

# The Wharton School of the University of Pennsylvania

## ACCOUNTING 102 – Managerial Accounting Course Syllabus Summer Session II, 2010

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**Office Hours:** After class; or e-mail for an appointment

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

### REQUIRED MATERIAL:

Horngren, Datar, Foster, Rajan, and Ittner *Cost Accounting: A Managerial Emphasis, 13<sup>th</sup> 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) or some other strategic objective.

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 - lectures on Monday, Tuesday, Wednesday and Thursday.

Although there is a 95-minute time-slot assigned for the class, **normally, the lecture will be significantly**

**shorter.** I will be available in the classroom after class to answer questions about the day's material and any more general questions you may have. It is by no means mandatory to stay for this post-lecture 'office hour'. The TA will also have weekly office hours.

### **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. I 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 ktam AT Wharton DOT upenn DOT edu.

### **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: 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 homework and two exams, which are scheduled as follows:

	Date		<u>Weight</u>
Exam I	DATE (Monday July 26)	1:00 - 2:35 pm	40%
Exam II	DATE (Thursday August 12)	1:00 - 2:35 pm	45%
Homework	Periodically		15%

I expect to assign three homework assignments, each worth 5% of the final grade. The homework assignments are to be submitted online through webcafe. You are allowed to consult any material and discuss homework assignments with fellow students. Additionally, there are recommended problems on the class schedule that will not be collected and do not factor into your grade.

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.

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 (8.5" x 11", one side only) of notes during each 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 one week of the start of classes**. You will be provided with the accommodations that are approved by that Office.

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, and you must provide the original copy of the required documentation. (A photocopy or other facsimile is not sufficient.) The required documentation will be determined by the instructor.

**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:**

I will not refuse a student's request to withdraw from the course. While I am willing to approve withdrawals up to the day before the final, **the undergraduate division or the College of Liberal and Professional Studies (who partially administer summer courses) has the final authority**, and they tend to refuse all withdrawal requests submitted after the university deadline. 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.** Please obtain the School's approval before you ask for mine (which I will give).

### **RE-GRADES:**

The grading scheme is designed to award partial credit on exams, but not on homework assignments. Occasionally, graders will make mistakes, and I am 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.* **I will only re-grade exams if they: (1) were originally written in non-erasable blue or black 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 us 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 we 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 outweigh any small benefits.**

**Accounting 102**  
**Revised Class Schedule**  
**Summer, 2010**

<u>Session</u>	<u>Date</u>	<u>Day</u>	<u>Topic</u>	<u>Text Book - Reading</u>	<u>Assigned Problems</u>
<b>PART I: PRODUCT COSTING</b>					
1.	Jul 6	Tue	Introduction to Course	Ch. 1	
2.	Jul 7	Wed	Cost Concepts I	Ch. 2	2-18,19,22
3.	Jul 8	Thu	Cost Concepts II / Budgeting	Ch. 6 (185-194)	2-31; 6-17, 18, 19
4.	Jul 12	Mon	Job Costing	Ch. 4 (96-109)	4-21,22
5.	Jul 13	Tue	Job Costing for Manufacturing	Ch. 4 (109-121)	4-17,20,24
6.	Jul 14	Wed	Process Costing	Ch. 17 (exclude 617-618)	17-16, 17, 24, 25
7.	Jul 15	Thu	Process Costing (continued)		
8.	Jul 19	Mon	Financial Accounting Effects	Ch. 9 (298-308)	9-21, 28
<b>PART II: COST ALLOCATION</b>					
9.	Jul 20	Tue	Cost Estimation	Ch. 10 and Appendix, (exclude 352-358)	10-26, 33, 40, 41
10.	Jul 21	Wed	Activity Based Costing	Ch. 5	5-16, 27, 37
11.	Jul 22	Thu	Activity Based Costing – Continued  (Customer Profitability Analysis)	Ch. 14 (508-515)	14-22, 30
	Jul 26	Mon	<b>Exam I</b> (in class)		
12.	Jul 27	Tue	Cost Allocation	Ch. 14 (500-508) Ch. 15 (exclude 546-553)	14-18; 15-16, 24, 33
13.	Jul 28	Wed	Service Departments	Ch. 15 (546-553),	15-19, 20

### **PART III: DECISION-MAKING, PERFORMANCE EVALUATION & INCENTIVES**

14.	Jul 29	Thu	Cost-Volume-Profit Analysis	Ch. 3	3-35, 38, 39, 46
15.	Aug 2	Mon	Decision Making I	Ch. 11	11-21, 22, 36
16.	Aug 3	Tue	Decision Making II, Pricing	Ch. 12	
17.	Aug 4	Wed	Responsibility Accounting	Ch. 6	6-19, 6-22
			And Performance Evaluation	Ch. 22 (771-773)	
18.	Aug 5	Thu	Control and Variable Pay;	Ch. 7	7-17, 22
			Variance Analysis	Ch. 8	8-20, 21
19.	Aug 9	Mon	Capital Budgeting and Project Selection	Ch. 21	21-18, 19
20.	Aug 10	Tue	Performance Measures	Ch. 23 (exclude 811-812) Ch. 13 (462-473)	23-18, 22 (parts 1-3,5)
21.	Aug 11	Wed	Transfer Pricing	Ch. 22 (773-786)	22-20, 25, 26

### **EXAM II**

**Aug 12 Thu**

**1:00 - 2:35 pm**

**(Comprehensive but focusing on later material)**