**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.


**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 which 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 $1,000,000 to a patient with a 10-year useful life and $500,000 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 2013 and 2014:

<table>
<thead>
<tr>
<th>Year</th>
<th>Transfer price for inventory to parent</th>
<th>Cost of goods sold</th>
<th>Gross profit</th>
<th>% Inventory remaining at year end</th>
<th>End of year intra-entity receivable/payable</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$600,000</td>
<td>$500,000</td>
<td>$120,000</td>
<td>25%</td>
<td>$70,000</td>
</tr>
<tr>
<td>2014</td>
<td>$700,000</td>
<td>$500,000</td>
<td>$120,000</td>
<td>25%</td>
<td>$120,000</td>
</tr>
</tbody>
</table>

The inventory 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 **unaudited** trial balance and the subsidiary’s **audited** trial balance for December 31, 2014 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 3 and 5 only given to the interleaving sample.

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**Dataset**

- Financial statistics for the parent and subsidiary companies.
- Adjusted trial balances for both organizations.
- Income distribution schedule.
- Eliminating entries worksheet.
- Post-closing trial balance.

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**Teaching Issues**

- Motivation:
  - Financial accounting education builds on previous course material.
  - Majority of curriculum is taught in a blocked system.
  - Long-term learning can be improved.

**Process**

1. Students are randomly placed into:
   - the interleaving sample
   - the control sample

2. Three assignments are distributed throughout the semester:
   - The interleaving assignments include new course material related to consolidations and past material on the accounting cycle.
   - The control sample only receives the portion of the assignment that is new.

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)

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**Results**

- Students succeed better when required assignments apply an interleaving technique instead of a traditional blocking technique.
- Interleaving technique outperforms blocking technique.