

# The Wharton School of the University of Pennsylvania

## ACCOUNTING 102 – Managerial Accounting Course Syllabus Spring, 2016

**Instructor:** Professor Christopher Ittner (1326 Steinberg Hall-Dietrich Hall),  
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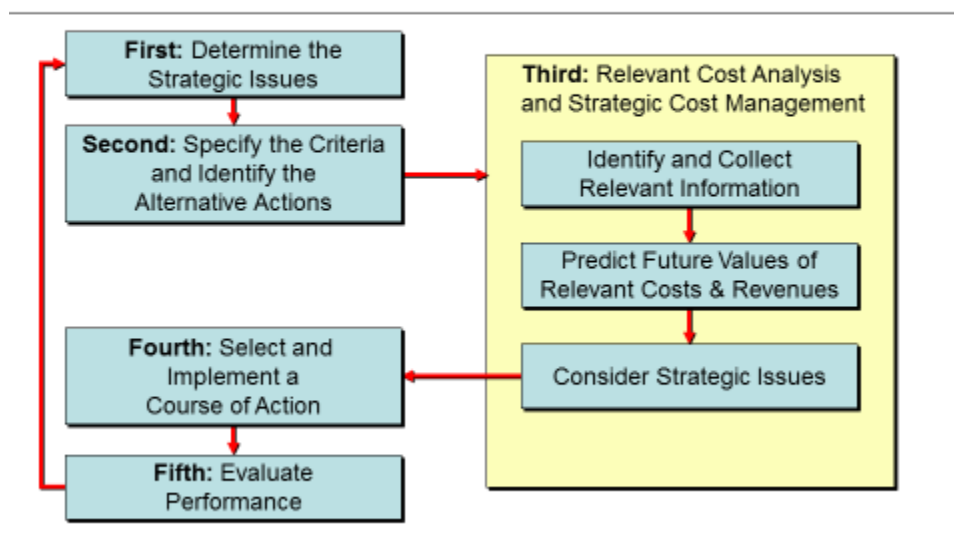
**Office Hours:** Monday and Wednesday 9:15 to 10:15 or by appointment

**Teaching Assistants:** Refer to Canvas

### COURSE OBJECTIVES:

This course focuses on financial decision-making and performance evaluation within firms. Throughout the class, the following strategic cost management framework is applied across the various functions of an organization to highlight the cost analysis and performance evaluation methods available to improve organizational performance.

### The Strategic Cost Management Decision-Making Process



Examples from a variety of settings, ranging from product design and pricing to customer profitability analysis, competitor cost analysis, and the development of pro forma financial statements and earnings forecasts, are used to illustrate the widespread applicability of these methods to internal management, consulting, and financial analyst positions.

**REQUIRED MATERIAL:**

Davila, Antonio and Daniel Oyon, *Malea Fashion District, How Successful Managers Use Financial Information to Grow Organizations, 2<sup>nd</sup> Edition*, 2009

Shim, Jae K. and Joel G. Siegel, *Shaum's Outlines, Managerial Accounting, 2<sup>nd</sup> Edition*, McGraw Hill

Dakota Office products case (available through study.net).

**COURSE OPERATION:**

The course meets three times a week - lectures on Monday and Wednesday, and a recitation on Friday.

*Monday and Wednesday – Lectures*

*Fridays – Recitations*

The teaching assistants (TAs) for the course, will conduct the Friday recitation sessions. During those recitations, the week's material will be review, your questions will be answered, and an assigned problem will be reviewed. New material will not be covered.

Please note that some recitations and/or review sessions may be held at different times from those indicated in your class schedule. (These will typically occur near the time of an exam.) This will be done to maximize the number of students able to attend these sessions.

**CANVAS:**

To access the Canvas for Accounting 102, go to the internet URL:

<https://wharton.instructure.com>

On that page, click on ACCT to display links to accounting course Canvas rooms, and then click on your section number.

**Non-Wharton students must obtain a Wharton computer account in order to access Canvas.**

Canvas contains, among other items, the course syllabus, class schedule, and information on the TAs' office hours and office and recitation locations. I will make the lecture notes for each class available on Canvas not later than the day preceding the day of the class.

To read most of the materials posted, you will need a copy of the Adobe Acrobat reader. To obtain a copy, go to:

<http://www.adobe.com/products/acrobat/readstep2.html>

If you have problems with Canvas, contact

[iwane@wharton.upenn.edu](mailto:iwane@wharton.upenn.edu)

**OFFICE HOURS:**

The TAs office hours will be posted on Canvas.

In addition to the regular weekly office hours the TAs will hold additional office hours during the week of an exam.

**PERFORMANCE EVALUATION SYSTEM:**

The course grade is based on relative performance evaluation (i.e., a curve), but no forced grade distribution is used. Your grade will be based, exclusively, on the weighted average of three exams and a written case solution, which are scheduled as follows:

	Date	Time	Weight
Exam I:	February 17 (Wednesday)	6:00 – 8:00 pm	31%
Exam II:	March 22 (Tuesday)	6:00 – 8:00 pm	31%
Exam III (Final):	May 6 (Friday)	6:00 – 8:00 pm	31%
Case ( <i>Dakota Office Products</i> : available through study.net)	February 29 (Monday)	Submit on Canvas by 9:30 a.m. on February 29	7%

Please note that the above weighting scheme will be strictly adhered to. There is no possibility of earning extra credit or of changing the above weights.

Grades will be distributed so that approximately 70% of the class enrollment (following the end of the drop period) receives A's or B's. Note that the grade distribution is set based on enrollment following the end of the drop period, and to the extent that students subsequently withdraw from the course, the percentage of the *final* enrollment who receive A's or B's will be *greater* than 70%. **This policy means that no student who remains in the course is negatively affected by the fact that other students have withdrawn.**

Students at the bottom of the distribution with a very poor weighted average scores (e.g., a weighted average score of less than 40%) will likely receive a final grade of F.

**CASE ASSIGNMENT**

The case is available on study.net. Case questions are posted on Canvas. The case solution must be posted on Canvas by 9:30 a.m. on Monday, February 29, 2016. No cases sent by e-mail will be accepted. Cases turned in late will receive no credit.

The case assignments can be done individually or in groups of up to four persons. You are free to pick your own groups. I will not become involved in any group disputes. Groups will have to monitor and manage themselves. All members of the group will receive the same grade on the case.

**In order to help the TAs grade and return your cases and the problem set efficiently, please alphabetize by team member last name.**

**NOTE:** Additional student names will not be allowed to be added to the case submission after it has been turned in. Please make sure that your team members have included your name on the case submitted.

**All groups must work independently.** Members of different groups are **not** allowed to discuss the case or share answers prior to the time when the case has been turned in. Each of you is responsible for ensuring that work done by your group is done independently of other groups.

**To facilitate the case discussion, class attendance is REQUIRED on February 29 (the date the case is discussed in class). Points will be deducted from your case score if you do not attend class that day.**

## EXAMINATIONS

All examinations are closed-book and closed notes, with one exception. Students will be permitted to use one page (8 ½" x 11", one side only) of notes during the examination.

## EXAM ACCOMMODATIONS AND CONFLICTS:

If you need additional time to complete an exam because of a university-recognized disability, please inform your instructor (by e-mail) and the Office of Student Disabilities Services (SDS) **within two weeks of the start of classes.** You will be provided with the accommodations that are approved by that Office.

**If you have a class or an exam for another course which is to be given at the same time as a scheduled exam, you must notify your instructor (not your TA) by e-mail within two weeks of the start of classes. Your e-mail must include your COMPLETE CLASS AND EXAM SCHEDULE FOR THE DAY OF THE CONFLICT.** In those cases of an acceptable exam conflict, arrangements will be made for you to take the exam at an alternate time. Note that if such an arrangement has been made and you fail to attend the exam at the arranged time, you will receive a grade of zero for the exam. If your schedule changes such that you no longer have a “conflict” with the regularly scheduled exam, you should notify your instructor by e-mail as soon as possible.

In other cases, documented (written) evidence (i.e., from a doctor – a letter from Student Health is NOT sufficient) that you were **seriously ill, or unavailable for some other reason**, at the scheduled time of an exam is the only valid excuse for missing an exam. In order to be excused from an exam, you must email your instructor as soon as possible (prior to the exam, if possible), and you must provide the original copy of the required documentation. (A photocopy or other facsimile is not sufficient.) **Please note that a job interview, your attendance at a social event or participation in a sporting event are not normally considered to be sufficient reasons to miss an exam.** However, if you notify your instructor sufficiently far in advance, an attempt will be made to accommodate the situation.

**Students who fail to attend an exam without making arrangements with the instructor in accordance with the preceding requirements will receive a grade of 0 for the exam.**

If a student misses an exam (with a valid excuse), he/she will be required to take the make-up exam. Make-up exams will be given **only** on the make-up exam date, which is scheduled by the University (typically during the first week of classes for the **following** semester).

**WITHDRAWAL FROM THE COURSE:**

I will not refuse a student's request to withdraw from the course. However, while I am willing to approve withdrawals up to the day before the final, **the undergraduate division has the final authority**, and, in most previous cases, it has refused all withdrawal requests submitted after the university deadline (**see below**). However, I urge students who are thinking of withdrawing in order to avoid a grade of C to think carefully about the costs of losing credit for the course and receiving a W versus the benefit of potentially getting a higher grade in the future.

**Be aware that, in order to withdraw from the course, you must meet the university deadline and requirements regarding withdrawals. In particular, note that the university withdrawal deadline is Friday, March 25, 2015. Therefore, if you wish to withdraw after March 25, you will be required to submit a petition to the Wharton Undergraduate Division to obtain its approval.** Please obtain the School's approval before you ask for mine (which I will give).

**RE-GRADES:**

I and the TAs follow a grading scheme that is designed to award partial credit. Occasionally, we will make mistakes, and we are eager to correct them subject to the following limits. If you believe that there was a *mistake* in the grading of your exam, you must submit the original exam (with no adjustments), and a *written explanation* of the points of contention. *within one calendar week following the return of the exam*, **We will only re-grade exams if they: (1) were originally written in non-erasable pen, (2) used no correction tape, white-out, etc., and (3) have not been edited or marked up in any way following their return and prior to the submission of the re-grade request.** *Please note, any exam submitted for re-grade is subject to a complete review*, which may result in an increase or decrease in the total exam score. If the re-grade request is made after one calendar week or without an accompanying explanation, no re-grade will be permitted.

All re-grade decisions are *final*.

**FAIRNESS AND INTEGRITY:**

**I emphasize fairness to all students taking the course. Please do not do anything that is unfair to other students, or ask your instructor to make exceptions that are unfair to other students.**

I expect you to follow the code of Academic Integrity in this course and in all your courses:

[http://www.upenn.edu/provost/images/uploads/Academic\\_Integrity.pdf](http://www.upenn.edu/provost/images/uploads/Academic_Integrity.pdf).

In order to ensure fairness and on behalf of the overwhelming majority of honest students, I will refer anyone suspected of cheating to the Office of Student Conduct. The Office of Student Conduct will determine if cheating occurred, and if so, what punishment will be administered. There are no exceptions to this policy under any circumstances.

There is some probability that I or the TAs will find a student who has cheated. Please note that when a student is convicted of cheating by the Office of Student Conduct, the minimum punishment is a grade of F for the course and a one-semester suspension. Cheating is wrong from an ethical standpoint, and cheating does not make sense practically, because **the expected costs to the cheater far outweighs any small benefits.**

## Course Schedule

Session	Date	Topic and readings	
<b>01</b>	<b>Wed. 1/13</b>	<b>Introduction</b> Class Notes:	Session 01
	<b>Fri. 1/15</b>	<b>Recitation cancelled</b>	
	<b>Mon. 1/18</b>	<b>MLK – No Class</b>	
<b>Part 1: Decision Making</b>			
<b>02</b>	<b>Wed. 1/20</b>	<b>Cost Concepts</b> Class Notes: Text Books Malea Fashion District Shaum's Outline	Session 02  Chapters 1, 2, 6 Chapters 2, 4, 5
	<b>Fri. 1/22</b>	<b>Recitation cancelled</b>	
<b>03</b>	<b>Mon. 1/25</b>	<b>Relevant Costs</b> Class Notes: Text Books Malea Fashion District Shaum's Outline	Session 03  Chapters 1, 2, 6 Chapters 2, 4, 5
<b>04</b>	<b>Wed. 1/27</b>	<b>Cost, Volume, Profit (CVP) and Financial Modeling</b> Class Notes: Text Books Malea Fashion District Shaum's Outline	Session 04  Chapters 1, 2, 6 Chapters 2, 4, 5
	<b>Fri. 1/29</b>	<b>Recitation</b> Recitation Problems 01	
<b>05</b>	<b>Mon. 2/01</b>	<b>Decision Making: Case</b> Class Notes: Reading:	Session 05 Forrest Gump Case



<b>Part 2: Cost Accounting</b>			
<b>06</b>	<b>Wed. 2/03</b>	<b>Overview of Cost Accounting</b>	
		Class Notes:	Session 06
		Text Books	
		Malea Fashion District	Chapters 3, 4, 7
		Shaum's Outline	Chapter 12
	<b>Fri. 2/05</b>	<b>Recitation</b>	
		Recitation Problems 02	
<b>07</b>	<b>Mon. 2/08</b>	<b>Job Costing</b>	
		Class Notes:	Session 07
		Text Books	
		Malea Fashion District	Chapters 3, 4, 7
		Shaum's Outline	Chapter 12
<b>08</b>	<b>Wed. 2/10</b>	<b>Process Costing</b>	
		Class Notes:	Session 08
		Text Books	
		Malea Fashion District	Chapters 3, 4, 7
		Shaum's Outline	Chapter 12
	<b>Fri. 2/12</b>	<b>Recitation</b>	
		Recitation Problems 03	
<b>09</b>	<b>Mon. 2/15</b>	<b>Catch-up and Exam Review</b>	
		Class Notes:	Session 09
	<b>Wed. 2/17</b>	<b>Exam 1 6-8pm</b>	
		(All materials covered in Session 1-9)	
	<b>Fri. 2/19</b>	<b>Recitation cancelled</b>	
	<b>Fri. 2/19</b>	<b>Drop Period Ends</b>	

<b>Part 3: Cost Management</b>			
<b>10</b>	<b>Mon. 2/22</b>	<b>Short Term Costing</b>	
		Class Notes:	Session 10
		Text Books	
		Malea Fashion District	Chapter 7, pp.153-155
			Chapter 11
		Shaum's Outline	Chapter 4, p. 63
<b>11</b>	<b>Wed. 2/24</b>	<b>Activity Based Costing: Part 1</b>	
		Class Notes:	Sessions 11 and 12
		Text Books	
		Malea Fashion District	Chapter 10
		Shaum's Outline	Chapter 13, pp. 335-338
	<b>Fri. 2/26</b>	<b>Recitation</b>	
		Recitation Problems 04	
<b>12</b>	<b>Mon. 2/29</b>	<b>Activity Based Costing: Part 2</b>	
		<b>Class attendance required on this day</b>	
		Class Notes:	Sessions 11 and 12
		Case (Solution must be posted on Canvas by 9:30 am)	Dakota Office Products
		Text Books	Chapters 14
		Malea Fashion District	
<b>13</b>	<b>Wed. 3/02</b>	<b>Activity Based Management</b>	
		Class Notes:	Session 13
		Text Books	
		Malea Fashion District	Chapter 10, pp. 223-228
	<b>Fri. 3/04</b>	<b>Recitation cancelled</b>	
<b>March 5 – March 13 Spring Term Break</b>			
<b>14</b>	<b>Mon. 3/14</b>	<b>Support Department Cost Allocation</b>	
		Class Notes:	Session 14
		Text Books	
		Malea Fashion District	Chapter 13
		Shaum's Outline	Chapter 12, pp. 319-321
<b>15</b>	<b>Wed. 3/16</b>	<b>Pricing Decisions</b>	
		Class Notes:	Session 15
		Text Books	

			Malea Fashion District Shaum's Outline	Chapter 5 Chapter 5, pp. 91-92
	<b>Fri.</b>	<b>3/18</b>	<b>Recitation</b> Recitation Problems 05	
<b>16</b>	<b>Mon.</b>	<b>3/21</b>	<b>Catch-up and Exam Review</b> Class Notes:	Session 16
	<b>Tue.</b>	<b>3/22</b>	<b>Exam 2 6-8pm</b> (All materials covered in Session 10-16)	
	<b>Wed.</b>	<b>3/23</b>	<b>Class Cancelled (due to Exam)</b>	
	<b>Fri.</b>	<b>2/25</b>	<b>Recitation cancelled</b>	
	<b>Fri.</b>	<b>2/25</b>	<b>Withdrawal Period Ends</b>	
<b>Part 4: Cost Planning</b>				
<b>17</b>	<b>Mon.</b>	<b>3/28</b>	<b>Capital Budgeting</b> Class Notes: Text Books Malea Fashion District Shaum's Outline	Session 17  Chapter 12 Chapter 9
<b>18</b>	<b>Wed.</b>	<b>3/30</b>	<b>Cost Estimation</b> Class Notes: Text Books Shaum's Outline	Session 18  Chapter 3
	<b>Fri.</b>	<b>4/01</b>	<b>Recitation</b> Recitation Problems 06	
<b>19</b>	<b>Mon.</b>	<b>4/04</b>	<b>Competitive Cost Analysis</b> Class Notes:	Session 19
<b>Part 5: Performance Evaluation and Incentives</b>				
<b>20</b>	<b>Wed.</b>	<b>4/06</b>	<b>Responsibility Accounting</b> Class Notes: Text Books Malea Fashion District Shaum's Outline	Session 20  Chapters 15, pp.307-316 Chapters 7, 8

	<b>Fri.</b>	<b>4/08</b>	<b>Recitation</b> Recitation Problems 07	
<b>21</b>	<b>Mon.</b>	<b>4/11</b>	<b>Accounting Performance Measures and Incentives</b> Class Notes: Text Books Malea Fashion District Shaum's Outline	Session 21  Chapter 3, pp. 60-75 Chapter 8
<b>22</b>	<b>Wed.</b>	<b>4/13</b>	<b>Variance Analysis - Sales</b> Class Notes: Text Books Malea Fashion District Shaum's Outline	Session 08  Chapter 9 Chapters 6, 7
	<b>Fri.</b>	<b>4/15</b>	<b>Recitation</b> Recitation Problems 08	
<b>23</b>	<b>Mon.</b>	<b>4/18</b>	<b>Variance Analysis - Costs</b> Class Notes: Text Books Malea Fashion District Shaum's Outline	Session 23  Chapter 9 Chapters 6, 7
<b>24</b>	<b>Wed.</b>	<b>4/20</b>	<b>Transfer Pricing</b> Class Notes: Text Books Malea Fashion District Shaum's Outline	Session 24  Chapter 15, pp. 316-319 Chapter 8, pp. 186-187
	<b>Fri.</b>	<b>4/22</b>	<b>Recitation</b> Recitation Problems 09	
<b>25</b>	<b>Mon.</b>	<b>4/25</b>	<b>To be announced</b>	
<b>26</b>	<b>Wed.</b>	<b>4/27</b>	<b>Catch-up and Exam Review</b> Class Notes:	Session 26
	<b>Fri.</b>	<b>5/06</b>	<b>Exam 3 6-8pm</b> (All materials covered in Session 17-26)	

