

University of Pennsylvania
The Wharton School
Department of Accounting
Introduction to Financial Accounting — ACCT 101
Spring 2014

Professor: Jeremy Michels
1309 Steinberg Hall Dietrich Hall

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

Teaching Assistants:

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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 the above “course email.” Instructors will NOT respond to course emails sent to their personal email accounts.

Teaching Assistant Office Hours/Location: To be posted

Professor Office Hours/Location: Tuesday 2-4pm, 1309 Steinberg-Dietrich Hall

Course objectives: The objective of the course is 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).

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

Textbook: Pearson publishing has put together a custom package for this course. The package consists of several documents compressed into one package: (1) *Introduction to Financial*

Accounting by Horngren, Sundem, Elliott and Philbrick (10th edition), (2) Wharton Accounting 101 Supplemental Material and Solutions Manual (10th edition); (1) is standalone textbook and can be purchased separately from the package. Several copies of the custom package are on reserve at Lippincott Library.

Role of Textbook and Lectures Notes: The textbook covers the basic material in the course. The lectures will cover the more important and difficult material as well as some additional material not covered in the textbook. The class schedule at the end of the syllabus provides the page numbers that correspond to the material we will cover in class. Suggested problems from the textbook will be posted on Canvas. These problems will be covered in recitation. The suggested readings and problems are for those that want additional clarification or practice. The textbook is used as a supplement for lecture notes, not as a substitute. Homework and quizzes will be based **exclusively** on material covered in the lecture notes. Lecture notes (PowerPoint slides) will be posted prior to class to the website. The lecture notes briefly summarize the material in the lectures. Bear in mind that the lectures often contain problems which summarize the material in a way different from the textbook and assessments will be based on material and methods taught in lecture notes not the textbook.

Class Website: To access the course website, go to <https://wharton.instructure.com/> and choose ACCT 101 - Spring 2014. **All homework will be submitted via the Canvas system.** Various course materials, including lecture notes and quiz and homework solutions, will be distributed exclusively through Canvas. **Make sure you have access to this website.** If you need an account or password help, press the large blue button underneath the Wharton Canvas login screen labeled **Wharton Account and Password Information.**

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

- Before class, read the lecture notes posted on Canvas.
- Take notes in class. After class download and review the lecture notes.
- If you are having difficulty, read the specified pages of the textbook and work through the end of chapter problems and solutions to supplement your understanding of the material.
- If you are still having difficulty, attend the Friday recitation sessions led by the teaching assistants. During these sessions, the TAs will review suggested problems from the textbook.

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

- Please be on time and remain throughout the class meeting.
- Cell phones off during class time AND office hour visits.
- 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.

Quizzes: There are three quizzes for this course.

First Quiz	Monday, February 24, 2014 (In-Class)
Second Quiz	Monday, March 31, 2014 (In-Class)
Third Quiz	Monday, April 28, 2014 (In-Class)

QUIZZES ARE NOT CUMULATIVE AND ARE MULTIPLE CHOICE

Practice quizzes and their solutions will be posted on Canvas for your reference. The content of the questions on the practice quiz may differ from the content of actual quiz. Before each quiz, I will announce the topics for which you are responsible. The graded quizzes will be distributed during TA recitation/office hours. The third quiz will be available from the accounting department at the beginning of the next term. Your quiz grade will 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**. 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. Late submissions, multiple 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.

Homework Due Dates: Refer to Course Outline below.

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

Homework	10%
First quiz	30%
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

Quiz Regrades: If you believe your quiz is incorrectly graded, submit a Regrade Request Form, available on the course website, to me (not your teaching assistant) within ten days of the quiz date. **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 or illness. 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.**

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. 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 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 and will be required to take a make-up quiz on the University's officially scheduled make-up exam date **next semester**. 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 grade of zero for the quiz.

Students who miss a quiz without making arrangements with me according to the above guidelines will receive a zero on the respective quiz.

Course Schedule

"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

	DATE	TOPICS	READINGS
LECTURE 1	Wed. 1/15	Introduction	CH 1
	Mon. 1/20	MLK Day – No Class	
LECTURE 2	Wed. 1/22	Overview of Financial Statements Balance Sheet Concepts	CH 2 CH 5
LECTURE 3	Mon. 1/27	Balance Sheet Concepts Accounting Process	CH1 CH3
LECTURE 4	Wed. 1/29	Income Statement Concepts	CH2
LECTURE 5	Mon. 2/3	Income Statement Concepts Accounting Process	CH2 CH4
LECTURE 6	Wed. 2/5	The Accounting Cycle	CH 3
LECTURE 7	Mon. 2/10	Statement of Cash Flows	CH 5
LECTURE 8	Wed. 2/12	Statement of Cash Flows	CH 5
LECTURE 9	Mon. 2/17	Timing of Revenue Recognition Homework #1 due	CH 2: p. 47, 52 CH 4: p. 140-146 CH 6: p. 232, 233
	Wed. 2/19	In Class Review for Quiz #1	
	Mon. 2/24	Quiz #1	
LECTURE 10	Wed. 2/26	Measurement of Sales and Accounts Receivables	CH 6
LECTURE 11	Mon. 3/3	Measurement of Sales and Accounts Receivables	CH 6 Timberland Case
LECTURE 12	Wed. 3/5	Inventories – Cost Methods	CH 7
	Mon. 3/10	Spring Break – No Class	
	Wed. 3/12	Spring Break – No Class	
LECTURE 13	Mon. 3/17	Inventories – Cost Methods	CH 7 Snap-On Tools Case
LECTURE 14	Wed. 3/19	Long-Lived Assets	CH 8
LECTURE 15	Mon. 3/24	Long-Lived Assets	CH 8 Snap-On Tools Case
	Wed. 3/26	In Class Review for Quiz #2 Homework #2 Due	
	Mon. 3/31	Quiz #2	
LECTURE 16	Wed. 4/2	Liabilities – Present Value Notes and Mortgages	CH 9
LECTURE 17	Mon. 4/7	Liabilities – Bonds	CH 9
LECTURE 18	Wed. 4/9	Liabilities - Leases	CH 9, S-1 Safeway Case
LECTURE 19	Mon. 4/14	Shareholders' Equity	CH 10

LECTURE 20	Wed. 4/16	Deferred Taxes Homework #3 Due	CH 9: p. 403-406 S-1
LECTURE 21	Mon. 4/21	Intercompany Investments	CH 11 Deere Case
	Wed. 4/23	In Class Review for Quiz #3	
	Mon. 4/28	Quiz #3	
LECTURE 22	Wed. 4/30	Ratio Analysis	CH 12: p 520-536
	Mon. 5/5	Homework #4 Due	