

**ACCT 101**  
**Introduction to Financial Accounting**  
The Wharton School  
Fall, 2017

**Instructor:** Victor J. Defeo  
1357 Steinberg Hall Dietrich Hall  
Email: defeo@wharton.upenn.edu

**Office Hours:** Monday and Wednesday, 1:00-2:30 pm, or by appointment

**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).

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 (2<sup>nd</sup> custom 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.

Course handouts: Class notes, cases, homework assignments, and solutions to the cases and problems will be available on Canvas.

Role of Textbook and Class 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. The textbook is used as a supplement for the lecture notes, not as a substitute. Class notes will be posted to Canvas. Be aware that the lectures often contain problems which summarize the material in a way different from the textbook. **Homework and exams will be based exclusively on material covered in the class notes.**

Course Website: To access the course website, go to <https://canvas.upenn.edu> and choose ACCT 101 (Defeo) – Spring 2017. Various course materials, including class notes and exam 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 class notes posted on Canvas.
- Take notes in class.
- 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, see your one of the TAs or your instructor.

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 during 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.

## 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 four homework assignments (which are to be completed on Canvas). There will be four exams given during the semester and the three best exams will count in the determination of your final grade. The schedule and weight of exams and homework assignments is as follows:

	<u>Date</u>	<u>Time</u>	<u>Weight</u>
Exam I:	September 25 (Monday)	During class	30%
Exam II:	October 23 (Monday)	During class	30%
Exam III:	November 15 (Wednesday)	During class	30%
Exam IV:	December 19 (Tuesday)	3:00 – 4:20 pm	30%
Homework Assignments	Various (See class schedule)		10%*

\* Each homework assignment will be assigned the same weight (2½%) for grading purposes.

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.

Final 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 40%) will likely receive a final grade of F.

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## 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 are unable to take the exam because of illness, documented (written) evidence (i.e., from a doctor – a letter from Student Health is NOT sufficient) that you were **seriously ill** at the scheduled time of the exam is required. If you are unable to take an exam for some reason other than illness, some form of documentation will be required, as determined by your instructor. 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 considered to be sufficient reasons to miss an exam.**

**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).

## HOMEWORK ASSIGNMENTS

Homework assignments will be available on Canvas beginning one week before the scheduled due date (refer to the class schedule) and are to be completed on Canvas.

You may attempt (and submit a solution) for each homework assignment as many times as you wish. **Each time you submit your solution for a homework assignment, make sure that you submit answers for all of the questions.** (Canvas does not record and save any answers that you may have submitted at an earlier time.)

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## 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 Monday, October 9. Therefore, if you wish to withdraw after October 9 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 exam graders 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 or alterations), 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*.

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## **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 is to be administered. There are no exceptions to this policy under any circumstances.

There is some probability that I, an exam proctor, or a grader 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.**

## Accounting 101 (Defeo) Class Schedule Fall, 2017

"S-" refers to material in the "Wharton Accounting 101 Supplement"  
"Case" refers to additional material available online through Canvas

	<b>DATE</b>	<b>TOPICS</b>	<b>TEXTBOOK READINGS</b>
Session 1	<b>Wed, 8/30</b>	Introduction	Chapter 1
		<b>Labor Day – No Class</b>	
Session 2	<b>Wed, 9/6</b>	Overview of Financial Statements Balance Sheet Concepts	Chapter 2
Session 3	<b>Mon, 9/11</b>	Balance Sheet Concepts Accounting Process	Chapter 3
Session 4	<b>Wed, 9/13</b>	Income Statement Concepts	Chapter 2
Session 5	<b>Mon, 9/18</b>	Income Statement Concepts Accounting Process	Chapter 2 Chapter 4
Session 6	<b>Wed, 9/20</b>	The Accounting Cycle <b>HOMEWORK 1 is due on Friday, 9/22</b>	Chapter 3
	<b>Mon, 9/25</b>	<b>Exam 1</b> <b>(Session 1 – 6, inclusive)</b>	
Session 7	<b>Wed, 9/27</b>	Statement of Cash Flows	Chapter 5
Session 8	<b>Mon, 10/2</b>	Statement of Cash Flows	Chapter 5
Session 9	<b>Wed, 10/4</b>	Timing of Revenue Recognition	Chapter 2: p. 47, 52 Chapter 4: p. 140-146 Chapter 6: p. 232, 233
Session 10	<b>Mon, 10/9</b>	Financial Statement Analysis	Chapter 12: p 520-536 Case: Who Am I?
Session 11	<b>Wed, 10/11</b>	Accounting for Sales and Receivables	Chapter 6
Session 12	<b>Mon, 10/16</b>	Accounting for Sales and Receivables	Chapter 6 Case: VF Corporation

Session 13	<b>Wed 10/18</b>	<b>Catch up and Review</b> <b>HOMEWORK #2 is due on</b> <b>Friday, 10/20</b>	
	<b>Mon, 10/23</b>	<b>Exam 2</b> <b>(Sessions 7 – 13, inclusive)</b>	
Session 14	<b>Wed, 10/25</b>	Inventories – Cost Methods	Chapter 7
Session 15	<b>Mon, 10/30</b>	Inventories – Cost Methods	Chapter 7 Case: Snap-On Tools
Session 16	<b>Wed, 11/1</b>	Long-Lived Assets	Chapter 8
Session 17	<b>Mon, 11/6</b>	Long-Lived Assets	Chapter 8 Case: Snap-On Tools
Session 18	<b>Wed 11/8</b>	Liabilities – Present Value Notes and Mortgages	Chapter 9
Session 19	<b>Mon 11/13</b>	<b>Catch up and Review</b> <b>HOMEWORK #3 is due on</b> <b>Tuesday, 11/14</b>	
	<b>Wed, 11/15</b>	<b>Exam 3</b> <b>(Sessions 14 – 19, inclusive)</b>	
Session 20	Mon, 11/20	Liabilities – Bonds	Chapter 9
Session 21	Mon, 11/27	Shareholders' Equity	Chapter 10
Session 22	Wed, 11/29	Deferred Taxes	Chapter 9: p. 403-406, S-1
Session 23	Mon, 12/4	Intercorporate Investments	Chapter 11
Session 24	Wed, 12/6	Intercorporate Investments	Chapter 11 Case: Deere
Session 25	Mon, 12/11	Catch-up and Review <b>HOMEWORK #4 is due on</b> <b>Friday, 12/15</b>	



	<b>Tue, 12/19</b>	<b>Exam 4 (3:00 – 4:20)</b> <b>(Sessions 20 – 25, inclusive)</b>	