

The Wharton School of the University of Pennsylvania

ACCOUNTING 102 – Managerial Accounting Course Syllabus Spring, 2009

Instructors:

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REQUIRED MATERIAL:

Horngren, Datar, Foster, Rajan, and Ittner *Cost Accounting: A Managerial Emphasis, 13th Edition*, (and Solutions Manual), Prentice-Hall, Inc., 2009

COURSE OBJECTIVES:

This course emphasizes the use of accounting information for internal planning and control purposes, as opposed to the external disclosure focus of financial accounting. We will learn alternative methods of preparing managerial accounting information in the first part of this course, and we will spend the remainder of the course examining how these methods are used by companies. Managerial accounting is a company's internal language, and is used for decision-making, production management, product design and pricing, performance evaluation, and motivating employees. Well-designed managerial accounting systems maximize economic profits (all relevant benefits minus all relevant costs).

What you learn in this course complements and builds upon what you learned in financial accounting, and what you are learning in your economics, finance, marketing, management, operations, and statistics courses.

Unless you understand managerial accounting, you cannot have a thorough understanding of a company's internal operations. What you learn in this course will help you understand the operations of your future employer (and enable you to be more successful at your job), and help you understand other companies you encounter in your role as competitor, consultant, or investor.

COURSE OPERATION:

The course meets three times a week - lectures on Monday and Wednesday and a recitation on Friday.

Monday and Wednesday – lectures and office hours

Although there is an 80-minute time-slot assigned for the class, **normally, the lecture will be 55-60 minutes.** We will be available in the classroom for the remaining 20-25 minutes of the 80-minute period to answer questions about the day's material and any more general questions you may have.

Most of you will not need to stay for the office-hour period following the lecture (unless you have a specific question).

Fridays – Recitations

The Teaching Assistants will conduct the Friday recitation sessions. During those recitations, they will review the previous week's material, answer questions, and discuss and interpret solutions to assigned homework problems. They will not cover new material.

Please note that some recitations and/or review sessions may be held at different times from those indicated in your class schedule. (These will typically occur near the time of an exam.) This will be done to maximize the number of students able to attend these sessions.

WEBCAFE:

To access the webCafe for Accounting 102, go to the internet URL:

<http://webcafe.wharton.upenn.edu>

On that page, click on ACCT to display links to accounting course webCafe rooms, and then click on your section number.

Non-Wharton students must obtain a Wharton computer account in order to access webCafe. You can sign up at: <http://accounts.wharton.upenn.edu>

WebCafe contains, among other items, the course syllabus, assignment schedule, and information on the TAs' office hours and office and recitation locations. We will post the lecture notes for each class to webCafe on the day preceding the day of the class.

To read most of the materials posted, you will need a copy of the Adobe Acrobat reader. To obtain a copy, go to:

<http://www.adobe.com/products/acrobat/readstep2.html>

or click on the webCafe Icon "Download Acrobat Reader."

If you have problems with the webCafe, contact lalevic@wharton.upenn.edu.

OFFICE HOURS:

TA office hours will be posted on the webCafe.

In addition to Friday recitations, the TAs will hold regular weekly office hours in SHDH 205. In addition, will hold additional office hours during the week prior to an exam.

PERFORMANCE EVALUATION SYSTEM:

Whether you are aware of it or not, all of your life you have been, are, and will be evaluated based on a relative performance evaluation (RPE) system. These systems are colloquially called “curves.” An example of a curve is the college application process: the fact that you are at Penn/Wharton means that you were ranked in the upper 5% to 20% of applicants. The key to dealing with an RPE system is not to become anxious, but to accept the system, understand it, and learn to work gracefully within it. You will be applying these systems to your subordinates as you move through life, and you need to know how to do so effectively.

Your grade for this course will be based on a weighted average of three exams, which are scheduled as follows:

	<u>Date</u>		<u>Weight</u>
Exam I:	February 10 (Tuesday)	6:00 – 8:00 pm	20%
Exam II:	March 23 (Monday)	6:00 – 8:00 pm	40%
Exam III (Final):	May 8 (Friday)	6:00 – 8:00 pm	40%

Please note that the above weighting scheme will be strictly adhered to. There is no possibility of earning extra credit or of changing the above weights.

The grade distribution is determined so that approximately 70% of the *initial* class enrollment receives A's or B's. We hope that this relaxed grading scheme will relax you, so that there will be more learning, more cooperation, less over-studying, and less competition over grades.

Note that the grade distribution is set based on initial enrollment, and to the extent that students withdraw from the course the percentage of the *final* enrollment who receive A's or B's will be *greater* than 70%. **This policy means that no student who remains in the course is negatively affected by the fact that other students withdraw.**

Students at the bottom of the distribution with very poor average scores (e.g., an average score of less than 40%) will likely receive an F. Students taking the course on a Pass/Fail basis must receive a grade of D- or higher to get a "Pass."

EXAMINATIONS

All examinations are closed-book and closed notes, with one exception. Students will be permitted to use one page (8 ½" x 11", one side only) of notes during the examination.

EXAM ACCOMMODATIONS AND CONFLICTS:

If you need additional time to complete an exam because of a university-recognized disability, please inform your instructor (by e-mail) and the Office of Student Disabilities Services (SDS) **within two weeks of the start of classes**. You will be provided with the accommodations that are approved by that Office.

If you have a class or an exam for another course which is to be given at the same time as a scheduled exam, you must **notify your instructor (not one of the TAs) by e-mail within two weeks of the start of classes**. **Your e-mail must include your COMPLETE class and exam schedule for the day of the conflict**. In those cases of an acceptable exam conflict, arrangements will be made for you to take the exam at an alternative time. Note that if such an arrangement has been made and you fail to attend the exam at the arranged time, you will receive a grade of zero for the exam. If your schedule changes such that you no longer have a "conflict" with the regularly scheduled exam, you should notify your instructor by e-mail as soon as possible.

In other cases, documented (written) evidence (i.e., from a doctor – a letter from Student Health is NOT sufficient) that you were **seriously ill, or unavailable for some other reason**, at the scheduled time of an exam is the only valid excuse for missing an exam. In order to be excused from an exam, you must email your instructor as soon as possible (prior to the exam, if possible), and you must provide the original copy of the required documentation. (A photocopy or other facsimile is not sufficient.)

Students who fail to attend an exam without making arrangements with the instructor in accordance with the preceding requirements will receive a grade of 0 for the exam.

If a student misses an exam (with a valid excuse), he/she will be allowed to take the make-up exam. Make-up exams will be given **only** on the make-up exam date, which is scheduled by the University (typically during the first week of classes for the **following** semester).

WITHDRAWAL FROM THE COURSE:

WeI will not refuse a student's request to withdraw from the course. However, while we are willing to approve withdrawals up to the day before the final, **the undergraduate division has the final authority**, and, in most previous cases, it has refused all withdrawal requests submitted after the university deadline (**see below**). However, we urge students who are thinking of withdrawing in order to avoid a grade of C to think carefully about the costs of losing credit for the course and receiving a W versus the benefit of potentially getting a higher grade in the future.

Be aware that, in order to withdraw from the course, you must meet the university deadline and requirements regarding withdrawals. In particular, note that the university withdrawal deadline is Friday, April 3, 2009. Therefore, if you wish to withdraw after April 3, you will be required to submit a petition to the Wharton Undergraduate Division to obtain its approval. Please obtain the School's approval before you ask for ours (which we will give).

RE-GRADES:

We and the TAs follow a grading scheme that is designed to award partial credit. Occasionally, we will make mistakes, and we are eager to correct them subject to the following limits. If you believe that there was a *mistake* in the grading of your exam, you must submit the original exam (with no adjustments), and a *written explanation* of the points of contention. *within one calendar week following the return of the exam*, **We will only re-grade exams if they: (1) were originally written in non-erasable pen, and (2) used no correction tape, white-out, etc.** *Please note, any exam submitted for re-grade is subject to a complete review*, which may result in an increase or decrease in the total exam score. If the re-grade request is made after one calendar week or without an accompanying explanation, no re-grade will be permitted.

All re-grade decisions are *final*.

FAIRNESS AND INTEGRITY:

We emphasize fairness to all students taking the course. Please do not do anything that is unfair to other students, or ask your instructor to make exceptions that are unfair to other students.

We expect you to follow the code of Academic Integrity in this course and in all your courses:

<http://www.vpul.upenn.edu/osl/acadint.html>.

In order to ensure fairness and on behalf of the overwhelming majority of honest students, we will refer anyone suspected of cheating to the Office of Student Conduct. The Office of Student Conduct will determine if cheating occurred, and if so, what punishment will be administered. There are no exceptions to this policy under any circumstances.

There is some probability that the we or one of the TAs will find a student who cheats. Please note that when a student is convicted of cheating by the Office of Student Conduct, the minimum punishment is a one-semester suspension. Cheating is wrong from an ethical standpoint, and cheating does not make sense practically, because **the expected costs to the cheater far outweighs any small benefits.**

Accounting 102

Class Schedule

Spring, 2009

<u>Session</u>	<u>Date</u>	<u>Day</u>	<u>Topic</u>	<u>Text Book - Reading</u>	<u>Assigned Problems</u>
PART I: PRODUCT COSTING					
1.	Jan 14	Wed	Introduction to Course	Ch. 1	
2.	Jan 19	Mon	NO CLASS – Martin Luther King Day		
	Jan 21	Wed	Cost Concepts I	Ch. 2	2-18,19,22
	Jan 23	Fri	Recitation		
3.	Jan 26	Mon	Cost Concepts II / Budgeting	Ch. 6 (185-194)	2-31; 6-17, 18, 19
4.	Jan 28	Wed	Job Costing	Ch. 4 (96-109)	4-21,22
	Jan 30	Fri	Recitation		6-30; 4-18, 26, 34.2a;
5.	Feb 2	Mon	Job Costing for Manufacturing	Ch. 4 (109-121)	4-17,20,24
6.	Feb 4	Wed	Financial Accounting Effects	Ch. 9 (298-308)	9-21, 28
	Feb 6	Fri	Recitation		
7.	Feb 9	Mon	Review		
	Feb 10	Tuesday	EXAM I 6 – 8 p.m. (All material covered in Sessions 1-7, including catch-up)		
8.	Feb 11	Wed	Process Costing	Ch. 17 (exclude 617-618)	17-16, 17, 24, 25
	Feb 13	Fri	Recitation		
9.	Feb 16	Mon	Process Costing (continued)		

<u>Session</u>	<u>Date</u>	<u>Day</u>	<u>Topic</u>	<u>Text Book - Reading</u>	<u>Assigned Problems</u>
PART II: COST ALLOCATION and DECISION-MAKING					
10.	Feb 18	Wed	Activity Based Costing	Ch. 5	5-16, 27, 37
	Feb 20	Fri	Recitation		
11.	Feb 23	Mon	Activity Based Costing	Ch. 14 (508-515)	14-22, 30
			Customer Profitability Analysis		
12.	Feb 25	Wed	Cost Allocation	Ch. 14 (500-508)	14-18;
				Ch. 15 (exclude 546-553)	15-16, 24, 33
	Feb 27	Fri	Recitation		
13.	Mar 2	Mon	Service Departments	Ch. 15 (546-553), Problem for self-study	15-19, 20
14.	Mar 4	Wed	Cost-Volume-Profit Analysis	Ch. 3	3-35, 38, 39, 46
	Mar 6	Fri	Recitation		
	Mar 9	Mon] SPRING BREAK – NO CLASSES		
	Mar 11	Wed			
	Mar 13	Fri			
15.	Mar 16	Mon	Cost Estimation	Ch. 10 and Appendix, (exclude 352-358)	10-26, 33, 40, 41
16.	Mar 18	Wed	Catch-up and Review		
	Mar 20	Fri	Recitation		
	Mar 23	Mon	Exam II 6:00-8:00 pm (All material covered in Sessions 7-16)		
17.	Mar 25	Wed	Decision Making I	Ch. 11	11-21, 22, 36
	Mar 27	Fri	Recitation		
18.	Mar 30	Mon	Decision Making II, Pricing	Ch. 12	

<u>Session</u>	<u>Date</u>	<u>Day</u>	<u>Topic</u>	<u>Text Book - Reading</u>	<u>Assigned Problems</u>
PART III: PERFORMANCE MEASUREMENT AND INCENTIVES					
17.	Apr 1	Wed	Responsibility Accounting And Performance Evaluation	Ch. 6 Ch. 22 (771-773)	6-19, 6-22
	Apr 3	Fri	Recitation		
		Fri	WITHDRAWAL PERIOD ENDS		
19.	Apr 6	Mon	Control and Variable Pay; Intro to Variance Analysis	Ch. 7	7-17, 22
20.	Apr 8	Wed	Variance Analysis (continued.)	Ch. 8	8-20, 21
	Apr 10	Fri	Recitation		
21.	Apr 13	Mon	Capital Budgeting and Project Selection	Ch. 21	21-18, 19
22.	Apr 15	Wed	Performance Measures	Ch. 23 (exclude 811-812) Ch. 13 (462-473)	23-18, 22 (parts 1-3,5)
	Apr 17	Fri	Recitation		
22.	Apr 20	Mon			
23.	Apr 22	Wed	Transfer Pricing	Ch. 22 (773-786)	22-20, 25, 26
	Apr 24	Fri	Recitation		
24.	Apr 26	Mon	TBA		
	May 8	Friday	Exam III 6:00 - 8:00 pm (All material covered in Sessions 17-24)		