



**ACCT 558: Advanced Accounting Valuation**  
**1.5 Units**  
**Spring 2020**  
**2:00pm to 3:20pm Tuesdays and Thursdays, JKP 202**  
**Commencing Tuesday, March 10, 2020**  
**Concluding Thursday, April 30, 2020**  
**Final Examination, Thursday, May 7, 2019, 2:00pm to 4:00pm, Location TBA**

**Instructor:** Anthony V. Aaron (Tony)  
**Office:** ACC 213  
**Office Hours:** Tuesdays and Thursdays from 11:00am to 12:00pm and from 1:00pm to 1:45pm, or by appointment  
**Phone:** (213) 821-4368 (office)  
(310) 849-5987 (mobile)  
**Email:** [aarona@marshall.usc.edu](mailto:aarona@marshall.usc.edu)

<b>COURSE DESCRIPTION</b>
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Per the University Catalogue: “Explores complex valuation issues arising in financial reporting and the related professional standards and guidance.”

This course focuses on intermediate and advanced knowledge of relevant issues in the context of US Generally Accepted Accounting Principles (GAAP) and Fair Value Measurement, and in some instances, also in the context of International Financial Reporting Standards (IFRS). The course will address:

- A brief review of Fair Value related accounting literature addressed in the prerequisite course, as well as additional focus on other Fair Value related areas such as Investment Companies, Financial Instruments, and Stock-Based Compensation
- A brief review of the income, market and cost approaches to value addressed in the prerequisite course, as well as additional focus on specific methods of valuation.
- Fair Value related PCAOB audit standards, including the new or revised auditing standards on “Auditor’s Use of the Work of Specialists”, and “Auditing Accounting Estimates, including Fair Value Measurements”
- Technical guidance providing insights on “best practices” for valuation in the Fair Value area including Accounting and Valuation Guides relating to: Valuation of Privately-Held-Company Equity Securities Issued as Compensation and Assets

## Acquired in a Business Combination to be Used in Research and Development Activities

- The valuation best practice treatments of the following subjects are covered in more limited depth: Identification of Contributory Assets and Calculation of Economic rents, Customer Related Intangible Assets, Market Participant Acquisition Premiums, Contingent Consideration, Goodwill Impairment, Business Combinations (including multiple topics, such as the Working Draft of Inventory Valuation Guidance released in November of 2018 and to be finalized in the spring of 2020) and Investment Valuation for Private Equity/Venture Capital guide issued in August of 2019.
- The Mandatory Performance framework (MPF) established by the “Fair Value Quality Initiative” (FVQI) that identifies “how much work” must/should be performed in order to prepare a high quality professional work product on a consistent basis in the Fair Value Measurement area (extent of documentation and analysis, application of professional skepticism, consideration of contrary evidence, and documentation in both the report and the supporting working papers, etc.). The MPF documents include the Mandatory Performance Framework (MPF), the Application of the Mandatory Performance Framework (AMPF), and the Frequently Asked Questions document (FAQ) related to the MPF and AMPF.
- The recent FASB “Invitation to Comment, Identifiable Intangible Assets and Subsequent Accounting for Goodwill, File Reference No. 2019-720”
- Valuation areas requiring a foundation of advanced knowledge of mathematics and statistics, such as valuation of complex financial securities and derivatives, are reviewed in brief but are beyond the scope of this course. Also, although communication abilities are not the primary focus, the course requires students’ ability to communicate ideas both orally and in writing in a clear and organized manner.

### **COURSE OBJECTIVES**

By the time students finish this course, they should be able to:

- Demonstrate an understanding of the FASB accounting guidance and PCAOB audit guidance in the fair value area by completing classroom exercises/case studies and by completing quiz materials.
- Demonstrate recognition of the various organizations having some involvement with Fair Value measurement in Financial Reporting, including standard setters, regulators and professional organizations, by completing quiz materials.
- Demonstrate an understanding of basic valuation approaches and methods by completing classroom exercises/case studies and by completing quiz materials
- Demonstrate an understanding of the guidance and methodologies included in "AICPA Practice aids, such as “Valuation of Privately Held Company Equity

Securities Issued as Compensation”, “Assets Acquired to Be Used in Research and Development Activities” and others by completing quiz materials.

- Demonstrate an understanding of the key findings and methodologies from The Appraisal Foundation (“TAF”) Valuation Advisories, such as “The Identification of Contributory Assets and Calculation of Economic Rents”, “Best Practices for the Valuation of Customer Related Assets”, and others, by completing quiz materials.
- Demonstrate an understanding of the Fair Value Quality Initiative’s “Mandatory Performance Framework/Application of the Mandatory Performance Framework” which provides insights into “how much work” must/should be evidenced in a measurement of Fair Value, including the extent of documentation and analysis, consideration of contrary evidence, documentation in both the report and the supporting working papers, and so forth, by completing quiz materials.
- Demonstrate an awareness of the recent FASB Invitation to Comment, Identifiable Intangible Assets and Subsequent Accounting for Goodwill, File Reference No. 2019-720, by completing quiz materials.
- Analyze how Fair Value measurements addressed in the course would impact balance sheet and income statement accounts through in-class discussion, by completing classroom exercises/case studies and by completing quiz materials.
- Demonstrate a comprehensive knowledge of all the topics discussed in the course of the semester by completing a comprehensive final examination.

## COURSE MATERIALS

**Readings:** Reading assignments generally are intended to prepare students for the subsequent lecture covering the material. Assigned readings are intended to occur in advance of lecture on the same material that will be the subject of the lecture.

Conceptually students should have the objective of having a “general limited depth familiarity” with the material prior to the lecture to provide a foundation for an expanded and solidified acquisition of knowledge through the lectures.

Planning and allocation of time in your current class endeavors and your future business career is very important. To aid in your planning, the syllabus on some occasions may seek to assist in your allocation of resources by recommending that only certain pages of a document be read, or by suggesting that some portions of assignments be considered “In Depth” readings and others as “Limited Depth” or “High Level” readings.

**Required course materials** will either be posted on Blackboard or students will be directed to sites where required materials may be downloaded. Also, access to the Wall Street Journal will be necessary in order to participate in discussions involving current business events.

**Supplementary Materials:** Information from the FASB Accounting Standard Codification Database and Accounting Standards Updates will be helpful as a resource. Basic viewing of the database is free to all at <https://asc.fasb.org/>. Free access to the “Professional View” of the ASC database is available

to Accounting program faculty and students via the FASB Academic Accounting Access tab with a special login. Also, the PCAOB is a nonprofit corporation established by Congress to oversee the audits of public companies in order to protect investors and the public interest by promoting informative, accurate, and independent audit reports. The PCAOB website is as follows:  
<http://pcaobus.org/About/Pages/default.aspx>

**Course Notes:** Copies of lecture slides, readings and other class information and announcements will be available through your Blackboard account.

If you have any questions or need assistance with the Blackboard Course Pages, please contact the Marshall Help Desk at 213-740-3000 or [HelpDesk@marshall.usc.edu](mailto:HelpDesk@marshall.usc.edu).

## GRADING

### Grading Policy

We adhere to the USC Leventhal School of Accounting and Marshall School of Business grading standards for graduate programs. In general, final course grades at the graduate level in a core course average approximately B+ (3.3), but may vary based on class performance. For elective courses, the class average is usually higher--approximating 3.4 to 3.5, which is between a B+ and an A-. ACCT 558 will be graded as a core course. You must receive a C or better to pass a required class, and you must have an *overall* B average (3.0 minimum) from all your courses in order to graduate from USC. **The graded elements of this course are listed below along with information about how they will be evaluated.**

<u>Assignments</u>	<u>% of Grade</u>
Quizzes	60%
Class Participation and Professionalism	10%
Final Exam	<u>30%</u>
<b>TOTAL</b>	100%

Final grades represent how you perform in the class relative to other students. Your grade will not be based on a mandated target, but on your performance. Three items will be considered when assigning final grades:

1. Your average weighted score as a percentage of the available points for all assignments (the points you receive divided by the number of points possible).
2. The overall average percentage score within the class.
3. Your ranking among all students enrolled in this course this semester.

## **Quizzes**

The quizzes have a significant impact on the final grade. Students should identify the dates of the quizzes shown later in this syllabus, mark those dates in their calendars and arrange their schedules to allow attendance on those dates. Quizzes will be “closed book” in nature.

There will be five 10-15 minute quizzes given. The specific dates are shown in the “course readings/class sessions” section at the end of this syllabus and are expected to be given at the beginning of class sessions 3, 6, 9, 11 and 13 (See calendar dates listed on “Course Outline” at the end of this syllabus). There will be no make-up quizzes. Instead, your quiz grade will be based on the highest four quiz grades. For example, if you are absent from class when a quiz is given, and you thus miss a quiz, that quiz score will be recorded as “zero”. Since that quiz will likely represent your lowest score, it will not be counted. If you miss more than one quiz, however, it will adversely affect your overall quiz grade as additional “zero” quiz scores will begin to be part of your highest four quiz grades.

Quiz materials may focus on both the required readings of materials on the date of the quiz as well as all material covered in the lectures and readings earlier in the course. Quizzes primarily include multiple choice questions but also may possibly include some “problem based” questions.

Please note that the news events discussed in class include material that may be the subject of questions in the quizzes. Generally, students have indicated that when they attend all classes and carefully study the materials posted on blackboard they have done well on the quizzes.

## **Class Participation and Professionalism**

Subsequent to each class session and while it is very fresh in my mind, I will record my view of each student’s participation and professionalism on a numeric scale. I will total these numeric scores at the end of the semester as one input into assigning a final class participation and professionalism grade.

Please refer to the next section entitled “Critical Thinking, Professionalism, Attendance, Participation, and Fellow Students” for additional insights on what activities and actions will affect the class participation and professionalism grade. Please also refer to Appendix I, “Class Participation Statement” of the Leventhal School at the end of this syllabus for further guidance.

## **Final Exam**

The final exam will emphasize material covered in slide decks/lectures, discussions by possible guest speakers, classroom exercises/case studies, and the assigned required readings. The final exam will be “closed book” in nature.

While any of the materials covered in the course could be included in the final exam, the following guidance may help students be more efficient in study efforts. Generally, materials posted on Blackboard, which reflect topics covered in lectures as well as relevant news topics discussed in class are likely the dominant source of exam questions. The final will be broken into two portions: 1) Multiple choice questions primarily associated with the slide decks from lectures, and any other materials posted on Blackboard; 2) “Problem-based” questions where students will be presented with a scenario, and will be required to answer questions associated with that scenario.

## Critical Thinking, Professionalism, Attendance, Participation, and Fellow Students

On a personal basis, you should feel free to stop by during office hours to meet and discuss things with me. I want each student to succeed both in the course and in their career. See the top of page 1 for my office hours. While I may not be on campus on days other than our class days, I am always willing to set up a special appointment or arrange a telephone call.

Email is perhaps the predominant form of communication in business so feel free to reach out to me at [aarona@marshall.usc.edu](mailto:aarona@marshall.usc.edu). Generally, similar to a business setting, I hope to respond to emails within one business day.

Since I may have multiple courses and sessions within courses, please include in the subject line the course name and section (Example in Subject line: ACCT 558, 2:00 pm section)

### Critical Thinking

The USC Marshall School of Business “Strategic Vision for Marshall” states: “...The USC Marshall School of Business aims to be a leader in educating tomorrow’s global business leaders, creating knowledge of management and the business environment, and addressing critical problems facing business and society, both locally and across the world.”

Consistent with the above, this class will be conducted in a manner that seeks to advance “critical thinking.” While the definitions of critical thinking may vary, the underlying premise ties to the concept of the ability of an individual to assess situations and derive appropriate courses of action without specific detailed guidance. Lack of critical thinking is evident when an individual is excessively dependent on instruction, which may include the need for a “recipe” listing which defines exactly the steps required.

Critical thinking begins with the individual taking personal responsibility for addressing issues themselves, researching matters before simply turning to professors or managers for detailed instruction. An example of failure to use critical thinking would be someone who simply turns to others and says “I’ve encountered a problem, what should I do?”

A beginning level of critical thinking is represented by an individual who notes “I’ve encountered a problem, have done some research, and found three alternative solutions that look potentially viable. Can I ask for your thoughts on this third alternative that I’m thinking of using?”

Critical thinking ability affects your long-term career potential. You may hear me observe during lectures that in my experience, jobs that require performance based simply on completing a “recipe” of steps are not worth as much in terms of annual salary when compared to jobs that require performance based on critical thinking ability.

As a member of the USC community, you should be aspiring to progress to perform at a level of productivity that is a multiple of how minimally productive and effective one might be solely through compliance with, or following simple “recipe” type activities. Compliance with guidelines and instructions is required. However, compliance alone, i.e. doing solely what is instructed, is insufficient to achieve outstanding levels of performance.

Some career paths tie to significant financial rewards while other career paths drive rewards and contributions of a non-financial nature. The commonality in either is that critical thinking is important to high performance.

Critical thinking is not the primary subject of this course. However, students will be asked and challenged to utilize critical thinking in the day to day classroom activities, in the classroom exercises/case studies, and during possible office visits. During class interaction, I will hope to provide a friendly, pre-career environment, to accentuate comments and questions that are particularly strong and occasionally ask whether “critical thinking” could have been better used.

This syllabus provides significant guidance. However, other questions and concerns will arise during the semester, and students will be expected to think, evaluate, and seek solutions on their own, and through dialogue with fellow students, as a normal part of their personal daily performance. Students are encouraged to think about questions before they ask them, just as the same thoughtful process is important in business.

You will be encouraged to challenge yourself to embrace familiarity with contemporary news events in which accounting and valuation related considerations are relevant, and for which there may be no clear appropriate answer.

The elements above can be viewed in the context of the concept of “Personal Brand.” The impression that an individual makes has a tremendously important impact on their business success. The overall collection of impressions represents a “Personal Brand.” In this class students will be encouraged to think about how their personal brand is affected by their choices and actions.

Statements and questions that are thoughtful and insightful increase the respect of those involved and increase personal brand. Knowledge of important current business events tends to engender respect from others and further enhances the acquisition of knowledge.

**Professionalism and Attendance:** Consistent with the themes touched on as part of the Marshall School Strategic plan, we will seek to advance the level of students’ professionalism as part of the class. Similar to business settings of potential careers, professional conduct is expected from all students in class. Professional conduct is expected from all students in interactions with me on class related matters, both in class, and outside of class. Class related interaction occurring outside of class hours may include for example: email, telephone, voicemail, or office hours.

In each circumstance that you need to be absent, you are expected to send an e-mail message to me prior to the start of class. Please include in the subject line the course name and section (Example in Subject line: ACCT 558, 2:00 pm section).

This is the standard that you want to adopt heading into your career and it is a standard that you can expect to encounter in your career. Please note, while you may choose to offer an explanation, you do not need to tell me why you will be absent. Failure to notify me in advance by email that you will miss class does not reflect an appropriate level of professionalism.

Keep in mind that an e-mail in advance of class does not “excuse” your absence – it simply shows me that you are taking an appropriate professional stance and responsibility for choosing to do something else during class time. Students with more than two absences are likely to begin to see an impact on their performance. Multiple absences, even when accompanied by conscientious notification, may be

viewed as unprofessional behavior. If you are absent six or more times you may assume that my view will be that you should drop the course.

If you miss a class session, you still need to come to the next class fully prepared. You may have access to PowerPoint slides from the class and announcements if I have posted them on Blackboard. **If you miss a class, I recommend that you contact a classmate before the next class meeting. Ask them for any announcements, lecture notes, readings, assignments, etc. that have not been otherwise posted to Blackboard.**

Generally, I request that the technology group record all of my class lectures, using the video and audio recording equipment available in the Marshall/Leventhal School classroom facilities. Thus, barring technology “glitches”, audio/video recordings of the class lectures will be available and may be helpful for those who miss a class. I will post a link to Blackboard at the beginning of our semester session which will allow students access to the audio/video recordings. Students should be aware that the recordings are occurring and that all comments made may end up being included.

If you discussed the missed class session with a classmate, and/or reviewed the class recording and you still feel you need further clarification or interpretation of the material covered, I am available during office hours and more than happy to help you.

Of course, if a major illness or emergency arises, I will work with you to accommodate the situation. It may also be appropriate to contact the Dean’s office at the Leventhal School when such circumstances arise. As noted above, recordings of the class sessions also may be helpful in such circumstances.

Conceptually, a pattern of absence from class, a pattern of lateness, or lack of participation and/or inattention will adversely affect your grade in the same way that such behavior would adversely affect your performance evaluations in a career setting.

Please take note of the guidance provided in the section of this syllabus focusing on “technology policy” for insights related to other activities which may be viewed as non-professional

### **Participation: Format of Class: Capturing and Retaining Attention of Students in Class**

Retaining the attention of students is important. Viewed in a different way, no matter how important the topic, the ability to trigger learning is dependent upon "winning" the attention of class attendees repeatedly.

The format of lecture in the class involves frequent questions posed to students. Typically, I ask questions of all students at random without waiting for “hands to be raised.” In many instances my question may tie to a concept that has just been discussed in the prior few minutes or on a subject addressed on a slide then shown on the projection screen. In these instances, the question may be primarily intended to “connect” student’s attention to the lecture as opposed to weighty deliberation on a topic or question.

Failure to provide a cogent response to any particular question will not be viewed as poor performance. However, if a student displays a pattern of not recognizing what question is being asked of them, or they exhibit a lack of knowledge or lack of recognition of topical points made a few moments earlier in the lecture, that may be viewed as not actively participating in the class.



I plan to use a number of “classroom exercises/case studies” as part of our activities this semester. In each case, I will provide a document, either prior to (through Blackboard) or during class, which outlines the problem, provides some data, and asks for a number of solutions or answers to questions. I will either ask that you read and consider the solutions or answers in advance of class, or during class, depending upon when I provide the documents. In class, we will often break up into groups to either review or accomplish these exercises, and then debrief thereafter. While I will not be specifically grading the exercises, the quizzes and final will have “problem based” questions very similar to the classroom exercises/case studies, so it is important for students to be in class when these activities are scheduled. Also, active participation in the classroom exercises/case studies will positively affect a student’s “Class Participation and Professionalism” grade.

My objective is to first keep students awake and engaged in the class both through lectures which encourage participation, and through other activities such as the aforementioned classroom exercises/case studies. I have sat in “straight lecture” type sessions in the past myself and found it difficult to remain engaged. I have found that many students feel that these approaches and activities help them to maintain attention/engagement and that is my purpose in using them.

Some students may not feel comfortable with being asked questions without raising their hands, such that it makes class discussion uncomfortable for them. My apologies are extended in advance to students who may have these sensitivities. I hope that providing this explanation of why the class approaches are being used may ease the burden of discomfort that might otherwise be felt. While I’m sympathetic to this area of sensitivity, the class presentation methods are chosen based on what is perceived to be most effective overall and that begins with students being connected and engaged. Furthermore, we are attempting to “simulate” the work environment, which generally embraces active participation by all team members.

In your careers, multitasking will be required to be effective. You will need to be able to intermittently stay connected with email and texts while attending meetings. On the other hand, if email and texts undermine your effective participation in meetings, your career will suffer. Similarly, students may occasionally check computers and cell phones during class. Excessive focus on computer based activities or use of handheld devices during class may be viewed as unprofessional and therefore unacceptable.

One of the objectives of the class involves tying the subject of accounting and valuation to students’ prospective career paths. To facilitate meeting that objective and to advance students deliberation on this connection we will be discussing contemporaneous news events involving accounting or valuation as a regular part of the course.

Reading of the Wall Street Journal, for not less than 10 or 15 minutes prior to the class sessions, is expected of each student for each class.

Classes may include an inquiry by the Professor addressed to students chosen at random seeking insights about current events potentially relevant to the class. Outside readings by students provide a foundation of knowledge of current events, and the resulting ability to participate in class dialogue, is an important part of the learning process for this course material. Perhaps as important, developing a habit of this type of reading, and developing an area of personal business interest, is important to each student’s career.

**Fellow Students in this Course and the USC Family:** The experience as part of the Marshall School of Business is not simply learning about facts, procedures and analysis. You are expected to

get to know your fellow students in the class. Many students will have travelled thousands of miles to attend USC and this class with you. From a pure economic perspective, it is not unlikely that your future careers could be positively impacted by “crossing paths” with one or more of the students in this course, who may be in positions of great authority and responsibility at some point in the future. Thus, relationship building is an expected outcome of this course and of your attendance at the Marshall School of business and the Leventhal School of accounting.

**Name “Tents”:** “Name tents” and marking pens will be provided on the first day of class. Students should use these materials to write in large block letters, the first name and last name that you used to enroll in the course. First name should be shown first, last name last. In the upper right hand corner, please list the first name that you wish to be called by if different from your enrolled name. It is possible that we will be able to generate pre-printed name tents, bearing your enrolled name, prior to the commencement of the class session. If this is the case, I would still appreciate it if you would list the first name that you wish to be called by, if different from your enrolled name, in the upper right hand corner of your name tent.

The “name tents,” will be used for all class sessions. These will facilitate an ability to call on students by name, assess participation, and should advance the ability of students to get to know one another. Naturally, it is the responsibility of students to keep the name tent in a visible location in front of them, so that I, and other students, can facilitate student participation.

It’s not unusual for my classes to include as many as 40 students in a given semester. Remember that your name is part of your “personal brand.” It makes sense for you to seek to have your name remembered. While I aspire to remember each person’s name, please help me to remember your name and your personal brand, by stating your name and class session when we happen to meet on campus or when visiting my office. The same approach is often beneficial in the career environment.

The name tents will also be used to facilitate recording attendance, and they must be returned to me at the end of each class. I will bring the tents back to the next class for your use again. It is your obligation to pick up the name tent while in attendance to have your attendance recorded. It is your obligation to return the name tent before your departure from class to enable proper recording of your attendance. There will be no “verbal roll call” but attendance records will be gathered via the name tents.

Think about the process here for using name tents. Common sense (and ethical behavior) indicates that students should not pick up the name tents for others at the beginning of class, nor return the name tents of others. Student failure to obtain their name tent at the beginning of class, or to return the tent at the end of class, may result in their being marked absent.

As mentioned above, if you are absent six or more times prior to the last day to withdraw from a course with a grade of “W”, you may assume that my view will be that you should withdraw from the course. A commitment to attendance tends to maintain professionalism, demonstrate participation and ensure a system that is fair to, and engaging for all students.

## Graduate Program Learning Objectives

Below are the five Student Learning Outcomes developed for the Master's level accounting programs by the USC Leventhal faculty:

### 1. Technical, Conceptual, Problem-Solving Requirement

Students will be competent in and be able to apply discipline-specific knowledge and skills in the fields of accounting or taxation. This learning outcome includes the development of critical thinking and problem solving skills, as well as an understanding of the strategic role of accounting in business organizations and society. *Heavy emphasis.*

### 2. Professional Development Requirement

Students will be able to communicate clearly, and strategically, after considering the relevant audience, situation, and purpose of the communication. Students will develop the ability to work productively with others to accomplish established goals. *Moderate emphasis.*

### 3. Research/Life-Long Learning Requirement

Students will be able to use relevant research databases and academic/professional literature to gain new knowledge and analyze business situations. *Moderate emphasis.*

### 4. Ethical Principles and Professional Standards Requirement

Students will be able to apply ethical principles and professional standards in analyzing situations and making informed decisions. *Light emphasis.*

### 5. Globalization Requirement

Students will be able to demonstrate an international perspective and appreciation for diversity and cultural differences, along with their significance in global business. *Light emphasis.*

## **HOMEWORK**

While there will be no written homework assignments *per se*, students will be expected to complete assigned readings, review slide decks, consider classroom exercises/case studies and engage in daily readings of the Wall Street Journal in advance of each class session.

## **TEAM PROJECTS**

All team-related activities will be accomplished either during class or outside of class in the form of group meetings. Such activities will include the use of classroom exercises/case studies to be provided to students by the professor, where students will be divided into groups and asked to read, evaluate, and/or perform calculations related to classroom exercise/case study materials. In certain circumstances, the classroom exercises/case studies will be provided in advance (through Blackboard) and students will be asked to consider the questions and solutions in advance of class, in order to utilize our classroom time more efficiently. Notwithstanding any work performed

individually in advance of a particular class, active collaboration with fellow students in the team setting during class will be an input into the Class Participation and Professionalism portion of a student's final grade in the course.

## THE IMPORTANCE OF COURSE EVALUATIONS

The student course evaluations are valuable. This course is continuously improved, based on feedback from students and instructor observations.

## STATEMENT OF ACADEMIC CONDUCT AND SUPPORT SYSTEMS

### **Academic Conduct:**

Students are expected to make themselves aware of and abide by the University community's standards of behavior as articulated in the [Student Conduct Code](#). Plagiarism – presenting someone else's ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences. Please familiarize yourself with the discussion of plagiarism in *SCampus* in Part B, Section 11, “Behavior Violating University Standards” <https://policy.usc.edu/scampus-part-b/>. Other forms of academic dishonesty are equally unacceptable. See additional information in *SCampus* and university policies on scientific misconduct, <http://policy.usc.edu/scientific-misconduct>.

### **Support Systems:**

*Counseling and Mental Health - (213) 740-9355 – 24/7 on call*  
[studenthealth.usc.edu/counseling](http://studenthealth.usc.edu/counseling)

Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention.

*National Suicide Prevention Lifeline - 1 (800) 273-8255 – 24/7 on call*  
[suicidepreventionlifeline.org](http://suicidepreventionlifeline.org)

Free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week.

*Relationship and Sexual Violence Prevention and Services (RSVP) - (213) 740-9355(WELL), press “0” after hours – 24/7 on call*  
[studenthealth.usc.edu/sexual-assault](http://studenthealth.usc.edu/sexual-assault)

Free and confidential therapy services, workshops, and training for situations related to gender-based harm.

*Campus Support & Intervention (CSI) - (213) 740-0411*  
<https://campussupport.usc.edu/>

A team of professionals here to assist students, faculty, and staff in navigating complex issues. Whether you are here seeking support for yourself or someone else, we are available to help you problem solve, understand options, and connect with resources. Please note that we are not an emergency resource and are not available 24/7.

*Office of Equity and Diversity (OED)- (213) 740-5086 | Title IX – (213) 821-8298*  
[equity.usc.edu](http://equity.usc.edu), [titleix.usc.edu](http://titleix.usc.edu)

Information about how to get help or help someone affected by harassment or discrimination, rights of protected classes, reporting options, and additional resources for students, faculty, staff, visitors, and applicants. The university prohibits discrimination or harassment based on the following *protected characteristics*: race, color, national origin, ancestry, religion, sex, gender, gender identity, gender expression, sexual orientation, age, physical disability, medical condition, mental disability, marital status, pregnancy, veteran status, genetic information, and any other characteristic which may be specified in applicable laws and governmental regulations. The university also prohibits sexual assault, non-consensual sexual contact, sexual misconduct, intimate partner violence, stalking, malicious dissuasion, retaliation, and violation of interim measures.

*Reporting Incidents of Bias or Harassment - (213) 740-5086 or (213) 821-8298*

[usc-advocate.symplicity.com/care\\_report](https://usc-advocate.symplicity.com/care_report)

Avenue to report incidents of bias, hate crimes, and microaggressions to the Office of Equity and Diversity | Title IX for appropriate investigation, supportive measures, and response.

*The Office of Disability Services and Programs - (213) 740-0776*

[dsp.usc.edu](https://dsp.usc.edu)

Support and accommodations for students with disabilities. Services include assistance in providing readers/notetakers/interpreters, special accommodations for test taking needs, assistance with architectural barriers, assistive technology, and support for individual needs.

*USC Support and Advocacy - (213) 821-4710*

[uscsa.usc.edu](https://uscsa.usc.edu)

Assists students and families in resolving complex personal, financial, and academic issues adversely affecting their success as a student.

*Diversity at USC - (213) 740-2101*

[diversity.usc.edu](https://diversity.usc.edu)

Information on events, programs and training, the Provost's Diversity and Inclusion Council, Diversity Liaisons for each academic school, chronology, participation, and various resources for students.

*USC Emergency - UPC: (213) 740-4321, HSC: (323) 442-1000 – 24/7 on call*

[dps.usc.edu](https://dps.usc.edu), [emergency.usc.edu](https://emergency.usc.edu)

Emergency assistance and avenue to report a crime. Latest updates regarding safety, including ways in which instruction will be continued if an officially declared emergency makes travel to campus infeasible.

*USC Department of Public Safety - UPC: (213) 740-6000, HSC: (323) 442-120 – 24/7 on call*

[dps.usc.edu](https://dps.usc.edu)

Non-emergency assistance or information.

### **Students with Disabilities**

USC is committed to making reasonable accommodations to assist individuals with disabilities in reaching their academic potential. If you have a disability which may impact your performance, attendance, or grades in this course and require accommodations, you must first register with the Office of Disability Services and Programs ([www.usc.edu/disability](https://www.usc.edu/disability)). DSP provides certification for students with disabilities and helps arrange the relevant accommodations. Any student requesting academic accommodations based on a disability is required to register with Disability Services and

Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP. Please be sure the letter is delivered to me (or to your TA) as early in the semester as possible. DSP is located in GFS (Grace Ford Salvatori Hall) 120 and is open 8:30 a.m.–5:00 p.m., Monday through Friday. The phone number for DSP is (213) 740-0776. Email: [ability@usc.edu](mailto:ability@usc.edu).

### **Emergency Preparedness/Course Continuity**

In case of a declared emergency if travel to campus is not feasible, the *USC Emergency Information* web site (<http://emergency.usc.edu/>) will provide safety and other information, including electronic means by which instructors will conduct class using a combination of USC’s Blackboard learning management system ([blackboard.usc.edu](http://blackboard.usc.edu)), teleconferencing, and other technologies.

<b>Spring Semester 2020 Academic Calendar</b>
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<b>IMPORTANT DATES—Spring Semester 2020, SECOND Half semester classes</b>	
9 March	First day of Classes for Second Half Courses
19 March	Last day to drop a Second Half course <b>without</b> a mark of W (with refund)
15-22 March	SPRING BREAK
2 April	Last Day to drop a Second Half course <b>without</b> W or change pass/no pass to letter grade (no refund)
22 April	DROP DAY—Last day to drop a Second Half course <b>with</b> a “W”
1 May	Last day of Classes
2-5 May	Study days
6-13 May	Finals Week (See syllabus for exact date/time for this course)
15 May	COMMENCEMENT

<b>COURSE OUTLINE</b>
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	<b>Topics/ Daily Activities</b>	<b>Readings and Advance Preparation</b>
<i>Week 1, Class 1 March 10, 2020</i>	Syllabus Review, First of two classes, covering a review of Accounting Guidance related to Fair Value measurements, Review of Audit Guidance related to the use of specialists and the auditing of estimates, including fair value measurements, Review of Organizations, including Standard Setters, Regulators and Professional Organizations.	Review Slide Deck for Class #1 (to be posted to Blackboard), High level review of FASB web site and high level review of the standards codification in areas related to fair value measurement: ASC topics 350 (Goodwill and Intangibles), 360 (Property, Plant and Equipment), 718 (Share Based Compensation) 805 (Business Combinations), 820 (Fair Value Measurements), 825 (Financial Instruments), 946 (Investment Companies) and ASUs 2016-01 (Financial Instruments) and 2017-04 (Intangibles-Goodwill and others). High level review of PCAOB Website specifically: AS 1210 “Using the Work of an Auditor-Engaged Specialist (As Amended for FYE December 15, 2020 and After)”, and AS 2501 “Auditing Accounting Estimates, Including Fair Value Measurements (As Amended for FYE December 15, 2020 and After)”.
<i>Week 1, Class 2 March 12, 2020</i>	Second of two classes, covering a review of Accounting Guidance related to Fair Value measurements, Review of Audit Guidance related to the use of specialists and the auditing of estimates, including fair value measurements, Review of Organizations, including Standard Setters, Regulators and Professional Organizations.	Review Slide Deck for Class #2 (to be posted to Blackboard), Continued high level review of FASB and PCAOB materials as reviewed for Week 1.
<i>Spring Recess March 15-22, 2020</i>	n/a	No assignments
<i>Week 2, Class 3 March 24, 2020</i>	<b>Quiz #1</b> , Review of Valuation Approaches and Methods for entities and for assets, Discussion of <b>case study/classroom exercise #1</b>	Review Slide Deck for Class #3 (to be posted to Blackboard), <b>case study/classroom exercise #1</b> (to be posted to Blackboard)
<i>Week 2, Class 4 March 26, 2020</i>	First of two classes covering AICPA Practice Aid “Valuation of Privately-Held-Company Equity Securities”	Review Slide Deck for Class #4 (to be posted to Blackboard), Reading of selected excerpts from AICPA Practice Aid “Valuation of Privately-

		Held-Company Equity Securities” (to be posted to Blackboard)
<i>Week 3, Class 5 March 31, 2020</i>	Second of two classes covering AICPA Practice Aid “Valuation of Privately-Held-Company Equity Securities”, Discussion of <b>case study/classroom exercise #2</b>	Review Slide Deck for Class #5 (to be posted to Blackboard), Continued reading of selected excerpts from AICPA Practice Aid “Valuation of Privately-Held-Company Equity Securities” (to be posted to Blackboard), <b>case study/classroom exercise #2</b> (to be posted to Blackboard)
<i>Week 3, Class 6 April 2, 2020</i>	<b>Quiz #2</b> , First of two classes covering AICPA Practice Aid “Assets Acquired to Be Used In Research and Development Activities”	Review Slide Deck for Class #6 (to be posted to Blackboard), Reading of selected excerpts from AICPA Practice Aid “Assets Acquired to Be Used In Research and Development Activities” (to be posted to Blackboard)
<i>Week 4, Class 7 April 7, 2020</i>	Second of two classes covering AICPA Practice Aid “Assets Acquired to Be Used In Research and Development Activities”, Discussion of <b>case study/classroom exercise #3</b>	Review Slide Deck for Class #7 (to be posted to Blackboard), Continued reading of selected excerpts from AICPA Practice Aid “Assets Acquired to Be Used In Research and Development Activities” (to be posted to Blackboard), <b>case study/classroom exercise #3</b> (to be posted to Blackboard)
<i>Week 4, Class 8 April 9, 2020</i>	First of two classes covering other AICPA practice aids and Appraisal Foundation Valuation Advisories, Groups assigned for comprehensive case study/classroom exercise #4	Review Slide Deck for Class #8 (to be posted to Blackboard), Reading of selected excerpts from AICPA Practice Aids and Appraisal Foundation Valuation Advisories (to be posted to Blackboard), Group assignments posted for comprehensive case study/classroom exercise #4, <b>comprehensive case study/classroom exercise #4</b> (to be posted to Blackboard subsequent to Class #8)
<i>Week 5, Class 9 April 14, 2020</i>	<b>Quiz #3</b> , Second of two classes covering other AICPA practice aids and Appraisal Foundation Valuation Advisories	Review Slide Deck for Class #9 (to be posted to Blackboard), Continued reading of selected excerpts from AICPA Practice Aids and Appraisal Foundation Valuation Advisories (to be posted to Blackboard)
<i>Week 5, Class 10 April 16, 2020</i>	Discussion of the Fair Value Quality Initiative’s “Mandatory Performance Framework”	Review Slide Deck for Class #10 (to be posted to Blackboard), High level review of the “Mandatory



		Performance Framework” (to be posted to Blackboard)
<i>Week 6, Class 11 April 21, 2020</i>	<b>Quiz #4</b> , First of two classes covering a discussion of the Fair Value Quality Initiative’s “Application of the Mandatory Performance Framework”	Review Slide Deck for Class #11 (to be posted to Blackboard), High level review of the “Application of the Mandatory Performance Framework” (to be posted to Blackboard)
<i>Week 6, Class 12 April 23, 2020</i>	Second of two classes covering a discussion of the Fair Value Quality Initiative’s “Application of the Mandatory Performance Framework” Begin in-class group presentations of analysis of comprehensive case study/classroom exercise #4. Each group will be assigned and aspect of the case study and will have 12-15 minutes each to present.	Review Slide Deck for Class #12 (to be posted to Blackboard), Continued high level review of the “Application of the Mandatory Performance Framework” (to be posted to Blackboard). Group analysis and preparation of presentations for comprehensive case study/classroom exercise #4 (to be posted to Blackboard)
<i>Week 7, Class 13 April 28, 2020</i>	<b>Quiz #5</b> , Conclude in-class group presentations of analysis of comprehensive case study/classroom exercise #4. Each group will be assigned and aspect of the case study and will have 12-15 minutes each to present.	Review Slide Deck for Class #13 (to be posted to Blackboard). Group analysis and preparation of presentations for comprehensive case study/classroom exercise #4 (to be posted to Blackboard)
<i>Week 2, Class 14 April 30, 2020</i>	Comprehensive Review, preparation for Final Exam	Review Comprehensive Review Slide Deck for Class #14 (to be posted to Blackboard)
<i>FINAL EXAM May 7, 2020, 2:00pm to 4:00pm, Location TBA</i>	Comprehensive assessment	All materials assigned for the semester

## Appendix I

### CLASS PARTICIPATION STATEMENT

Class participation is an extremely important part of the learning experience in this course as the richness of the learning experience will be largely dependent upon the degree of preparation by *all* students prior to each class session.

A course that incorporates the frequent use of case analyses to illustrate the practical application of concepts and practices requires the student to diligently and thoroughly prepare cases and actively offer the results of the analyses and conclusions derived as well as recommendations during each class session. My expectation and that of your classmates are that you are prepared for *all* classes and will actively participate in and meaningfully contribute to class discussions.

In-class participation is also a critical part of this course's learning experience. Cold calling may take place to encourage active participation and to gain multiple perspectives and points of view, thus lending itself to the richness of the learning experience. In-class participation grading will be based on students' demonstrated willingness to participate and the quality of the comments expressed, rather than quantity. While some students are far more comfortable than others with class participation, *all* students should make an effort to contribute meaningfully.

Students will offer their opinions in group settings many times in their careers; thus, class participation serves to prepare students for this business experience.

The evaluating of in-class participation is based on the following:

- *Relevance* – Does the comment or question meaningfully bear on the subject at hand? Irrelevant or inappropriate comments can detract from the learning experience.
- *Responsiveness* – Does the comment or question connect to what someone else has said?
- *Analysis* – Is the reasoning employed consistent and logical? Has data from course materials, personal experience, or general knowledge been employed to support the assertions/findings?
- *Value* – Does the contribution further the understanding of the issues at hand?
- *Clarity* – Is the comment concise and understandable?

During class sessions, I frequently assume the role of a facilitator to encourage a discussion that includes perspectives from a variety of viewpoints and, secondly, to help pull together prevailing analyses and recommendations. The direction and quality of a discussion is the *collective responsibility of the class*.

For each in-class session two (2) points will be awarded to a student for relevant and meaningful participation, one (1) point for modest contributions to the class and zero (0) points for no participation or absence. Attendance during office hours, and/or meaningful e-mail communications will also factor into participation. A larger point total may be awarded for the Group presentations which will take place during Class 13 on April 23, 2019.

To underscore the importance of participation, 10 percent of the course grade or 100 of 1000 points are allocated to class participation.

## Class Participation—Behavioral Anchor Rating Scale:

### Excellent Performance

- Initiates information relative to topics discussed
- Accurately exhibits knowledge of assignment content
- Clarifies points that others may not understand
- Shares personal experiences or opinions related to topic
- Offers relevant / succinct input to class
- Actively participates in class exercises
- Demonstrates ability to apply, analyze, evaluate & synthesize course material.
- Demonstrates willingness to attempt to answer unpopular questions
- Builds on other students' contributions

### Average Performance

- Participates in group discussions when asked
- Demonstrates knowledge of course material
- Offers clear, concise, “good” information on class assignments
- Offers input, but tends to reiterate the intuitive or that which was already stated
- Attends class regularly

### Unacceptable Performance

- Fails to participate even when directly asked
- Gives no input to discussions
- Does not demonstrate knowledge of the readings
- Either does not attend class or attends class yet fails to interact
- Distracts group / class
- Irrelevant discussion