

Accounting 202

Intermediate Financial Accounting

**University of Pennsylvania
The Wharton School
Spring, 2011**

Instructor: Holly Yang
Address: 1314 Steinberg Hall-Dietrich Hall
Phone: (215) 898-7125
E-mail: hollyy@wharton.upenn.edu

Course Objective

This course builds on the knowledge you obtained in your introductory financial accounting course. The course is typically (but not necessarily) taken after completing Accounting 201. That course discusses in detail the income statement, the balance sheet, the statement of cash flows, and the asset-side of the balance sheet. The objective of Accounting 202 is to provide a better understanding of the liability and equity side of the balance sheet. Case studies and illustrative examples from the financial press will be used to increase your familiarity with actual firms' financial statements and to emphasize the effect of financial accounting rules on the numbers presented in the financial statements. Thus, after completing both Accounting 201 and Accounting 202, you will have obtained many of the tools necessary to both prepare and analyze accounting statements and financial information provided by corporations. You will acquire an understanding of both the "how" of accounting procedures and the underlying reasons "why" these practices are adopted. These skills are essential for pursuing a broad range of professions in accounting and finance.

Course Materials

Textbook:

Intermediate Accounting by Donald E. Kieso, Jerry J. Weygandt, and Terry D. Warfield (KWW), John Wiley & Sons Inc., 2009, thirteenth edition. The textbook is required and is available at the bookstore. Solutions to Kieso, Weygandt, and Warfield problems are available on the course website (password protected).

Class Notes, Homework Assignments, and Additional Reading Material:

Class notes and homework assignments will generally be available 2-3 days before class on the course website. They should be downloaded and a hardcopy should be brought to class. The solutions manual will also be made available on the web page after we covered the material in class.

Course Website:

<http://webcafe.wharton.upenn.edu> (all course materials), or
<http://syllabi.wharton.upenn.edu/index.cfm> (syllabus only)

Office Hours:

Wednesday, 3:30 – 5:00 p.m. or by appointment. I strongly encourage you to make full use of my office hours. However, please understand that office hours are intended to help you with any questions you have after you have attended the lectures, reviewed the materials, and attempted at the homework assignments. Office hours are not intended as make-up lectures for those who fail to attend the lectures, nor as a comprehensive review of lectures already given.

Class Organization***Preparation for Class and Professionalism:***

Class sessions will follow a lecture/discussion format with student participation strongly encouraged. The lectures are designed to clarify and explain issues from the text, discuss the rationale underlying the techniques, and to compare and contrast accounting alternatives. You should complete the assigned reading and problems before class. We generally do not use class time to go over assigned problems. Use the solution for self-correction only. Professionalism consists of class participation, timeliness, cooperation, respect for colleagues and the instructor, effectiveness in working with colleagues, etc. I strongly believe that learning is an active process and I expect you to treat this class as you would any significantly work-related responsibility. In general, I will strongly emphasize fairness to all students taking the course. Please do not ask me to make exceptions to these rules that would be unfair to other students in the course.

Grading:

Your course grade will be determined as follows:

Homework (3)	15%
1 st Midterm Exam	25%
2 nd Midterm Exam	25%
Final Exam	35%
	<u>100%</u>

Homework:

Your homework grade is the sum of your scores on the three required homework assignments and constitutes 15% of your final grade. The homework assignments are due at the beginning of class on the date noted on the syllabus. Please bring a copy of your answers to class. Your homework should be typed, double-spaced with 1" margins, and brief. For most of the assignments, your write-up should not exceed more than about 2 or 3 pages. For the homework assignments, you may work in groups of no more than three students. Groups are not permitted to share information with other groups prior to the due date of the assignments. Please note the following: Relying on the work of your groupmates is not advisable as a learning technique. Relying on the work of other groups is not only unadvisable, but also unethical.

Exams:

The two midterm examinations account for 50% of your final grade, and the final examination accounts for 35% of your final grade. The midterm exams are in-class and are not cumulative. The final exam date is TBD and the final exam is cumulative. The exams are closed-book, but you will be allowed to bring one 8.5 x 11 inch, handwritten “cheat sheet” (double-sided) to the midterms and final exams. You must get my authorization to be excused from an exam prior to the exam (or as soon after the exam as possible in the case of an unexpected medical emergency). An unauthorized absence from an exam will result in a grade of zero for the exam. The University schedules the make-up exams for each of the two exams. It will most likely occur before classes begin next fall semester.

Grading Disputes:

To request a re-grade on an assignment or exam, please submit the original assignment or exam (without modification) and a description of your disagreement with the grading. All grading disputes must be appealed within one calendar week following the return of the assignment or exam. I reserve the right to review and re-grade the entire assignment or exam, which may result in a lower overall grade.

Lunches:

In an effort to get to know more of you personally, I am willing to take as few as three students and as many as six students to lunch at a nearby restaurant. Because I teach on Mondays and Wednesdays and have other lunchtime commitments on Tuesdays and Thursdays, I am generally only available for lunch on Fridays. There is a sign-up function on the course website with the dates I am available during the semester.

Course Outline

(subject to change if we fall behind or get ahead of schedule)

No.	Date	Topic	Reading (before class) / Special remarks	Problems (after class)
1	W 1/12	Introduction/Overview	Article 00-1	
	M 1/17	Martin Luther King Day		
2	W 1/19	Current Liabilities and Contingencies	Ch. 13, Articles 13-1 to 13-4	E13-2/3, E13-5, E13-16
3	M 1/24	Current Liabilities and Contingencies	Ch. 13 & App. 13A, Articles 13-5/6	E13-13/14, P13-6, P13-8, P13-11
4	W 1/26	Long-term Liabilities	Ch. 14, Articles 14-1 to 14-3	E14-1, E14-5, E14-9, P14-1, P14-5
5	M 1/31	Long-term Liabilities	Ch. 14 & App. 14A, Articles 14-4/5	P14-6, E14-21 through 24, P14-13

No.	Date	Topic	Reading (before class) / Special remarks	Problems (after class)
6	W 2/2	Stockholders' Equity: Contributed Capital	Ch 15, Articles 15-1 to 15-3	E15-2, E15-6/7, CA15-3
7	M 2/7	Stockholders' Equity: Contributed Capital	Ch 15, Articles 15- 4/5, Article 15-6 (HW1),	E15-8/9, P15-5/6
8	W 2/9	Stockholders' Equity: Re- tained Earnings and Divi- dend Policy	Ch 15 & App. 15A, Articles 15-7 to 15- 9	E15-14, E15-18, P15-8, P15-11, CA15-6
9	M 2/14	Dilutive Securities: Con- vertible Bonds & War- rants	Ch 16, Articles 16- 1/2, Due: HW1	E16-2, E16-6, E16-8
10	W 2/16	Dilutive Securities: Stock Compensation	Ch 16 & App. 16A, Article 16-3, Article 16-4 (HW2), Ar- ticles 16-5 to 16-7	E16-11/12, P16-3
11	M 2/21	Dilutive Securities: Earn- ings per Share	Ch 16 & App. 16B, Articles 16-8/9	E16-15, E16-22, E16-26, P16-7, CA16-5
12	W 2/23	1 st Midterm Exam		
13	M 2/28	Income Taxes	Ch 19, Article 19-1, Due: HW2	E19-1, E19-4, E19-6, E19-17
14	W 3/2	Income Taxes	Ch 19 & App. 19A, Article 19-2,	E19-9, E19-14/15, E19-24, P19-6
	M 3/7 W 3/9	Spring Break		
15	M 3/14	Pensions	Ch 20, Articles 20- 1/2	E20-2/3
16	W 3/16	Pensions	Ch 20, Articles 20- 3/4	E20-8, E20-10 through 12
17	M 3/21	Pensions and Postretire- ment Benefits	Ch 20 & App. 20A, Articles 20-5 to 20- 7	E20-13, P20-1, P20-8
18	W 3/23	Leases	Ch 21, Articles 21-1 to 21-3	E21-2/3, E21-8, P21-9

No.	Date	Topic	Reading (before class) / Special remarks	Problems (after class)
19	M 3/28	Leases	Ch 21 & App. 21A/B, Articles 21- 4 (HW3) and 21-5	E21-4, E21-6, P21-3, P21-10/11
20	W 3/30	2 nd Midterm Exam		
21	M 4/4	Derivative Instruments	App. 17A, Articles 17-1/2,	E17-22, E17-23, E17-25, P17-13
22	W 4/6	Derivative Instruments	App. 17A, Articles 17-3/4	E17-26, P17-16/17
23	M 4/11	Statement of Cash Flows	Ch 23, Articles 23- 1/2, Due: HW3	E23-1/2, E23-8/9, P23-1, CA23-1
24	W 4/13	Full Disclosure & Basic Financial Statement Anal- ysis	Ch 24, Articles 24-1 to 24-3	CA24-3/4, CA24-7, CA24-10
25	M 4/18	Financial Statement Anal- ysis & Earnings Manage- ment Issues	App. 24A/B, Ar- ticles 24-4 to 24-7,	E24-4/5, P24-3, CA24-13
26	W 4/20	Review for Final Exam	All chapters cov- ered since the 1 st midterm	
27	M 4/25	No Class		
28	TBD	Final Exam		