



ACCT613: Introduction to Financial & Managerial Accounting Spring 2015 - Syllabus

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Office Hours:	Monday/ Wednesday – 12:00 to 1:00 p.m.
Teaching Assistants:	TBA
Office Hours:	TBA

Course Objectives

Knowledge of accounting is a core requirement to any career in business – whether you choose to specialize in finance, marketing, strategy or human resources. The accounting system provides much of the data needed to make business decisions. The aim of this course is to help you build a strong base of this essential building block at the outset of your business education.

The purpose of this course is to provide a comprehensive, graduate level introduction to accounting. It is designed to provide globally oriented managerial users of accounting with the foundations of accounting concepts and mechanics; and to help develop a perspective for the intelligent use of accounting information. You will get an introduction to the accounting system used by firms to measure and report their economic performance and financial position to external constituents such as stock holders, debt holders and potential investors. By the end of the course you should be able to read and interpret financial accounting reports (balance sheet, income statement, cash flows, and owners' equity) and draw conclusions about a firm's performance. Additionally, you should get a basic knowledge of the cost accounting system and the use of the cost system for managerial decisions.

The course is organized into three related modules. First, we will learn how the accounting is done - how the information is recorded, organized and collated to produce into reports. We will learn to create the reports. This includes an examination of the main financial statements,

the nature of accrual measurement, revenue recognition, assets, liabilities and equity. The first module of the course is the foundation, and I would urge you to be specially attentive and industrious at this stage to ensure that you build a solid foundation on which to build for the future. Second, we will systematically go through the financial reports filed by companies and learn to analyze and understand the relevance of the information provided in evaluating company performance. In the process, we will attempt to develop the information perspective that is central to this course. In the third segment, we will review cost concepts and learn about the use of the cost accounting system for managerial decision making.

Course Materials

I will be largely teaching from my notes that I have developed over the last 20 years that I have been teaching this course. I will also use a number of case studies. The class notes and cases for each week will be posted on *Canvas* well in advance, so that you have enough time to skim through the material before we meet in class. The text book for this course is *Financial & Managerial Accounting for MBAs*, by Dyckman, Magee, Pfeiffer, Hargraves and Morse, Wharton Custom Edition, 2014, Cambridge Business Publishers. The book was customized for this course and designed to reinforce material covered in the class and lecture notes and provide you with practice problems. Solutions to the problems in the textbook are posted on *Canvas*.

Throughout the course, we will closely follow the financial reporting of several companies – such as *Colgate*, *General Mills*, *Target*, *Nestle*. The financial statements of these companies will be available on *Canvas*. Alternatively, you may download the statements, as well as additional information, from the company websites (under investor relations). *Colgate*, *General Mills* and *Target* use US Accounting Standards, while *Nestle* uses International Accounting Standards.

A tentative assignment schedule is attached. In conducting the class, I will assume that you have skimmed the assigned material for the day and worked on the “prepare” problems, prior to the classroom session (problems and solutions will be posted on *Canvas*). “Cases” are intended for class discussion and solutions will be posted following the discussion. Sharing of course materials with anyone who is not currently enrolled in the course or someone who is not in your section is not allowed (both giving and receiving). It would be considered a violation of the honor code (and potentially of the copyrights).

Pre-Requisite

All the students taking the course are required to complete the online course ACCT603 before taking this course. If you took the course last summer, you should take it again in the 3 week period prior to the start of this course. I will check your registration to confirm that you have completed the pre-requisite before you are allowed to take this course.

Grading Policy

Grades will be assessed based on two exams, a midterm and a final, a series of required problem sets (homework), in-class quizzes and class participation. Please review the information below on the different components that will make up your grade.

(1) Midterm: There will be a midterm exam on Friday, March 6 from 9:00 a.m. to 11:00 a.m. Please note that it is scheduled on the Friday of the week before your spring break. Unfortunately, this exam cannot be rescheduled, so please be aware of the time and make your travel plans accordingly.

(2) Final: The final exam will be held on Monday, May 11, from 3:00 p.m. to 5:00 p.m.

(3) Problem Sets: There are five problem sets (homework) that are required to be submitted during the semester (this is different from the “prepare” problems for class discussion). All submissions must be done via *canvas*. The problem sets must be submitted by the required date and time. The four best submissions will be taken for your grade. No late submissions will be allowed. If you miss a submission, there will be no makeup. Check the schedule at the end for the problem set due dates.

(4) Quizzes: There will be five short 10 to 20 minute in-class quizzes during the term. Quizzes will primarily be multiple-choice. There is no possibility of making up a missed quiz. The four best scores will be taken for your grade. Check the schedule provided at the end for the quiz dates. Quizzes will be administered at the beginning of the class. Please be on time – no additional time will be allowed if you are late to class.

(5) Class participation: The class participation grade will depend on class attendance, on-time arrival and professional behavior during class including but not limited to, not leaving while the class is in session, no private conversations, no use of unauthorized electronics like computers, tablets and phones, preparedness, responses to questions asked during class (cold calls or voluntary), questions, comments, and sharing your professional experience and similar demonstrations of positive engagement.

Exams are closed book, but you are allowed to bring to each exam one sheet of 8.5" x 11" paper with your own notes. The notes may be handwritten or typed (any font size). You may write on both sides. You are allowed to use a regular calculator during the exams, but phones and computers will not be allowed. Quizzes are closed book and no notes are allowed during quizzes.

The weight of each assignment that will determine your grade is given below:

Midterm	250
Problem Sets	200
Final Exam	300
Quizzes	200
Class Participation	50
Total	1000

During the course, you will also have opportunities to earn bonus points upon fulfilling certain requirements and achievements, which will be announced in class.

I reserve the right to improve any student's course grade based on my subjective assessment of the student's contribution to the learning of the class. On the other hand, consistent demonstration of unprofessional behavior might negatively impact a student's course grade, beyond its impact on class participation. The final grades will be based on the school's mandated grade distribution. Note that this allows for up to 5% failing grades. Historically this course does give some failing grades each year.

It is the student's responsibility to attend examinations at the times and places specified. If a student cannot attend an exam, it is his/her responsibility to notify the MBA office and the instructor prior to the exam (or as soon as possible). Only the MBA office may grant student authorization to be absent from an exam; there are no exceptions to this rule. In the event of an authorized absence from any exam, a make-up exam is given at the beginning of the following term during the official make-up exam period set by the Registrar. You will receive a final grade of "Incomplete" pending the completion of the make-up exam. An unauthorized absence

from an examination will result in score of zero for that exam.

Exam scores will be posted online and the graded exams will be returned to students. The exact procedure for returning the exam will be announced during the term. A student who feels that an exam has been incorrectly graded should return the exam to the professor (not the TA) and request a grade review. The request must be done within 7 days of the return of the exam – no requests will be considered after that period. The entire exam will be regarded.

Teaching Assistants and Review Sessions

There will be two teaching assistants for the course. Information about the TAs will be announced on *Canvas* at the beginning of the course. It is expected that your TAs will be second year MBA students who performed extremely well in the introductory financial accounting course last year. The TAs will hold office hours throughout the term – the time and location will be posted on *Canvas* at the beginning of the term. During office hours, the TA will be present and assist with questions about concepts, and help with assigned cases and homework problems. But, they will not provide you with solutions to the assignment questions.

Ethics Matrix:

The Wharton MBA Code of Ethics typically requests an Ethics Matrix for each class to provide ground rules and ethical guidelines for course materials and assistance from classmates or others. Below is the completed matrix for this course. If you have any questions about the matrix, please feel free to ask me.

	Materials							People				
ACCT 613 Financial & Managerial Accounting	Approved calculator	Laptop / other electronics	Summary sheet of notes	Current book / class notes	Past notes / summaries	Past exams / assignments	Internet content / other outside materials	Learning team / approved work team	Other student(s) in same section	Student(s) in other sections (same term)	Wharton student not taking the class this term	Person outside of Wharton
In-Class Readings & Cases	A	A		A			A	W	W	W		
Homework Problem Sets	A	A		A			A	D	D	D		
In-Class Quizzes	A											
Midterm & Final Exams	A		A									
	A = Allowed material Shaded Cell = Not allowed							W = Allowed to work together D = Discussion of general concepts and procedures is allowed but no sharing of specific answers. Shaded Cell = Not allowed				
<u>Other comments:</u>												
<p>The information above covers many common situations but will not cover every circumstance. Remember: The Wharton MBA Code of Ethics that you accepted requires, among other things, that you represent yourself and your work honestly, don't try to gain unfair advantage over other students, follow the instructor's guidelines and respect confidentiality of your work and the work of others.</p> <p>Should you have questions, please contact your ethics liaison or professor.</p>												

Schedule / Assignments

	<i>Date</i>	<i>Readings; Graded Assignments</i>	<i>Prepare Problems* (Please work on these problems on your own.)</i>
0	Pre-Course	<ul style="list-style-type: none"> • Required: Complete the “Basics of Financial Accounting” ACCT603: Online course in the three weeks before start of class. • Acquire basic understanding of “Time value of money” concepts. • Skim <i>General Mills 2013</i> financial statements. 	
1	Jan 12	Introduction and overview, and the Balance Sheet. [Chapter 1]	M1-24; E1-27, 28, 29; P1-34.
2	Jan 14	Recording transactions, and the accrual accounting process. [Chapters 2 and 3]	P1- 36, 37. M2-18, 19, 26; E2- 33, 44.
3	Jan 21	Income Statement and Balance Sheet; Constructing financial statements. [Chapters 2 and 3] Problem Set 1 Due @ 9:00 a.m.	P2-64, 65, 67.
4	Feb 2	<i>Quiz#1 covering Sessions 1 – 3.</i> The Cash Flow Statement [Chapter 4] <i>Case: Super Company</i>	M4-23, 24, 26, 31, E4-34, E4-37
5	Feb 4	The Cash Flow Statement; [Chapter 4]	P4-48, 49, 50.
6	Feb 9	Review of the accounting cycle Revenue Recognition [Chapter 6: p. 267 – 277] <i>Case: Frequent Flyer</i> Problem Set 2 Due @ 9:00 a.m.	M6-14, 17, 24; E6-32, 40.
7	Feb 11	Introduction to Financial Statement Analysis [Chapter 5] <i>Case: Walmart & Target</i>	M5-14, 24; E5-27; P5-46.
8	Feb 16	<i>Quiz#2 covering Sessions 4 – 7.</i> Accounts Receivable [Chapter 6]	M6-18, 20; E6-33, 34.

9	Feb 18	Inventory, Cost of goods sold, Product Costing [Chapter 7, 17]	M7-14, 15; M17- 14, 15; E17-21, 26.
10	Feb 23	Inventory, Accounts Payable, Working Capital Analysis [Chapter 7, Chapter 10 p. 408 – 409] <i>Case: John Smith</i>	M7-19, 22; E7-26.
11	Feb 25	Long Lived Assets [Chapter 8]	M8-11, 14; E8-24; P8-36.
12	Mar 2	Long Lived Assets [Chapter 8] <i>Case: Snap-On Tools</i> Problem Set 3 Due @ 9:00 a.m.	M8-17, 21; E8-29, 32, 35.
	Mar 6	MIDTERM EXAM: 9:00 – 11:00 a.m. Topics covered Session 1 – 12 (inclusive)	Rooms to be announced
13	Mar 16	Liabilities: Current & Long Term, Time Value of Money; Introduction to Bond Valuation [Chapter 9; Appendix A]	M9-21, 22, 29, 31, 34; E9- 39.
14	Mar 18	Liabilities – Bonds, leases [Chapter 9, Chapter 10 p. 453 - 466]	M9-23, 26; E9-47; P9-53.
15	Mar 23	Liabilities – Leases [Chapter 10 p. 453 - 466] <i>Case: United Airlines</i>	M10-13, 15, E10-23, 26, 29, 30; P10-38.
16	Mar 25	<i>Quiz#3 covering Sessions 13 – 15.</i> Deferred Taxes [Chapter 10, p. 476 – 483]	M10-22; E10-33; P10-40, 41.
17	Mar 30	Owners' Equity [Chapter 11]	M11-20, 21, 25, 35; E11-45, 54.
18	Apr 1	Marketable Securities [Chapter 12, p. 555 – 567]	M12-11, 12; E12-24, 26.
19	Apr 6	<i>Quiz#4 covering Sessions 16 – 18.</i> Managerial Accounting & Cost Concepts [Chapters 13, 14 and 15] Problem Set 4 Due @ 9:00 a.m.	M14-11, 14; P14-27; M15- 11, 12.

20	Apr 8	Relevant costs, Cost Volume Profit [Chapters 13, 15 and 16]	M15-16, 25; M16-15, 17, 22, 26.
21	Apr 13	Cost allocation and Activity Based Costing; [Chapters 18 p. 1 - 13] <i>Case: Wilkerson Company</i>	M18-10, 13, 16, 22.
22	Apr 15	Customer profitability analysis [Chapters 18 p. 14 - 17 and Chapter 19 p. 1 - 9] <i>Case: Infinity Bank</i>	M19-17.
23	Apr 20	<i>Quiz#5 covering Sessions 19 – 22.</i> Decentralization and Transfer Pricing [Chapter 22 p. 1 - 9 and Chapter 23 p. 7 - 10] <i>Case: TBD</i>	MA 22-42; M23-19; E23- 24.
24	Apr 22	Review Problem Set 5 Due @ 9:00 a.m.	
	May 11	Final Exam: 3:00 to 5:00 p.m. Topics covered Session 13 – 24 (inclusive)	Rooms to be announced