

The Wharton School of the University of Pennsylvania

ACCOUNTING 102 - Managerial Accounting Course Syllabus Summer, 2009

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TA:	Marshall Vance mvance@wharton.upenn.edu
Lectures:	Monday through Thursday from 1:00 to 2:35pm (SHDH 215)
Office Hours:	Clare Wang: after class; or e-mail for an appointment (SHDH 205) Marshall Vance: TBA (SHDH 205)
webCafe:	http://webcafe.wharton.upenn.edu/

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 four times a week – Mondays through Thursdays from 1:00 to 2:35pm in SHDH215.

I do not expect to lecture for the whole hour and a half each time. The remainder of the class time I will either discuss problems I handed out the lecture before (see below) or be available for questions.

Given the short time period available, this is a relatively intensive course. It is important to keep up with the material as we go through the course. Please refer to the course calendar at the end of this syllabus for a schedule of readings and suggested textbook problems for each day. The suggested study approach is:

1. Read/skim the 'Readings' before class
2. Go to the lecture, and make sure you understand the material for the day
3. Test your understanding by doing (some of) the suggested problems after class
4. Check your answers using the solutions manual and go to office hours if necessary

In addition to the suggested textbook problems, which I will generally not discuss, I will occasionally hand out somewhat more challenging problems. They will be discussed in the lecture(s) following the lecture(s) in which they were handed out.

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, sample questions and answers, and information on the TA' office hours. I will post the lecture notes for each class to webCafe in the morning on the day of class.

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 assigned using the following weights:

	Date		Weight
Exam I	July 20 (Monday)	1:00 – 3:00 pm	33%
Exam II	August 4 (Tuesday)	1:00 – 3:00 pm	33%
Exam III	August 13 (Thursday)	1:00 – 3:00 pm	33%
Class Participation	Ongoing		1%

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. I 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.

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", double sided) 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 me and the Office of Student Disabilities Services (SDS) **within one week of the start of classes**. You will be provided with the accommodations that are approved by that Office.

Since all exams are in class during the regularly scheduled class time, there should be no exam conflicts. Any request to reschedule the exams to accommodate a student's travel plans will be considered on a case-by-case basis, although it will most likely to be denied.

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 me 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 me in accordance with the preceding requirements will receive a grade of 0 for the exam.

There is no make-up exam for the exams. If a student misses one exam (with a valid excuse), his/her grade will be based on the performance relative to the other students on the other two exams only.

WITHDRAWAL FROM THE COURSE:

I will not refuse a student's request to withdraw from the course. However, I 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.

RE-GRADES:

The TA and I will work hard to ensure that the same partial credit is allocated to the same partially correct answer on each exam. 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:

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

I 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, I 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 I or the TA 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.**

HELPFUL HINTS:

Please e-mail me if you think that there is an error in one of my handouts. If there is, I will contact everyone via the list-serve with a correction.

The lecture notes are a **summary** of the related materials in the book, and it is important that you read/skim this material.

The easiest way to learn accounting is to keep up with the material weekly. Accounting is difficult to learn by cramming. Spend at least an hour each day on this course outside of class. You will understand the material better than if you try to do it all right before an exam.

The best way to learn accounting is by doing it. Most of the problems will look easy once you have seen the solution. Try not to read the solution until after you have (at least) thought about how you would solve the problem.

Think about how what you are learning helps you now and how it will help you in the future.

QUESTIONS TO THINK ABOUT BEFORE EACH LECTURE:

How does the material fit into the “big-picture” issues in business, education, and life?

How could this material help me make better decisions? (for example, by avoiding the “sunk cost fallacy”)

How does this material relate to what I am learning in other courses? (for example, how could I apply what I am learning in statistics to help me design a cost system?)

How are businesses that I interact with using these concepts or how could they be improved by using these concepts? (for example, why are prices in dining halls so high?)

How could I use this knowledge at a future employer? (for example, to understand the system that is being used to evaluate my performance)

How would I use this knowledge if I set up my own business? (for example, to budget and control costs)?

Could I think more deeply about this idea, improve it, and turn it into a profitable consulting business? (for example, EVA or the Balanced Scorecard)

COURSE CALENDAR:

The following page provides a detailed outline of the course. The chapters listed under ‘Readings’ and the suggested problems refer to the textbook, Horngren, Datar, Foster, Rajan, and Ittner (13th edition).

#	Date	Day	Topic	Text Book - Reading	Assigned Problems
PART I: PRODUCT COSTING					
1	Jul 6	Mon	Introduction to Course	Ch. 1 (skim)	
2	Jul 7	Tue	Cost Concepts	Ch. 2	2-18,19,22
3	Jul 8	Wed	Cost Concepts II / Budgeting	Ch. 6 (185-194)	2-31; 6-17, 18, 19
4	Jul 9	Thu	Job Costing	Ch. 4 (96-109)	4-21,22
5	Jul 13	Mon	Job Costing for Manufacturing	Ch. 4 (109-121)	4-17,20,24
6	Jul 14	Tue	Financial Accounting Effects	Ch. 9 (298-308)	9-21, 28
7	Jul 15	Wed	Process Costing	Ch. 17 (exclude 617-618)	17-16, 17, 24, 25
8	Jul 16	Thu	Process Costing (continued)		
9	Jul 20	Mon	Exam I (in class, all materials covered in session 1 to 8)		
PART II: COST ALLOCATION AND DECISION-MAKING					
10	Jul 21	Tue	Activity Based Costing	Ch. 5	5-16, 27, 37
11	Jul 22	Wed	Activity Based Costing	Ch. 14 (508-515)	14-22, 30
			Customer Profitability Analysis		
12	Jul 23	Thu	Cost Allocation	Ch. 14 (500-508)	14-18;
				Ch. 15 (exclude 546-553)	15-16, 24, 33
13	Jul 27	Mon	Service Departments	Ch. 15 (546-553), Problem for self-study	15-19, 20
14	Jul 28	Tue	Cost-Volume-Profit Analysis	Ch. 3	3-35, 38, 39, 46
15	Jul 29	Wed	Cost Estimation	Ch. 10 and Appendix, (exclude 352-358)	10-26, 33, 40, 41
16	Jul 30	Thu	Decision Making I	Ch. 11	11-21, 22, 36
17	Aug 3	Mon	Decision Making II, Pricing	Ch. 12	
18	Aug 4	Tue	Exam II (in class, all materials covered in session 10 to 17)		
PART III: PERFORMANCE MEASUREMENT AND INCENTIVES					
19	Aug 5	Wed	Responsibility Accounting; Control and Variable Pay	Ch. 6 Ch. 7 Ch. 22 (771-773)	6-19, 6-22 7-17, 22
20	Aug 6	Thu	Variance Analysis	Ch. 8	8-20, 21
21	Aug 10	Mon	Capital Budgeting and Project Selection	Ch. 21	21-18, 19
22	Aug 11	Tue	Performance Measures	Ch. 23 (exclude 811-812) Ch. 13 (462-473)	23-18, 22 (parts 1-3,5)
23	Aug 12	Wed	Transfer Pricing	Ch. 22 (773-786)	22-20, 25, 26
24	Aug 13	Thu	Exam III (in class, all materials covered in session 19 to 23)		