Financial Reporting, Quality Financial Reporting and Quality of Earnings	<p><b>Review Course Outline</b></p> <p><b>Introduction to: Quality Financial Reporting and Quality of Earnings (see the DQ file in the CLASS 1 folder on Quercus)</b></p> <p>→Accounting is of central importance to society: "The Importance of Accounting: Some Perspectives"</p> <p>→Practical Application of the Quality of Earnings Concept for a specific purpose: "Air North" case</p>	<p>DQ: -"Air North" case (see Quercus) -Quality of Earnings</p> <p>OTHER COMMENTS ABOUT THIS CLASS: Teck's files are in the TECK RESOURCES LIMITED module on Quercus.</p>
2	Establishing Trust in Financial Reporting: <i>Quality, History and Technology</i>	<p>As assigned; see Quercus DQ file for this CLASS</p> <p><b>→→READING GUIDANCE FOR CLASS 2:</b></p> <p>In preparation for CLASS 2 read the following (all these files, except the first one, are posted in the CLASS 2 Module on QUERCUS; follow the link for the first file):</p> <p>1. "Luca Pacioli: The Father of Accounting", L. Murphy Smith (from: <a href="https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2320658">https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2320658</a> ). This is a very short overview of the famous Luca Pacioli.</p> <p>2. <b>FROM:</b> THE INTERNET AND HIGHER EDUCATION, Vol. 1, No. 2, 1998, pp. 87-114, "Close Readings' of Corporate Internet Financial Reporting: Towards a More Critical Pedagogy on the Information Highway", Joel Amernic→→<b>READ THE FOLLOWING ONLY:</b> Pages: 87-91, 92-97, 109 ("Exhibit 6")</p> <p>3. <b>READ:</b> "The Usefulness and Challenges of Chatbots for Accounting Professionals: Application On ChatGPT", 2 Feb 2023 Hashem Alshurafat, Department of accounting, Faculty of economics and administrative sciences, The Hashemite University. <a href="https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4345921">https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4345921</a></p> <p>4. <b>FROM:</b> JOURNAL OF INFORMATION SYSTEMS, Vol. 31, No. 3, Fall 2017, pp. 5-21, "Toward Blockchain-Based Accounting and Assurance", Jun Dai, Miklos A. Vasarhelyi →→<b>READ THE FOLLOWING ONLY:</b> Pages 5-8; 9-13</p>	<p>DQ: As posted</p> <p><b>OTHER COMMENTS ABOUT THIS CLASS:</b> LINK TO A VIDEO PRODUCED IN 1990 ABOUT LUCA PACIOLI "Luca Pacioli: Father of Accounting" <a href="https://www.youtube.com/watch?v=OoTc3wLTqkk">https://www.youtube.com/watch?v=OoTc3wLTqkk</a> (the video runs about 27 minutes: it is a little tedious and dated but contains interesting contextual information about Luca Pacioli and his times). →→<b>THIS VIDEO IS OPTIONAL.</b></p>

<b>C L A S S</b>	<b>CLASS TOPIC</b>	<b>REQUIRED READINGS (be sure to have SLIDES and DISCUSSION QUESTION files available for each class)</b>	<b>-DISCUSSION QUESTIONS (DQ) &amp; PRACTICE QUESTIONS (PQ) -OTHER COMMENTS ABOUT THIS CLASS</b>
		<p>“III. A BLOCKCHAIN-BASED ACCOUNTING ECOSYSTEM”); 18 (“VI. CONCLUSIONS”)</p> <p><b>5. SKIM:</b> Craig, R. and Amernic, J. (2020), "Benefits and pitfalls of a CEO's personal Twitter messaging", STRATEGY &amp; LEADERSHIP, Vol. 48 No. 1, pp. 43-48.</p>	
3	Income Taxes I	<p><b>REQUIRED READINGS</b> As assigned; see Quercus DQ file for this CLASS</p> <p>Kieso Chapter 18 [Before-class readings from this chapter: pages 18-1 to 18-28]</p>	<p>DQ: Kieso: Comprehensive Illustration, pages 18-48 to 18-55</p> <p>PQ (Practice Questions; solution guides provided): Kieso: E18.1; E18.2; E18.23; E18.30; P18.6.</p>
4	Income Taxes II	<p><b>REQUIRED READINGS</b> As assigned; see Quercus DQ file for this CLASS</p> <p>Kieso Chapter 18 [Before-class readings from this chapter: pages 18-28 to 18-59]</p>	<p>DQ: Kieso: Practice Problem (with solution), pages 18-57 to 18-58. P18.12, Carly Inc.</p> <p>PQ: Kieso: P18-15.</p>
5	Employee Future Benefits I	<p><b>REQUIRED READINGS</b> As assigned; see Quercus DQ file for this CLASS</p> <p>Kieso Chapter 19 [Before-class readings from this chapter: pages 19-1 to 19-43]</p>	<p>DQ: As assigned</p> <p>PQ: Kieso: pages 19-18 to 19-25 “Illustration of Pension Accounting Using a Pension Work Sheet”; Practice problem with solution, pages 19-40 to 19-41</p>
6	Employee Future Benefits II	<p><b>REQUIRED READINGS</b> As assigned; see Quercus DQ file for this CLASS</p> <p>Kieso Chapter 19 [SAME AS FOR CLASS 5: Before-class readings from this chapter: pages 19-1 to 19-43]</p>	<p>DQ: As assigned</p> <p>PQ: Kieso: E19.9, pages 19-46 to 19-47; P19.2, pages 19-51 to 19-52; P19.4, page 19-57</p>
7	Reporting Compensation I [This class focuses on accounting for stock options]	<p><b>REQUIRED READINGS</b> As assigned; see Quercus DQ file for this CLASS</p> <p>Kieso Chapter 16, Section 16.3; APPENDIX 16B</p>	<p>DQ: As assigned</p> <p>PQ: Kieso: E16.18; E16.19; E16.20; P16.10</p>
8	Reporting Compensation II	Examine Teck’s compensation disclosure in its Management Proxy Circular, including the Compensation Discussion and Analysis	
9	Statement of Cash Flows and QOE [The main focus of this class is the relationship	<p><b>REQUIRED READINGS</b> Kieso Chapter 22</p>	Preparation of a statement of cash flows is a topic covered in prior courses; if you require some refresher



	between cash flow analysis/information and the quality of accrual accounting information].		practice, see the PQs below.  DQ: As assigned  PQ: Kieso: Appendix 22A, "Using a Work Sheet to Prepare a Statement of Cash Flows"; Practice problem with solution, page 22-50 to page 22-51
10	Sustainability Reporting: The Case of Teck Resources Limited	<b>REQUIRED READINGS</b> As assigned; see Quercus DQ file for this CLASS	DQ: As assigned
11	Examination of CPA Canada Platinum Award Winner Teck Resources Limited's Narrative Reporting: Focus on the CEO Letter	<b>REQUIRED READINGS</b> As assigned; see Quercus DQ file for this CLASS  The focus of this class is on analyzing Teck's Annual Report CEO letter.	DQ: As assigned
12	Course Review and Discussion of Final Exam	See Quercus DQ file for this CLASS	DQ: As assigned  PQ: As assigned