

University of Pennsylvania
The Wharton School
Department of Accounting
Introduction to Financial Accounting — ACCT 101
Spring 2013

Instructor: Professor Pepa Kraft
1309 Steinberg Hall Dietrich Hall

Course e-mail: accounting101@wharton.upenn.edu

Teaching Assistants:

- Shern Frederick (MBA 2013) Email: shern@wharton.upenn.edu
- Oren Isacoff (MBA 2013) Email: oki@wharton.upenn.edu
- Anthony Vaganos (MBA 2013) Email: avaganos@wharton.upenn.edu

Please contact the teaching assistants for course content related questions only. Any questions regarding course registration, quiz scheduling or course withdrawals should be mailed to accounting101@wharton.upenn.edu.

Office hours/Location: By appointment.

Course objectives: The objective of the course is for the student to learn to read, understand, and analyze financial statements. The course is intended for students with no previous exposure to financial accounting. The course adopts a decision-maker perspective of accounting by emphasizing the relation between accounting data and the underlying economic events that generated them. The course focuses initially on how to record economic events in the accounting records (i.e., bookkeeping and accrual accounting) and how to prepare and interpret the primary financial statements that summarize a firm's economic transactions (i.e., the balance sheet, the income statement, and the statement of cash flows).

Textbook: Pearson publishing has put together a custom package for this course, which is **recommended** but not required. The package consists of three documents: (1) *Introduction to Financial Accounting* by Horngren, Sundem, Elliott and Philbrick (10th edition), (2) Solutions Manual (10th edition); (3) Wharton Accounting 101 Supplemental Material. (1) and (2) are not custom and can be purchased separately from (3). A few copies are on reserve at Lippincott-VanPelt Library.

Course handouts: Supplemental class notes, cases, homework assignments, and solutions to the cases and problems will be available on Canvas.

Class Website: To access the course website, go to <https://wharton.instructure.com/login> and choose ACCT, Spring 2013, Accounting 101. **All homeworks need be submitted via the Canvas system.** Various course materials, including lecture notes and quiz & homework solutions, will be distributed exclusively through Canvas. **Make sure you have access to this website.** If you have trouble accessing the site, click the big blue button on the Canvas homepage that says "Wharton Account and Password Information (for Penn Users)".

Role of Textbook and Lectures Notes: The textbook covers the basic material in the course, including transaction analysis, financial disclosure and interpretation. The lectures will cover the more important and difficult material as well as some additional material not covered in the textbook. Homeworks and quizzes will be based **exclusively** on material covered in the lecture. Lecture notes (PowerPoint slides) will be posted after class to the website. The lecture notes briefly summarize the material in the lectures.

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. Quiz questions related to the same basic material might require alternative solution techniques.
- Take notes in class. After class download and review the lecture notes. The lectures and supplemental material often contain problems which summarize the material in a way different from the textbook.
- Attend the Friday recitation sessions led by the teaching assistants. During these sessions, the TAs will review suggested problems from the textbook, and will respond to questions regarding the material covered in class.

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

- I highly encourage you to attend class. It is the easiest way to stay on top of the material. Please be on time and remain throughout the class meeting.
- Cell phones off during class time AND office hour visits.
- Display courteous and professional 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.

Quizzes: There are three quizzes for this course.

First Quiz	Monday, February 11, 2013
Second Quiz	Monday, March 25, 2013
Third Quiz	Monday, April 22, 2013

ALL QUIZZES WILL BE IN MULTIPLE CHOICE FORMAT.

Practice quizzes and their solutions will be posted on Canvas for your reference. The content of the questions may differ from the content of prior questions. Before each quiz, I will announce the topics for which you are responsible. Questions will test your understanding of these topics.

The graded quizzes will be distributed during TA recitation/office hours. The third quiz will be available from the accounting department after the end of the Spring semester. The solutions to each quiz, including the score distribution on that quiz, will be available from Canvas. Your quiz grade will also be posted on Canvas.

If you need additional time on a quiz because of a university-recognized disability, I must be informed **directly by the Office of Student Disability Services, at least two weeks prior to the first quiz.** I will make whatever accommodations are recommended by them.

Homework: There will be four homework assignments which will be handed in during the semester. The actual homework assignments 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** via Canvas, and homeworks **must be submitted by 9 a.m. on the due date**. 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. Late submissions and hard-copies are not accepted.** The scores from your homework will be available electronically. Directions for submitting homework will be distributed via Canvas and explained in class in the near future.

Homework Due Dates: Refer to Course Outline below.

Fridays – Recitations: The teaching assistants (TAs) for the course will conduct the Friday recitation sessions. During those recitations, the previous week's material will be reviewed, your questions will be answered, and an assigned problem will be reviewed. New material will not be covered. The TAs will also hold office hours, which will be posted on Canvas.

Grading: The course grades will be assigned using the following weights:

Homework	10%
Professionalism	5%
First quiz	25%
Second quiz	30%
Third quiz	30%

Each homework assignment will be assigned the same weight for grading purposes. Students taking the class pass/fail must achieve a grade of "D" or higher to get a "Pass". **There is no possibility of earning extra credit or of changing the above weights.** Any questions about grades, grading curves, etc. should be addressed to me via the course e-mail: accounting101@wharton.upenn.edu

Professionalism consists of timeliness, 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.

If you believe your quiz is incorrectly graded, submit the entire original copy of the complete quiz to me (not your teaching assistant) within ten days of the quiz date. Include a memo which legibly and fully explains your contention. Quiz re-grade requests must also be accompanied by a signed re-grade request form which will be available on Canvas following each quiz. **Quizzes which have been altered in any way will not be re-graded, the quiz score will be changed to a zero and the appropriate judicial panel will be notified. ONLY QUIZZES WRITTEN IN PEN WILL BE ACCEPTED FOR A RE-GRADE.**

Quiz Scheduling Conflicts: Only I can grant permission to be excused from a scheduled quiz

because of a scheduling conflict. Teaching assistants cannot grant such permission. To obtain permission to be excused from a scheduled quiz because of a scheduling conflict, students must provide documented evidence of the conflict. Notify me via the course e-mail within two weeks of any quiz conflicts with your other courses. **Only scheduling conflicts with other courses or university representation will be considered. Internship, interviews, family vacation, or other travel plans are not acceptable scheduling conflicts.**

Missed Quizzes Due to Illness: Only I can grant permission to be excused from a scheduled quiz for illness. Teaching assistants cannot grant such permission. To obtain permission to be excused from a scheduled quiz because of illness, students must provide documented evidence of the illness. A note documenting a visit to health services is not a sufficient excuse for missing a quiz. Minor illnesses, including upper respiratory infections (i.e., colds), or fatigue, are examples of unacceptable reasons for missing a quiz. Also, illness during the time that a student had intended to study for a quiz is not an excuse for missing a scheduled quiz. **Students with serious illnesses who wish to be excused must consult the Dean's office;** it, in turn, will provide documentation of the illness to all of the student's professors.

A student who has permission to miss a quiz will receive a grade of "incomplete" for the semester. If a student has permission to miss a quiz, he/she will be required to take a make-up quiz on the University's officially scheduled make-up exam date. After the student takes the make-up, I will change the incomplete to the earned course grade. If a student fails to show up for the make-up quiz, he/she will receive a failing grade for the course. **Make-up quizzes will not be offered at any other time.**

Any request to reschedule the final quiz to accommodate a student's travel plans will be denied. Do not make travel plans before finding out when your quizzes are. *If you miss the final quiz without receiving instructor permission, you will not be allowed to take the make-up quiz and you will receive a failing grade.*

Students who miss a quiz without making arrangements with me according to the above guidelines are subject to the following:

Failure to show up for the:

**First quiz
Second quiz
Third quiz**

Results in:

**Quiz grade of zero
Quiz grade of zero
Quiz grade of zero and Failing grade**

Any questions regarding course policy should be addressed to me.

ACCOUNTING 101, COURSE OUTLINE SPRING 2013

"CH" refers to chapters and pages in the textbook.

"S-" refers to material in the "Wharton Accounting 101 Supplement".

"Case" refers to additional material available online through the Canvas system.

"M" and "W" refer to Monday and Wednesday, respectively.

	DATE	TOPICS	READINGS
LECTURE 1	W 9-Jan	Introduction	CH 1
LECTURE 2	M 14-Jan	Overview of Financial Statements Balance Sheet - Concepts	CH 2 – pg. 48; CH 5 – pg. 185;
LECTURE 3	W 16-Jan	Balance Sheet - Concepts Accounting Process	CH1; CH3 – pg. 99;
	M 21-Jan	No class (MLK)	
LECTURE 4	W 23-Jan	Income Statement - Concepts	CH2;
LECTURE 5	M 28-Jan	Income Statement – Concepts and Accounting Process	CH2; CH4
LECTURE 6	W 30-Jan	The Accounting Cycle	CH 3
LECTURE 7	M 4-Feb	Statement of Cash Flows	CH 5
LECTURE 8	W 6-Feb	Statement of Cash Flows	CH 5; CH 8 – pg.345; Ch 11 – pg. 504-505; CH 10 – pg. 446
	Friday 8-Feb	Homework #1 due 9am	
	M 11-Feb	Quiz #1	
LECTURE 9	W 13-Feb	Timing of Revenue Recognition	CH 2 – pg. 47, 52; Ch 6 – pg. 232-233; CH 4 – pg. 146, 141 • SAB 101 • Supplemental Revenue Recognition

	DATE	TOPICS	READINGS
LECTURE 10	M 18-Feb	Measurement of Sales and Accounts Receivables	CH 6
LECTURE 11	W 20-Feb	Measurement of Sales and Accounts Receivables	CH 6 Timberland Case
LECTURE 12	M 25-Feb	Inventories – Cost Methods	Chapter 7
LECTURE 13	W 27-Feb	Inventories – Cost Methods	Chapter 7 Snap-On Tools Case
	M 4-Mar W 6-Mar M 11-Mar	No class (spring break)	
LECTURE 14	W 13-Mar	Long-Lived Assets	Chapter 8 Delta
LECTURE 15	M 18-Mar	Long-Lived Assets	Chapter 8 Snap-On Tools Case
	W 20-Mar	No class (prep time)	
	Friday 22-Mar	Homework #2 due 9am	
	M 25-Mar	Quiz #2	
LECTURE 16	W 27-Mar	Liabilities – Present Value Notes and Mortgages	Chapter 9
LECTURE 17	M 1-Apr	Liabilities – Bonds	Chapter 9 General Mills Case
LECTURE 18	W 3-Apr	Liabilities - Leases	Chapter 9, S-1 Safeway Case
	Friday 5-Apr	Homework #3 due 9am	
LECTURE 19	M 8-Apr	Shareholders' Equity	Chapter 10 Grainger Case
LECTURE 20	W 10-Apr	Deferred Taxes	CH 9 – pg. 403-406, S-21
LECTURE 21	M 15-Apr	Intercompany Investments	Chapter 11 Deere Case
	Wednesday 17-Apr	Homework #4 due 9am	
LECTURE 22	W 17-Apr	Course Review	
	M 22-Apr	Quiz #3	