

# The Wharton School of the University of Pennsylvania

## ACCOUNTING 102 – Managerial Accounting Course Syllabus Summer Session II, 2011

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**Office Hours:** Wednesdays 2:30-3:30; or e-mail for an appointment. TA office hours are tentatively scheduled for Tuesdays and Thursdays from noon-1:00

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

### REQUIRED MATERIAL:

Horngren, Datar, and Foster, *Cost Accounting: A Managerial Emphasis, 13<sup>th</sup> Edition*, (and Solutions Manual), Custom Edition, Prentice-Hall, Inc. 2009 (package available from bookstore *at a reduced price*)

### 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 - lectures on Monday, Tuesday, Wednesday and Thursday.

Although there is an 80-minute time-slot assigned for the class, **normally, the lecture will be 55-60 minutes.** I 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).

## **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](mailto:lalevic@wharton.upenn.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 series of quizzes and a final exam. I intend to maximize your opportunities to earn a high grade in this course. Calculation of your final grade will be based on one of the following three formulas.

1) For students who have earned a cumulative grade of B- or higher based on the average of **all** five quizzes, the final examination is optional. If you fall into this category and choose not to take the final exam your final score will be based on the equally-weighted average of your five quiz scores. If you miss a quiz for **any** reason then the final examination is mandatory.

If you take the final examination, your final score will be based on the higher of:

2) 50% quizzes and 50% final exam. Your lowest quiz score will be dropped from the quiz average.

Or,

3) 100% final exam.

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. I will hand back grades from the final quiz in class on Tuesday, August 9<sup>th</sup>.

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/quizzes are closed-book and closed notes.

## 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 the exam. In order to be excused from the 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.)

**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 you miss a quiz for *any* reason, then the final examination is required.**

If a student misses the 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 has the final authority**, and, in most previous cases, it has refused all withdrawal requests submitted after the university deadline (**see below**). 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. 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 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 us 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 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**  
**Class Schedule**  
**Summer, 2011**

<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.	July 5	Tue	Introduction to Course & Cost Concepts I	Ch. 1, Ch. 2	2-13, 18,19,22,30, 33
2.	Jul 6	Wed	Cost Concepts II / Budgeting	Ch. 6 (184-193)	6-17,18,19, 30
3.	Jul 7	Thu	Job Costing <b>Quiz 1</b>	Ch. 4 (97-109)	4-21,22
4.	Jul 11	Mon	Job Costing for Manufacturing	Ch. 4 (109-123)	4-17, 18, 20, 24
5.	Jul 12	Tue	Financial Accounting Effects	Ch. 9 (294-301)	9-21, 9-30
6.	Jul 13	Wed	Process Costing (Note: pages 610-611 excluded)	Ch. 17 (594-609) (612-618)	17-16, 17, 24, 25
7.	Jul 14	Thu	Process Costing (continued) <b>Quiz 2</b>		17-27, 28, 29
			<b>PART II: COST ALLOCATION and DECISION-MAKING</b>		
8.	Jul 18	Mon	Activity Based Costing	Ch. 5	5-16, 23, 25, 27, 37, 38
9.	Jul 19	Tue	Activity Based Costing Customer Profitability Analysis	Ch. 14 (501-508)	14-22, 27, 30

10.	Jul 20	Wed	Cost Allocation	Ch. 14 (492-501) Ch. 15 (531-537) (544-547)	14-18; 15-16, 24, 33
11.	Jul 21	Thu	Service Departments <b>Quiz 3</b>	Ch. 15 (537-544),	15-17, 18, 19, 20, 32
12.	Jul 25	Mon	Cost-Volume-Profit Analysis	Ch. 3	3-35, 38, 39, 46, 47
13.	Jul 26	Tue	Cost Estimation	Ch. 10 (332-344), (353-354), (356-363)	10-25, 32, 34, 39, 40
14.	Jul 27	Wed	Decision Making I	Ch. 11	11-21, 22, 35, 36
15.	Jul 28	Thu	Decision Making II, Pricing <b>Quiz 4</b>	Ch. 12	12-17, 24, 30
<b>PART III: PERFORMANCE MEASUREMENT AND INCENTIVES</b>					
16.	Aug 1	Mon	Responsibility Accounting And Performance Evaluation	Ch. 6 Ch. 22 (761-764)	6-19, 6-22
17.	Aug 2	Tue	Control and Variable Pay; Intro to Variance Analysis	Ch. 7	7-17,18, 22 ,42
18.	Aug 3	Wed	Variance Analysis (continued)	Ch. 8	8-20, 21, 33, 40
19.	Aug 4	Thu	Capital Budgeting and Project Selection <b>Quiz 5</b>	Ch. 21	21-18, 19, 23
20.	Aug 8	Mon	Performance Measures	Ch. 23 (791-804, 805-813) Ch. 13 (455-464)	23-21, 27, 32
21.	Aug 9	Tue	Transfer Pricing	Ch. 22 (764-779)	22-20, 22, 28, 25, 26
22.	Aug 10	Wed	Transfer Pricing/Final Review		

	<b>Aug 11</b>	<b>Thu</b>	<b>Final Exam 1:00 - 2:35 pm (Cumulative)</b>	