

ACC 690 Milestone Two Guidelines and Rubric

Overview: The final project for this course is the creation of a portfolio consisting of a report and spreadsheets. You will be placed in a real-world scenario in which you will take the role of an associate in a certified public accountant (CPA) firm. The CPA partners in the scenario would like to help you grow within the firm by getting you more contact with some of the larger clients. You will address questions from one of the firm's most influential and growing clients by assembling the necessary information in report. Your report should include spreadsheet examples. Topics addressed in the portfolio will cover partnership formation, bankruptcy, and acquisition of another company (which may be international).

Your three milestone assignments will consist of shorter reports and supporting spreadsheets. You should use your instructor's feedback from the milestone submissions to improve your final report and spreadsheets.

Prompt: In Milestone Two, you will submit a report as well as the necessary spreadsheets for Section II (Parts B–F) of the final project. You will discuss interim reporting requirements under generally accepted accounting principles (GAAP) and international financial reporting standards (IFRS), as well as provide an example financial statement illustrating what the interim report should entail. You will also discuss reporting requirements for business segments and discuss transparency in financial reporting. Lastly, you will consider the company's potential international business deals, such as the impact of foreign exchange rates and the methods for translating financial statements. You will also create a hypothetical example demonstrating the translation process, using the two methods, to submit with your paper.

Specifically, the following **critical elements** must be addressed:

- II. **Corporation:** The company is also considering structuring its business as a corporation, but is aware that there are a lot of complex issues to consider when accounting for an incorporated entity. The company is concerned about the following key areas:
 - B. What **interim reporting** requirements would the company have as a corporation? Describe the guidance related to interim financial statements under GAAP and IFRS.
 - C. Generate a hypothetical **financial statement** illustrating what that interim reporting entails. Ensure all information is entered accurately.
 - D. Determine if the interim reporting requirements are the same under **GAAP and IFRS**. Provide an example to support your response.
 - E. The company also heard that they may have to report some of their business segments separately if they opt to incorporate.
 1. Appraise one of the processes used to identify which **segments** would have to be reported separately. Provide examples to support your response.
 2. How is this process effective in supporting **transparency** in financial reporting? Defend your response.
 3. Provide **suggestions to improve** this process in an effort to sustain transparency. Defend your rationale.
 - F. When incorporating, it is important to consider whether or not the company's business deals internationally.
 1. Summarize the **impact** of foreign exchange rates on the company's financial statements. What risks do foreign exchange rates pose?
 2. What are the **two methods** used to translate financial statements and how does the functional currency play a role in determining which method is used?

- Compose a hypothetical example to demonstrate the **translation process** using the two methods. Ensure all information is entered accurately.

Guidelines for Submission: Your report must be submitted as a 2- to 3-page Microsoft Word document with double spacing, 12-point Times New Roman font, one-inch margins, and at least two sources (in addition to your textbook) cited in APA format. Your accompanying spreadsheets must be submitted as Microsoft Excel files.

Instructor Feedback: This activity uses an integrated rubric in Blackboard. Students can view instructor feedback in the Grade Center. For more information, review [these instructions](#).

Critical Elements	Proficient (100%)	Needs Improvement (75%)	Not Evident (0%)	Value
Corporation: Interim Reporting	Describes the interim reporting requirements the company would have as a corporation and the guidance related to interim financial statements under GAAP and IFRS	Describes the interim reporting requirements the company would have as a corporation but does not describe the guidance related to interim financial statements under GAAP and IFRS, or description is cursory or has inaccuracies	Does not describe the interim reporting requirements	10
Corporation: Financial Statement	Generates a hypothetical financial statement illustrating what the interim reporting entails and ensures all information is entered accurately	Generates a hypothetical financial statement illustrating what the interim reporting entails, but there are inaccuracies	Does not generate a hypothetical financial statement	10
Corporation: GAAP and IFRS	Determines if the interim reporting requirements are the same under GAAP and IFRS and provides an example to support response	Determines if the interim reporting requirements are the same under GAAP and IFRS but example provided does not support response, or does not provide an example	Does not determine if the interim reporting requirements are the same under GAAP and IFRS	10
Corporation: Segments	Appraises one of the processes used to identify which segments would have to be reported separately and provides examples to support response	Appraises one of the processes used to identify which segments would have to be reported separately but does not provide examples to support response, or appraisal is cursory or has inaccuracies	Does not appraise one of the processes	10
Corporation: Transparency	Evaluates the effectiveness of the process in supporting transparency in financial reporting and defends response	Evaluates the effectiveness of the process in supporting transparency in financial reporting but does not defend response, or defense is weak or illogical	Does not evaluate the effectiveness of the process in supporting transparency in financial reporting	10
Corporation: Suggestions to Improve	Provides suggestions to improve the process and defends rationale	Provides suggestions to improve the process but does not defend rationale, or defense is weak or illogical	Does not provide suggestions to improve the process	10

Corporation: Impact	Summarizes the impact of foreign exchange rates on the financial statements and determines the risks they pose	Summarizes the impact of foreign exchange rates on the financial statements but does not determine the risks they pose, or summary is cursory or has inaccuracies	Does not summarize the impact of foreign exchange rates on the financial statements	10
Corporation: Two Methods	Describes the two methods used to translate financial statements and how the functional currency plays a role in determining which is used	Describes the two methods used to translate financial statements but does not describe how the functional currency plays a role in determining which is used, or description is cursory or has inaccuracies	Does not describe the two methods of translation	10
Corporation: Translation Process	Composes a hypothetical example demonstrating the translation process using the two methods and ensures all information is entered accurately	Composes a hypothetical example demonstrating the translation process using the two methods but example contains inaccuracies	Does not compose a hypothetical example	10
Articulation of Response	Submission has no major errors related to citations, grammar, spelling, syntax, or organization	Submission has major errors related to citations, grammar, spelling, syntax, or organization that negatively impact readability and articulation of main ideas	Submission has critical errors related to citations, grammar, spelling, syntax, or organization that prevent understanding of ideas	10
			Total	100%