

Introduction to Financial Accounting — ACCT 101
The Wharton School, Fall 2015

Professors:

Jeremy Michels
1309 Steinberg Hall Dietrich Hall

Daniel Taylor
1312 Steinberg Hall Dietrich Hall

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

Teaching Assistants:

Yuan Jin (Head TA)	yuanjin@wharton.upenn.edu
Tina Kearns	tkearns@wharton.upenn.edu
Susan Morgan	sumorgan@wharton.upenn.edu
Amalia Paliobeis	amaliap@wharton.upenn.edu
Jay Tsogtbaatar	etsogt@wharton.upenn.edu
Allan Yang	allany@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 the above “course email.” Please use the course email address rather than the professors’ personal email accounts for all correspondence related to the course. Instructors will NOT respond to course emails sent to their personal email accounts.

Teaching Assistant Office Hours/Location: SHDH 420, hours to be posted on Canvas

Professor Office Hours/Location: Michels: Tuesday 10:00am-noon, SHDH 1309
Taylor: Tuesday 3-5pm, SHDH 1312

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 custom package consists of—(1) *Introduction to Financial Accounting* by Horngren, Sundem, Elliott and

Philbrick (10th edition) and (2) Wharton Accounting 101 Supplemental and Solutions Manual. These two books are sold in a bundle by the bookstore. Alternatively, (1) is a standalone textbook and can be purchased from external vendors. 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 and 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. Lecture notes (PowerPoint slides) will be posted after class to Canvas. The lecture notes briefly summarize the material in the lectures. Be aware that the lectures often contain problems which summarize the material in a way different from the textbook. **Homework and quizzes will be based exclusively on material covered in the lecture notes.**

Class Website: To access the course website, go to <https://canvas.upenn.edu> and choose ACCT 101 - Fall 2015. 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. Each enrolled Penn student can use their PennKey username and password for access.

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. Please do not ask your professor to make exceptions to course policies that would be unfair to other students in the course.
- 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 in-class quizzes for this course.

First Quiz	Monday, October 5, 2015
Second Quiz	Monday, November 2, 2015
Third Quiz	Wednesday, December 2, 2015

Quizzes are administered in-class, 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 by your TA in recitation. The third quiz will be available from the accounting department at the beginning of the next term. 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.

Quiz Regrades: If you believe your quiz is incorrectly graded, submit the entire original copy of the complete quiz to your professor (not your TA) within ten days of the graded quiz being made available, and include a signed re-grade request form which will be available on Canvas.

Absences on Quiz Days: Only your professor can grant permission to be excused from a scheduled quiz because of a scheduling conflict or illness. Teaching assistants cannot grant such permission.

To be excused from a scheduled quiz because of a scheduling conflict, students must provide documented evidence of the conflict. Only scheduling conflicts related to academic activities or university representation will be considered---internships, interviews, family vacations, or other travel plans are not acceptable scheduling conflicts. Notify your professor via the course e-mail within two weeks of the start of classes of any conflict.

To be excused from a scheduled quiz because of illness, students must consult with their professor and provide documented evidence of the illness. A “course absence report” in and of itself, does not excuse you from 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 unacceptable reasons for missing a quiz.

A student who has permission to miss a quiz due to a scheduling conflict or illness 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, the incomplete will be changed to the earned course grade. If a student fails to show up for the make-up, he/she will receive a grade of zero for the quiz.

STUDENTS WHO MISS A QUIZ WITHOUT MAKING ARRANGEMENTS ACCORDING TO THE ABOVE GUIDELINES WILL RECEIVE A ZERO ON THE RESPECTIVE QUIZ.

Homework: There will be four homework assignments to be completed during the semester. The 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.

Homeworks must be submitted electronically through Canvas by 9 a.m. on the due date. Directions for submitting homework will be distributed via Canvas, and 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.

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.).

Homework Due Dates: Refer to Course Outline below.

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

Homework	10%
First quiz	20%
Second quiz	35%
Third quiz	35%

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 your professor via the course e-mail.

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. 8/26	Introduction	CH 1
LECTURE 2	Mon. 8/31	Overview of Financial Statements Balance Sheet Concepts	CH 2
LECTURE 3	Wed. 9/2	Balance Sheet Concepts Accounting Process	CH3
	Mon. 9/7	Labor Day – No Class	
LECTURE 4	Wed. 9/9	Income Statement Concepts	CH2
LECTURE 5	Mon. 9/14	Income Statement Concepts Accounting Process	CH2 CH4
LECTURE 6	Wed. 9/16	The Accounting Cycle	CH 3
LECTURE 7	Mon. 9/21	Statement of Cash Flows	CH 5
LECTURE 8	Wed. 9/23	Statement of Cash Flows	CH 5
LECTURE 9	Mon. 9/28	Timing of Revenue Recognition Homework #1 due (by 9am)	CH 2: p. 47, 52 CH 4: p. 140-146 CH 6: p. 232, 233
	Wed. 9/30	In Class Review for Quiz #1	
	Mon. 10/5	Quiz #1	
LECTURE 10	Wed. 10/7	Measurement of Sales and Accounts Receivables	CH 6
LECTURE 11	Mon. 10/12	Measurement of Sales and Accounts Receivables	CH 6 Timberland Case
LECTURE 12	Wed. 10/14	Inventories – Cost Methods	CH 7
LECTURE 13	Mon. 10/19	Inventories – Cost Methods	CH 7 Snap-On Tools Case
LECTURE 14	Wed. 10/21	Long-Lived Assets	CH 8
LECTURE 15	Mon. 10/26	Long-Lived Assets	CH 8 Snap-On Tools Case
	Wed. 10/28	In Class Review for Quiz #2 Homework #2 Due (by 9am)	
	Mon. 11/2	Quiz #2	
LECTURE 16	Wed. 11/4	Liabilities – Present Value Notes and Mortgages	CH 9
LECTURE 17	Mon. 11/9	Liabilities – Bonds	CH 9
LECTURE 18	Wed. 11/11	Liabilities - Leases	CH 9, S-1 Safeway Case
LECTURE 19	Mon. 11/16	Shareholders' Equity	CH 10

LECTURE 20	Wed. 11/18	Deferred Taxes Homework #3 Due (by 9am)	CH 9: p. 403-406 S-1
LECTURE 21	Mon. 11/23	Intercompany Investments	CH 11 Deere Case
	Wed. 11/25	Thanksgiving Break – No Class	
	Mon. 11/30	In Class Review for Quiz #3	
	Wed. 12/2	Quiz #3	
LECTURE 22	Mon. 12/7	Ratio Analysis	CH 12: p 520-536
	Fri. 12/11	Homework #4 Due (by 9am)	