

The Wharton School of the University of Pennsylvania

ACCOUNTING 102 – Managerial Accounting Course Syllabus Spring, 2017

Instructor: Professor Christopher Ittner (1326 Steinberg Hall-Dietrich Hall),
e-mail: ittner@wharton.upenn.edu

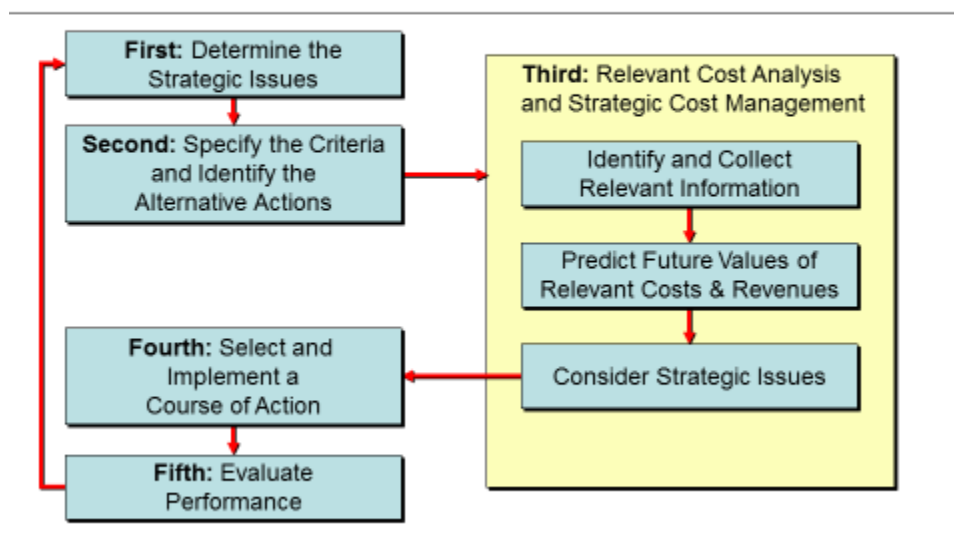
Office Hours: Monday and Wednesday 9:15 to 10:15 or by appointment

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, 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*, 2nd Edition, 2009

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

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

Recitations are an integral part of this course, and will spend more time on going through problems than will be done in the lectures. 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. This will be done to maximize the number of students able to attend these sessions.

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

OFFICE HOURS:

The TAs office hours will be posted on Canvas.

In addition to the regular weekly office hours.

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 two written case solutions (Seligram and Infinity Bank).

*We offer 4 exams during the semester and **the three best** exams will count for the final score. The schedule and weights for exams and cases is as follows:*

	<u>Date</u>	<u>Time</u>	<u>Weight</u>
Exam I:	February 06 (Monday)	6:00 – 7:30 pm	26% (if one of 3 best)
Exam II:	February 27 (Monday)	6:00 – 7:30 pm	26% (if one of 3 best)
Exam III:	April 10 (Monday)	6:00 – 7:30 pm	26% (if one of 3 best)
Exam III:	May 3 (Wednesday)	6:00 – 7:30 pm	26% (if one of 3 best)
Case 1: Seligram	February 15	By 9:30 am on Canvas (submit one case per team)	11%
Case 2: Infinity Bank	March 20	By 9:30 am on Canvas (submit one case per team)	11%

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 80% 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 80%. **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 45%) will likely receive a final grade of F.

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 or your attendance at a social 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).

CASE ASSIGNMENTS

The Seligram and Infinity Bank cases are available on study.net. Case questions are posted on Canvas. The case solution must be posted on Canvas by 9:30 a.m. on date the cases will be covered in class. 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 discussions, class attendance is **REQUIRED** on February 15 (the date the Seligram case is discussed in class) and March 20 (the date the Infinity Bank case is discussed in class). Points will be deducted from your case score if you do not attend class that day. I reserve the right to cold call students regarding the cases, so please know what your team's answers to the assigned questions are and what issues you considered when coming up with those answers.

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.

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	
01	Wed. 1/11	Introduction Class Notes:	Session 01
	Fri. 1/13	No Recitation	
	Mon. 1/16	MLK – No Class	
Part 1: Decision Making			
02	Wed. 1/18	Cost Concepts Class Notes: Text Books Malea Fashion District Shaum's Outline	Session 02 Chapters 1, 2, 6 Chapters 2, 4, 5
	Fri. 1/20	No Recitation	
03	Mon. 1/23	Relevant Costs Class Notes: Text Books Malea Fashion District Shaum's Outline	Session 03 Chapters 1, 2, 6 Chapters 2, 4, 5
04	Wed. 1/25	Cost, Volume, Profit (CVP) and Financial Modeling Class Notes: Text Books Malea Fashion District Shaum's Outline	Session 04 Chapters 1, 2, 6 Chapters 2, 4, 5
	Fri. 1/27	Recitation	Recitation Problems 01
05	Mon. 1/30	Decision Making: In Class Case (no writeup due) Class Notes: Reading:	Session 05 Forrest Gump Case
06	Wed. 2/01	Review Class Notes:	Session 06

	Fri.	2/10	Recitation	Recitation Problems 02	
	Mon.	2/06	Exam 1	6-7:30pm (All materials covered in Session 1-6)	
Part 2: Cost Accounting					
07	Wed.	2/08	Overview of Cost Accounting		
			Class Notes:		Session 07
			Text Books		
			Malea Fashion District		Chapters 3, 4, 7
			Shaum's Outline		Chapter 12
	Fri.	2/10	No Recitation		
08	Mon.	2/13	Job and Process Costing		
			Class Notes:		Session 08
			Text Books		
			Malea Fashion District		Chapters 3, 4, 7
			Shaum's Outline		Chapter 12
09	Wed.	2/15	Cost Accounting Case		
			<i>Written Case Study due: Seligram (available through study.net)</i>		Session 09
			Class Notes:		
			Text Books		Chapters 3, 4, 7
			Malea Fashion District		Chapter 12
			Shaum's Outline		
	Fri.	2/17	Recitation	Recitation Problems 03	
	Fri.	2/19	Drop Period Ends		
10	Mon.	2/20	Short-Term (Variable/Direct) Costing		
			Class Notes:		Session 10
			Text Books		
			Malea Fashion District		Chapter 7, pp.153-155
					Chapter 11
			Shaum's Outline		Chapter 4, p. 63
11	Wed.	2/22	Review		

Class Notes:			Session 11
Fri.	2/24	Recitation	Recitation Problems 04
Mon.	2/27	Exam 2	6-7:30pm (All materials covered in Session 7-11)
12	Wed.	3/01	Support Department Cost Allocation Class Notes: Session 12 Text Books Malea Fashion District Chapter 13 Shaum’s Outline Chapter 12, pp. 319-321
Fri.	3/03	No Recitation	
March 6 – March 10 Spring Term Break			
13	Mon.	3/13	Activity Based Costing: Part 1 Class Notes: Sessions 13 and 14 Text Books Malea Fashion District Chapter 10 Shaum’s Outline Chapter 13, pp. 335-338
14	Wed.	3/15	Activity Based Costing: Part 2 In class case: East Penn Bank Class Notes: Sessions 13 and 14 Text Books Malea Fashion District Chapters 14
Fri.	3/17	Recitation	Recitation Problems 05
15	Mon.	3/20	Activity Based Management <i>Written Case Study due: Infinity Bank</i> <i>(available through study.net; data file on</i> <i>Canvas)</i> Session 15 Class Notes: Chapter 10, pp. 223-228 Text Books Malea Fashion District
Part 3: Cost Planning			
16	Wed.	3/22	Capital Budgeting Class Notes: Session 16

			Text Books Malea Fashion District Shaum's Outline	Chapter 5 Chapter 5, pp. 91-92
	Fri.	3/24	Recitation	Recitation Problems 06
	Fri.	3/24	Withdrawal Period Ends	
17	Mon.	3/27	Multi-Period Investment Analysis and Real Options Class Notes: Text Books Malea Fashion District	Session 17 Chapter 12
18	Wed.	3/29	Cost Estimation Class Notes: Text Books Shaum's Outline	Session 18 Chapter 3
	Fri.	3/31	Recitation	Recitation Problems 07
Part 4: Performance Evaluation and Incentives				
19	Mon.	4/03	Responsibility Accounting & Accounting Performance Measures Class Notes: Text Books Malea Fashion District Shaum's Outline	Session 19 Chapters 15, pp.307-316 Chapters 7, 8
20	Wed.	4/05	Review Class Notes:	Session 20
	Fri.	4/07	Recitation	Recitation Problems 08
	Mon.	4/10	Exam 3	6-7:30pm (All materials covered in Session 12-20)

21	Wed.	4/12	Variance Analysis – Sales Class Notes: Text Books Malea Fashion District Shaum's Outline	Session 21 Chapter 9 Chapters 6, 7
	Fri.	4/14	No Recitation	
22	Mon.	4/17	Variance Analysis – Costs Class Notes: Text Books Malea Fashion District Shaum's Outline	Session 22 Chapter 9 Chapters 6, 7
23	Wed.	4/19	Comprehensive Performance Measurement Class Notes:	Session 23
	Fri.	4/21	Recitation	Recitation Problems 09
24	Mon.	4/24	Transfer Pricing Class Notes: Text Books Malea Fashion District Shaum's Outline	Session 24 Chapter 15, pp. 316-319 Chapter 8, pp. 186-187
25	Wed.	4/26	Review Class Notes:	Session 25
	Fri.	4/28	No Recitation	
	Wed.	5/03	Exam 4	6-7:30pm (All materials covered in Session 21-25)