

**University of Pennsylvania**  
**The Wharton School**  
**Intermediate Financial Accounting — ACCT 201**

**Instructor**

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**Office hours**

Tuesday, Thursday 3:00 – 4:00 pm or by appointment

**Course objectives**

Accounting 201 covers the general presentation of the financial statements and the accounting practices for assets. The concepts/rules are taught in enough detail so that you can *prepare* financial statements. I recognize, however, that most of you do not intend to be financial statement preparers. You want to be sophisticated financial statement *users* who can extract relevant information from financial statements for making a variety of decisions, including equity valuation. Learning the preparation techniques is an important step in learning to be a sophisticated user. In addition, we will spend a good portion of the class time working out how to extract information from financial statements that have been prepared by a firm.

**Course materials**

Textbook: *Intermediate Accounting* (2014 FASB Update) by Donald E. Kieso, Jerry J. Weygant, and Terry D. Warfield (John Wiley & Sons, Inc., 2013, 15th edition). The textbook is required and is available at the bookstore. You can purchase the book in any format (ebook, soft cover, hard cover, etc.). You do not need to purchase any supplemental materials such as study guides or solution manuals. The solutions to Kieso, Weygant, and Warfield problems will be available on Canvas.

Class notes, homework assignments, additional reading material, and old exams will be available on Canvas. Class notes, including power point slides, will generally be available 2-3 days before the class.

Non-Wharton students may obtain a Wharton class account for access to Canvas. If you have been enrolled in a section of this course for at least one day, you can apply for a Wharton class account online at:

<http://accounts.wharton.upenn.edu>

The account should work within approximately 20 minutes. If you encounter difficulty using the online application form or gaining access to Canvas, visit Wharton Computing's office, SHDH 114, or call that office at 215-898-8600 (have your PennCard handy).

## Grading

Your course grade will be determined as follows:

HW#1	5%
Midterm exam	37%
HW#2	8%
Final exam	50%

## Assignments/Exams:

The course outline that follows shows the topics to be covered in each class session. You should complete the assigned reading before class. The assigned problems will help you gauge your understanding of the material. You should do the assigned problems, but they will not be graded.

There are two graded homework assignments.

### HW#1: (Crystal Meadows)

Due Thursday **September 24** by **11:45 am**, regardless of your scheduled class time. We will be discussing the assignment in class. Students can complete HW#1 as **individuals or in teams of two**. Submit the assignment to the accounting secretaries in Steinberg-Dietrich Hall, Suite 1300. (If outside of business hours, slip it under the left door of Steinberg-Dietrich Hall, Suite 1300. No cases sent by e-mail will be accepted. Cases turned in late will receive no credit.) If you are a team of two, submit only one assignment under either student's name. Include both names on the assignment. The second student should submit a document as his/her "assignment" that simply states: "See 'teammate's name' for my HW assignment." The assignment must be typed; supporting computations can be in an excel spreadsheet.

HW#1 asks questions about material that has already been covered in class related the statement of cash flows (prepare one!), as well as the balance sheet and income statement, including earnings quality. It serves as a review of the material through September 24.

### HW#2: (Roman Holiday Pizza)

Due Tuesday **November 24** by **11:45 am**, regardless of your scheduled class time. We will be discussing the assignment in class. Submit the assignment to the accounting secretaries in Steinberg-Dietrich Hall, Suite 1300. (If outside of business hours, slip it under the left door of Steinberg-Dietrich Hall, Suite 1300. No cases sent by e-mail will be accepted. Cases turned in late will receive no credit.) The assignment must be typed; supporting computations can be in an excel spreadsheet.

HW#2 is a **group** assignment. You may work in groups of no more than four students. **Groups are not permitted to share information with other groups.** *Please note the following:* Relying on the work of your group members is not advisable as a learning technique. Relying on the work of other groups is not only inadvisable, but it is also unethical.

Exams: The exams are not cumulative. The exams are closed-book, but you will be allowed one note sheet. You must get my authorization to be excused from an exam prior to the exam (or as soon after the exam as possible in the case of an unexpected medical emergency). An unauthorized absence from an exam will result in a grade of zero for the exam. The make-up exam date for *both* exams is the date that the University schedules for make-ups of final exams. For fall semester classes, the make-up exam date is typically scheduled in the first week of classes in the following winter semester (i.e., January 2016).

**THE FINAL EXAM IS:                    DECEMBER 14, 2015 (MONDAY)**  
**3-5 pm**

Regrade requests: To request a regrade on homework assignments or an exam, please submit the original assignment or exam (without modification) and a brief typed description of your disagreement with the grading. All regrade requests must be made within one calendar week following the return of the assignment or exam. I reserve the right to review the entire assignment or exam.

# Accounting 201 Class Schedule Fall, 2015

Session	Day	Date		
<b>01</b>	<b>Th</b>	<b>8/27</b>	<b>Introduction</b>	
			Class Notes:	Session 01
			Read (KWW <sup>1</sup> ):	Ch. 1 and 2
			Problems:	E2-5, E2-9
<b>02</b>	<b>Tu</b>	<b>9/1</b>	<b>Review/Concepts</b>	
			Class Notes:	Session 02
			Read (KWW):	Ch. 3
			Problems:	BE3-9, E3-7, E3-11, P3-9, Pathfinder case (see Canvas)
<b>03</b>	<b>Th</b>	<b>9/3</b>	<b>The Financial Statements: Income Statement</b>	
			Class Notes:	Session 03
			Read (KWW):	Ch. 4
			Problems:	Q4-4, BE4-4, E4-14, E4-16, P4-3
<b>04</b>	<b>Tu</b>	<b>9/8</b>	<b>Income Statement, continued; Earnings Quality</b>	
			Class Notes:	Session 04
			Problems:	CA4-3, CA4-4
<b>05</b>	<b>Th</b>	<b>9/10</b>	<b>The Financial Statements: Balance Sheet</b>	
			Class Notes:	Session 05
			Read (KWW):	Ch. 5, p. 212-228; Ch. 5, Appendix 5A Ch. 24, Appendix 24A
			Problems:	Q5-7, Q5-8, E5-11, BE24-8, E24-5
<b>06</b>	<b>Tu</b>	<b>9/15</b>	<b>Full Disclosure</b>	
			Class Notes:	Session 06
			Read (KWW):	Ch. 5, p. 236-245 Ch. 24
			Problems:	BE24-3, E24-2, BE24-5, BE24-6, BE24-7, P24-2, CA24-4

<sup>1</sup> KWW refers to the textbook, "Intermediate Accounting, 15<sup>th</sup> edition".

Session	Day	Date	
07	Th	9/17	<b>The Financial Statements: Statement of Cash Flows</b> Class Notes: Session 07 & 08 Read (KWW): Ch. 5, p. 228-236, Ch. 23 Problems: E5-14, P5-6, E23-11, E23-14, E5-18, P23-9
08	Tu	9/22	<b>SCF, continued</b>
09	Th	9/24	<b>SCF and Discuss HW#1</b> <b>HW #1: Due today by 11:45 am</b>
10	Tu	9/29	<b>Cash and Accounts Receivable</b> Class Notes: Session 10 Read (KWW): Ch. 7, p. 344-358; 372-376 Problems: E7-2, E7-7, E7-8, P7-3, P7-6
11	Th	10/1	<b>Notes Receivable, Factoring</b> Class Notes: Session 11 & 12 Read (KWW): Ch. 7, p. 359-374; Appendix 7B Problems: BE7-6, BE7-7, E7-16, E7-17, P7-15
	<b>Fri</b>	<b>10/2</b>	<b>DROP PERIOD ENDS</b>
12	Tu	10/6	<b>Notes Receivable, Factoring, continued</b> Class Notes: Session 11 & 12: Securitization examples
<b>October 8 – 11 Fall Term Break</b>			
13	Tu	10/13	<b>Inventory</b> Class Notes: Session 13 & 14 Read (KWW): Ch. 8 Problems: E8-1, E8-16, E8-25, P8-7

<b>Session</b>	<b>Day</b>	<b>Date</b>	
<b>14</b>	<b>Th</b>	<b>10/15</b>	<b>Inventory continued; Purchase commitments</b> Class Notes: Session 13 & 14 Read (KWW): Ch. 9, p. 472-481; p. 483-485 (Purchase comms.) Problems: E9-1, E9-10, P9-2
	<b>Tu</b>	<b>10/20</b>	<b>Exam 1 (in class)</b>
<b>15</b>	<b>Th</b>	<b>10/22</b>	<b>Long-lived Assets: Acquisitions, Self-constructed Assets, and Depreciation</b> Class Notes: Session 15 Read (KWW): Ch. 10 Problems: E10-2, E10-8, E11-5, E11-23, P10-7
<b>16</b>	<b>Tu</b>	<b>10/27</b>	<b>Long-lived Assets: Dispositions, Exchanges, Impairments</b> Class Notes: Session 16 Read (KWW): Ch. 11; Appendix 11A Problems: E10-20, E10-24, P10-10, E11-18
<b>17</b>	<b>Th</b>	<b>10/29</b>	<b>Intangible Assets</b> Class Notes: Session 17 & 18 Read (KWW): Chapter 12 Problems: E12-4, E12-9, E12-13, E12-14, E12-17, P12-5
<b>18</b>	<b>Tu</b>	<b>11/3</b>	<b>Intangible Assets, continued</b> Class Notes: Session 17 & 18; Intangibles examples
<b>19</b>	<b>Th</b>	<b>11/5</b>	<b>Fair Value Measurement</b> Class Notes: Session 19 Read (KWW): p. 56-58; p. 238-239; Appendix 17C
	<b>Fri</b>	<b>11/6</b>	<b>Withdrawal Period Ends</b>

Session	Day	Date		
20	Tu	11/10	<b>Revenue Recognition (Point of Sale)</b>	
			Class Notes:	Session 20
			Read (KWW):	Ch. 18: p. 1040-1056
			Problems:	BE18-3, BE18-6, E18-4, E18-5, E18-10
21	Th	11/12	<b>Long Term Contracting</b>	
			Class Notes:	Session 21
			Read (KWW):	Ch. 18: p. 1057-end
			Problems:	E18-12, P18-6, P18-7
22	Tu	11/17	<b>Finish up Long Term Contracting; IFRS</b>	
			Class Notes:	Session 22
			Problems:	IFRS case (see Canvas)
23	Th	11/19	<b>Accounting Changes and Errors</b>	
			Class Notes:	Session 23
			Read (KWW):	Ch. 22
			Problems:	E22-2, E22-7, E22-12, P22-1
24	Tu	11/24	<b>Review – Discuss HW#2<sup>2</sup></b>	<b>HW #2: Due today by 11:45 am</b>
<b>November 26 – 29 Thanksgiving Break</b>				
25	Tu	12/1	<b>Marketable Securities</b>	
			Class Notes:	Session 25 & 26
			Read (KWW):	Ch. 17, p. 950-964; p. 967-977
			Problems:	E17-3, E17-4, E17-6, E17-9

<sup>2</sup> HW#2 (Roman Holiday Pizza) serves as a review of revenue recognition, intangibles, impairment charges and fair value measurement.

<b>Session</b>	<b>Day</b>	<b>Date</b>	
<b>26</b>	<b>Th</b>	<b>12/3</b>	<b>Marketable Securities, continued</b> Class Notes: Session 25 & 26 Read (KWW): Problems: E17-10, P17-9, P17-10, P17-12
<b>27</b>	<b>Tu</b>	<b>12/8</b>	<b>Equity method investments/VIEs</b> Class Notes: Session 27 Read (KWW): Ch. 17, 964-967; Appendix 17B Problems: E17-11, E17-12, E17-17, C17-4
	<b>Mon</b>	<b>12/14</b>	<b>EXAM II 3 – 5 p.m.</b>