

**University of Pennsylvania**  
**The Wharton School – Department of Accounting**

**Introduction to Financial Accounting — ACCT 101**  
**Summer 2012 – Section 911**

Due to scheduling conflicts the course is operating on a particular calendar, starting June 4<sup>th</sup> and finishing on June 28<sup>th</sup>, with increased class time every day.

As a consequence, ADD/DROP DATE for this course was moved to June 6<sup>th</sup>.

I am certain that all these changes will not impact the learning experience, but we are committed to increase the level of assistance we provide to the students such as to accommodate any inconvenience these changes may cause.

**Instructor:**

*Ricardo F Reis (RFR)*  
215-898-5424  
1330 Steinberg Hall Dietrich Hall  
[rreis@wharton.upenn.edu](mailto:rreis@wharton.upenn.edu)

**Teaching Assistants:**

Yuen Kit Jacky Chau  
<yuenkit@wharton.upenn.edu>,

Liang Jason Xiao  
<xial@wharton.upenn.edu>

**Class schedule:**

Monday to Thursday 1p-3.30p JMHH F85.

**Office hours:**

*RFR*: Monday to Wednesday after class  
TAs: every class day from 11a-1p

**Introduction:**

This is an introductory course in financial accounting intended for students with no previous exposure to financial accounting. It aims at providing the necessary tools for students to feel comfortable reading, understanding, analyzing and extracting information from financial statements. The course adopts a user approach to accounting by emphasizing the relation between accounting data and the underlying economic events that generated them, and how this knowledge is helpful in decision-making.

The course focuses initially on how to record economic events in the accounting records and how to prepare and interpret the primary financial statements (i.e., the balance sheet, the income statement, and the statement of cash flows).

The course then examines in depth the major asset, long-term liability, and shareholders' equity accounts.

**Main Course Objective:**

Provide tools to read, understand, and analyze financial statements.

### **Learning Materials:**

#### ***Textbook (HSEP) “The Manual”:***

Introduction to Financial Accounting by Charles Horngren, Gary Sundem  
John Elliott and Donna Philbrick (Prentice Hall; 10 edition, ISBN-13: 978-0136122975)  
The textbook is required and available at the bookstore. Copies are also on reserve at Lippincott-VanPelt Library. The book contains an access code to the online resources. I will be using these resources in several instances throughout the course, so make sure you get the code and register at [www.myaccountinglab.com](http://www.myaccountinglab.com). I will provide further instructions on how to register on the first day of class. Additional online resources include the textbook’s e-version, solutions and students supplements.

I refer to all elements provided by Prentice Hall on the textbook as “the manual”.

#### ***Supplementary material (SM):***

For certain topics the class schedule refers to supplementary material. This material can be found on Canvas. Very often we will use real financial statements. Links to these will be posted online with an indication of which pages to print and bring to class.

#### ***Course handouts:***

Classes’ presentations, supplemental class notes, cases, homework assignments, and solutions to the cases and problems will be available from webCafé.

#### ***Class Website:***

I will post all materials used in class to the course’s website on Canvas. Remember also that we will be using the manual’s website as well, so keep in mind these two distinctive websites for the course: *the course’s website* refers to Canvas; whereas the *manual’s website* refers to the site hosted by myaccountinglab.com.

### **Role of Textbook, Lectures, Class Notes and PowerPoint Slides:**

The textbook covers the basic material in the course, including transaction analysis, financial disclosure and interpretation. Some of the textbook material is sufficiently straight-forward that we will expect you to learn it solely from reading the textbook. The lectures will cover only the more important and difficult material in the textbook as well as some additional material not covered in the textbook. The class notes briefly summarize the material in the lectures. In general, the class notes will not repeat material in the textbook. The lectures will be based on the assumption that you have read the material in the textbook and the class notes, *prior to class*. It is essential that you come to class having read the assigned material.

### **Classroom Environment:**

I expect that students will be prepared for class. I suggest the following routine:

- Before class, read the assigned pages of the textbook. Try the end of chapter problems to test your understanding of the material. You are advised not to read the solutions until after you have made a genuine attempt to solve the problems. You are also advised not to simply memorize the solutions. Exam questions related to the same basic material might require alternative solution techniques.
- Read the assigned material (both textbook and supplemental material). The lecture notes and supplemental material often contain problems or examples which will be discussed in class and summarize the material in a way different from that provided in the textbook. Included in the supplemental material are disclosure examples with questions. Try to answer the questions prior to coming to class.

I also expect that you will treat this course as a professional engagement.

- Display courteous behavior to your classmates.
- Follow the Code of Academic Integrity. On behalf of the majority of the students who make an honest effort in this class, I will take action against anyone suspected of breaching this Code. Exams:

### Exams and Grading:

There are two in class exams for this course.

Midterm 06/14/2011

Final Exam 06/28/2011

Prior exams and their solutions are posted on Canvas for your reference. There may be some differences between your exams and prior exams, as I am changing some of the material covered in the class. Midterm and exam questions will test your understanding of the topics covered in class and they are intended to make you think about the material.

The solution to each exam, including the score distribution on that exam, will be available from Canvas.

### Homework:

There will be several homework assignments, which will be handed in during the semester. The actual homework assignments and their due dates will be posted on Canvas and announced in class. Homework assignments can be completed as part of a group but all homework must be submitted individually. The submission process is done **electronically** and **must be by 9 a.m. on the day due**. Because these homework assignments will be graded electronically, it is important that you submit the answers in the form indicated by the question. In particular, make sure that you submit the answers in the denomination requested (e.g., thousands of dollars or millions of dollars, etc.) and in the precision requested (e.g., rounded to the nearest third decimal, etc.). **I strongly encourage you to submit your homework answers well in advance of the 9 a.m. deadline. Close to the deadline the number of students trying to access the system may become so great that the system will freeze up, preventing the inputting of answers. If you are unable to submit your homework on time and electronically, please do not hand in a hard-copy. It will not be accepted.** Directions for submitting homework will be distributed via Canvas and explained in class in the near future.

There are no make-up arrangements for homework assignments. No excuses will be accepted for missing the deadlines. However, only 4 homeworks will count towards the final grade. Students can choose to complete all homeworks and drop the lowest scores, or they can choose to only complete 4 homeworks, in which case all completed homeworks will count. The purpose of only counting 4 of the 6 homeworks is to reduce the workload for the students.

### Grading:

The course grades will be assigned using the following weights:

Homework 10%

Midterm exam 40%

Final exam 50%

Students taking the class pass/fail must achieve a grade of "D" or higher to get a "Pass".

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

Grades will be assigned across the sections approximately as follows:

20% As

40% Bs

30% Cs

10% Cs, Ds, Fs

**(This means that the possibility of getting an "F" in the course is NOT excluded.)**

Any questions about grades, grading curves, etc. should be **addressed to me** via the course e-mail.

**Exam Conflicts:** Since all exams are in class during the regularly scheduled class time, there should be no exam conflicts.

You can make arrangements ONLY in the following two cases:

(1) If you need additional time on an exam because of a university-recognized disability, the Instructor needs to be informed **directly by the Office of Student Disability Services, at least two weeks prior to the first exam (in this course I need to be informed within the first 3 days of class)**. I will make whatever accommodations are recommended by them.

(2) If you have other extraordinary reasons which prevent you from taking an exam, contact **me** as soon as you know about the conflict **but at least 24 hours prior to the exam**. If your conflict arises within 24 hours of a scheduled exam, contact me as soon as you learn of the conflict. **But I must be informed prior to the exam.**

**Only I can grant permission to be excused from a scheduled exam.** The teaching assistants cannot grant such permission. To obtain permission to be excused from a scheduled exam, students will be asked to provide documented evidence of the conflict. A note documenting a visit to health services is **not** necessarily a sufficient excuse for missing an exam. Minor illnesses, including upper respiratory infections (i.e., colds), or fatigue, are examples of unacceptable reasons for missing an exam. Students with serious illnesses are encouraged to consult the Dean's office; it, in turn, will provide documentation of the illness to all of the student's professors. Also, illness during the time that a student had intended to study for an exam is not an excuse for missing a scheduled exam. **Finally, any request to reschedule the final exam to accommodate a student's travel plans will be denied. If you miss the final exam without receiving instructor permission, you will not be allowed to take the make-up exam and you will receive a failing grade.**

**Students who miss an exam without a valid excuse and permission are subject to the following:**

**Failure to show up for the:**

**Mid-term exam**

**Final exam**

**Results in:**

**Exam grade of zero**

**Course grade of Fail**

**If a student misses the mid-term exam with a valid excuse and permission:**

There are no make-up exams for the mid-term exam. The portion of his/her course grade will be shifted to the final exam. That is, if a student misses the mid-term exam with a valid excuse AND the instructor's permission, the weight on his/her final exam will be 90%.

**If a student misses the final exam with a valid excuse and permission:**

He/she will be required to take a make-up exam. Make-up exams will be given only on the make-up exam date, which is scheduled by the university. A student will receive a grade of "incomplete" for the semester. After the student takes the make-up exam on the university-scheduled date, I will change the incomplete to the earned course grade. If a student fails to show up for the make-up exam, he/she will receive a failing grade for the course.

Any questions regarding course policy should be addressed to me.

**COURSE OUTLINE**

	<b>DATE</b>	<b>TOPICS</b>
SESSION 1	06/04/2012	Introduction
SESSION 2	06/05/2011	Overview of Financial Statements Balance Sheet - Concepts
SESSION 3	06/06/2011	Income Statement - Concepts
SESSION 4	06/07/2011	Statement of Cash Flows - Concepts
SESSION 5	06/11/2011	The Accounting Cycle
SESSION 6	06/12/2011	Timing of Revenue Recognition
SESSION 7	06/13/2011	Cash and Receivables
SESSION 8	06/14/2011	<b>Mid-Term (In class)</b>
SESSION 9	06/18/2011	Inventories – Cost Methods
SESSION 10	06/19/2011	Long-Lived Assets
SESSION 11	06/20/2011	Cash and Receivables
SESSION 12	06/21/2011	Liabilities – Present Value, Notes and Mortgages, Bonds & Leases
SESSION 13	06/25/2011	Shareholders' Equity and Intercompany Investments
SESSION 14	06/26/2011	Inventories – Cost Methods
SESSION 15	06/27/2011	Deferred Taxes
SESSION 16	06/28/2011	<b>Final Exam (In class)</b>