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Interleave Learning in Advanced Accounting

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Motivation

- ❖ Financial accounting education is an accumulation of knowledge that builds on previous course material.
- ❖ Majority of accounting curriculum is taught in a blocked system which may result in students not retaining knowledge necessary for future courses.
- ❖ Changing the manner in how accounting is taught could be beneficial to students' long-term learning of accounting.

Example of Assignment

Consolidation Subsequent to the Date of Acquisition:

Assume that on January 1, 2010, a parent company acquires 75% interest in its subsidiary. The total fair value of the controlling and noncontrolling interests was \$550,000 over the book value of the subsidiary's Stockholders' Equity on the acquisition date. The parent assigned \$200,000 to a patent with a 10-year useful life and \$350,000 in Goodwill. 75% of the Goodwill is allocated to the parent. Assume that the subsidiary sells inventory to the parent, on account. The inventory is included in parent's products that it ultimately sells to customers outside of the controlled group. You have compiled the following data as of 2015 and 2016.

| | 2015 | 2016 |
|----------------------------------------------------------|-----------|-----------|
| Transfer price for inventory sale to parent (sale price) | \$600,000 | \$700,000 |
| Cost of goods sold | 500,000 | 580,000 |
| Gross profit | \$100,000 | \$120,000 |
| % Inventory remaining at year end | 25% | 35% |
| | | |
| End of Year intra-entity receivable/payable | \$70,000 | \$120,000 |

The inventory not remaining at the end of the year has been sold outside of the controlled group. The parent uses the equity method to account for its investment in the subsidiary. The parent's unadjusted trial balance and the subsidiary's adjusted trial balance for December 31, 2016 are on the attached spreadsheet.

Requirements:

1. Prepare an adjusted trial balance for the parent. Only adjusting entries remaining to complete are the equity method entries for subsidiary investment. The dividends received from the subsidiary is properly recorded in the parent's unadjusted trial balance.
2. Complete the income distribution schedule.
3. Prepare eliminating (consolidation entries). Please show the entries in entry format (you may eliminate any entry explanations).
4. Complete the consolidation worksheet.
5. Prepare a post-closing trial balance for the parent.

Note: Parts 1 and 5 only given to the interleaving sample.

Learning Objectives

- ❖ Evaluate whether students perform better when required assignments apply an interleaving technique instead of a traditional blocking technique.
 - **Interleaving:** spaced learning that involves returning to a topic at regular intervals over the space of a few weeks or months (i.e., learning new material while reviewing past material).
 - **Blocking:** concentration of learning material (skill) until it is mastered. Once mastered, teacher moves onto new material.

<http://www.personal.psu.edu/afr3/blogs/siowfa13/2013/09/learn-better-interleaved-vs-blocked-learning.html>

Process

1. Students are randomly placed into
 - ❖ the interleaving sample or
 - ❖ the control sample.
 - ❖ They will remain in same sample for all 3 assignments.
2. Three assignments are distributed throughout the semester.
 1. The interleaving assignments include new course material related to consolidations **and** past material on the accounting cycle
 2. The control sample only receives the portion of the assignment that is the new course material.
3. A case is distributed to all students. The case includes a consolidation process **and** the accounting cycle process.
4. Blind process to faculty (administered by RA)

Results

- ❖ .

Teaching Issues

- ❖ .