

**INTRODUCTION TO FINANCIAL &
MANAGERIAL ACCOUNTING
ACCT 613
FALL 2020**



(VERSION 8/29/2020)

Instructor

Jeremy Michels

Office: 1309 SH-DH

Phone: 215-898-9321

Email: michelsj@wharton.upenn.edu

Web: <https://accounting.wharton.upenn.edu/profile/michelsj/>

Office Hours:

Monday/Wednesday 12:00pm – 1:15pm, or by appointment.

Note: all times in this syllabus are Philadelphia (Eastern) time.

Course Objectives:

This course provides an introduction to both financial and managerial accounting and emphasizes the analysis and evaluation of accounting information from the perspective of both investors as well as managers in the processes of planning, decision-making, and control. A large aspect of the course covers the fundamentals of financial accounting. The objective is to provide an overview of financial accounting and external reporting, including basic accounting concepts and principles, as well as the structure of the income statement, balance sheet, and statement of cash flows. The course also introduces elements of managerial accounting and emphasizes the development and use of accounting information for internal decisions. Topics include cost behavior and analysis, product and service costing and relevant costs for internal decision-making. This course is recommended for students who will be using accounting information for making strategic decisions in manufacturing and service operations, as well as those going into general consulting, thinking of starting their own businesses, or simply seeking a broad understanding of accounting and financial reporting as it relates to shareholders, creditors, managers and other users of financial information.

Course Website:

The website for this course is on Canvas (<https://canvas.upenn.edu/courses/1526580>)

Course Material:

- **Textbook (required):** Dyckman, T., M. Hanlon, R. Magee, G. Pfeiffer, A. Hartgraves, and W. Morse, *Financial & Managerial Accounting for MBAs*, 3. Ed., Wharton Custom Edition, 2019, Cambridge Business Publishers. This textbook is especially customized for our course, covers all the chapters in the class, and is available from the Penn Bookstore or the publisher (<https://mybusinesscourse.com/book/wharton-fa-custom#purchase>).
- In the detailed schedule below, practice problems from the textbook are assigned to reinforce the material covered for each topic (we refer to ‘TB’ for textbook in the syllabus). Solutions to the problems in the textbook are posted on the course website.

Material on the Course Canvas Website:

The course’s Canvas page is the central repository for all material related to the course. On Canvas, you will find the following materials:

- **Pre-Class Videos:** these videos cover the core concepts related to each class session. Watch these videos prior the live class session.
- **Pre-Class Quizzes:** these short quizzes are based on the pre-class videos and are due the day prior to the class meeting.
- **Pre-Class Questions:** Post questions you have after watching the pre-class videos and completing the pre-class quiz. I will answer as many of these questions at the beginning of the class as possible. I will not reveal the identity of the students who asked the questions.
- **Recommended Textbook Readings and Problems:** These readings and problems are not required but may provide helpful background material and practice working with the accounting concepts. The readings and questions are provided also given in the class schedule at the end of this syllabus. Solutions to textbook problems are also available on Canvas.
- **Links to Zoom Meetings:** I will post a link to each class’s meeting on Canvas.
- **Cases and other in-class materials:** Cases or other materials that we will discuss in class will be posted to Canvas in advance. Please have these materials available during the class meeting.
- **Homework Assignments:** These are discussed in more detail below.
- **Exam Practice Problems and Solutions:** A few old midterm and final exams (along with solutions) will be provided as we get closer to the exam dates.

Grading Policy:

Final grades will be determined using the following weights:

Midterm Exam	25 %
Final Exam	25 %
Pre-Class Quizzes	20 %
Post-Class Quizzes	10 %
Homework	10 %
Engagement	10 %

Midterm & Final Exams:

The midterm exam is scheduled for **Monday, October 19**, and covers the material in sessions #1 through #12, inclusive. The exam will be two hours in length, and students will be required to complete exam within a window of time that will be more specifically determined closer to the exam day.

The final exam is scheduled by the University Registrar and covers the material in sessions #13 through #24, inclusive. The final exam date and time have yet to be scheduled. The exam will be two hours in length, and students will be required to complete exam within a window of time that will be more specifically determined closer to the exam day.

Exams will be administered through Canvas. Graded exams will also be made available through Canvas. If you feel that your exam has been incorrectly graded, you should contact me with a regrade request **within one week** of the graded exam being made available (requests made after that will not be considered). In your regrade request, please include note that carefully explains the point of contention. **I will re-grade the entire exam.**

It is your responsibility to complete the exam during the scheduled time. If you cannot complete an exam during the scheduled time, **please notify the MBA Office** and me as soon as possible.

Pre- and Post-Class Quizzes:

Prior to most classes, there will be a short quiz consisting of about 4-5 questions (primarily multiple choice). These quizzes are meant to reinforce the material covered in the pre-class videos. Pre-class quizzes are generally due by 11:59pm the day prior to the class session to which they relate.

Following most classes, there will be a short quiz consisting of 2-3 questions relating to an active company's financial statements. These quizzes are meant to provide practice in applying the concepts covered in the class session. Post-class quizzes are generally due by 11:59pm the day prior to the **next** class session.

Please see Canvas for exact due dates and times for pre- and post-class quizzes.

Homework Assignments:

The homework assignments consist of two case write-ups. First, you must prepare a written solution for either the Wilkerson Company Case or the Caribbean Brewers Case. This homework assignment must be submitted **via Canvas** by the beginning of class when the respective case is on the class schedule. You only need to complete one of these two cases. The case solutions may be discussed in groups, but the write-up submitted must be your own work.

The second homework consists of preparing a written solution for the Cash is King Case. This write-up must also be submitted via Canvas by the beginning of the class for which the case is scheduled.

The due dates and times for the homework problem sets are as follows:

Homework 1: Choose and prepare solution for one of the following:
Wilkerson Company Case (November 30, by beginning of class)
Caribbean Brewers Case (December 7, by beginning of class)

Homework 2: Cash is King Case (December 1, by beginning of class)

Course Engagement and Conduct:

Engagement grades are based on what you add to the learning experience of the entire class. Students who consistently make contributions (either in-class or via Canvas) that facilitate discussions, help to clarify technical points, or provide new insights will receive full points. No contribution or contributions that are obvious, confusing or peripheral will result in zero points. Consistently discourteous behavior will also result in zero class participation points.

Student Preparation:

The course's Canvas website is organized into modules. Each module corresponds to a session on the class schedule.

Each module is organized into activities you should complete prior to, during, or after that session's class period.

I recommend the following routine for each class session:

- 1) Pre-Class Activities:
 - a. Watch the pre-class videos at least one day prior to the scheduled class session.
 - b. Complete the pre-class quiz after watching the pre-class videos.
 - c. Reflect on what you find confusing or which concepts could use additional clarification and ask a question through the pre-class survey on Canvas.

2) In-Class Activities:

- a. Attend the class-session.
- b. Be sure to have available any cases or other discussion items for that day's class.

3) Post-Class Activities:

- a. Complete the post-class quiz.
- b. Review your performance on the pre-class quiz.
- c. As necessary, review the recommend textbook readings and practice problems.
 - i. Some students will find reviewing the textbook prior to class more helpful.

Teaching Assistants and Review Sessions:

There are six teaching assistants for the course. Each of these TAs is a second-year MBA student who performed extremely well in the introductory financial accounting course last year. The TAs will hold regular online office hours according to the schedule posted on Canvas.

During office hours, one of the TAs will be present and will assist with questions about concepts, assigned problems/cases, or homework problems (however, they will not give you the solution to the homework assignments). The TAs may also periodically go over cases or homeworks recently covered in class (or to work through practice exam problems). Note that the TAs are jointly servicing both ACCT611 and ACCT613, so you may encounter students from both courses attending the same office hours.

The six TAs for the course are as follows:

Zachary Agins	zagins@wharton.upenn.edu
Nicole Allain-Stockton	nallains@wharton.upenn.edu
Jonerik Blank	blankjon@wharton.upenn.edu
Michael Lei	leim@wharton.upenn.edu
Jacquelyn Olwell	jolwell@wharton.upenn.edu
Rishi Palan	rpalan@wharton.upenn.edu

Ethics Matrix:

The Wharton MBA Code of Ethics typically requests an Ethics Matrix for each class to provide ground rules and ethical guidelines for course materials and assistance from classmates or others. Below is the completed matrix for this course. If you have any questions about the matrix, please feel free to ask me.

	Materials							People				
ACCT 613 Financial & Managerial Accounting	Approved calculator	Laptop / other electronics	Summary sheet of notes	Current book / class notes	Past notes / summaries	Past exams / assignments	Internet content / other outside materials	Learning team / approved work team	Other student(s) in same section	Student(s) in other sections (same term)	Wharton student not taking the class this term	Person outside of Wharton
In-Class Readings & Cases	A	A	A	A			A	W	W	W		
Homework Case Write-ups	A	A	A	A			A	D	D	D		
Pre/Post-Class Quizzes	A	A	A	A	A		A					
Midterm & Final Exams	A	A	A	A	A	A	A					
	A = Allowed material Shaded Cell = Not allowed							W = Allowed to work together D = Discussion of general concepts and procedures is allowed but no sharing of specific answers. Shaded Cell = Not allowed				
<u>Other comments:</u>												
<p>The information above covers many common situations but will not cover every circumstance. Remember: The Wharton MBA Code of Ethics that you accepted requires, among other things, that you represent yourself and your work honestly, don't try to gain unfair advantage over other students, follow the instructor's guidelines and respect confidentiality of your work and the work of others.</p> <p>Should you have questions, please contact your ethics liaison or professor.</p>												

Class Schedule

Key: TB refers to the Dyckman et al. textbook (Wharton custom edition); x-y means problem y in chapter x of the textbook.

1	Wed	9/2	Introduction	
			TB Reading:	Chapter 1
			TB Problems:	M1-24, E1-28, E1-29, P1-38, P1-40
2	Wed	9/9	The Accounting Equation; Bookkeeping Basics; Introduction to Accrual Accounting	
			Case:	Animatronics: Step 1
			TB Reading:	Chapter 2
			TB Problems:	Chapter 2: M2-18, M2-19, M2-26, E2-35, E2-44, P2-66
3	Mon	9/14	Adjusting Entries and Preparing Financial Statements	
			Case:	Animatronics: Steps 2 – 4
			TB Reading:	Chapter 3
			TB Problems:	Chapter 3: M3-22, M3-24, E3-32, P3-42, P3-49
4	Wed	9/16	Balance Sheet Presentation	
			TB Reading:	Chapter 2, p. 54-56; Chapter 6, p. 274-279
			TB Problems:	M6-14, M6-24, E6-33, E6-40
5	Mon	9/21	Revenue Recognition	
			Case:	Salesforce
			TB Reading:	Chapter 2, p. 54-56; Chapter 6, p. 274-279
			TB Problems:	M6-17, E6-27, E6-31, E6-41
6	Wed	9/23	Statement of Cash Flows	
			Case:	Animatronics: Step 5
			TB Reading:	Chapter 4
			TB Problems:	M4-23, M4-26, M4-31, E4-34, E4-38, E4-41, E4-44

7	Mon	9/28	Statement of Cash Flows (continued)
		Case:	Callaway Golf
		TB Reading:	Chapter 4
		TB Problems:	P4-51, P4-54

8	Wed	9/30	Accounts Receivable
		Case:	Omniceil
		TB Reading:	Chapter 6
		TB Problems:	M6-18, M6-20a-b, E6-34, E6-35, E6-38

9	Mon	10/5	Inventory, Product Costing, and Cost of Goods Sold
		Case:	TBD
		TB Reading:	Chapter 7; Chapter 17, p. 830-835
		TB Problems:	M7-15, M7-19, M7-20, E7-26, E7-29, E7-31, M17-14

10	Wed	10/7	Long-Lived Assets
		TB Reading:	Chapter 8
		TB Problems:	M8-11, M8-14, E8-24, P8-36

11	Mon	10/12	Long-Lived Assets (continued)
		Case:	TBD
		TB Reading:	Chapter 8
		TB Problems:	M8-17, E8-29, E8-35, P8-39

12	Wed	10/14	Introduction to Financial Statement Analysis (FSA)
		TB Reading:	Chapter 5
		TB Problems:	M5-14, M5-18, M5-24, E5-32, E5-33, E5-34

	Mon	10/19	Midterm Exam (time window to be determined)
			(Topics covered: Sessions #1 – #12, inclusive)

13 Mon 10/26 Long-Term Debt

Case: Starbucks (begin)
 TB Reading: Chapter 9, Appendix A (p. 638, Time-Value of Money)
 TB Problems: M9-21, M9-22, M9-28, M9-31, M9-34, E9-40

14 Wed 10/28 Long-Term Debt (continued) and Leases

Case: Starbucks (continue)
 TB Reading: Chapter 10, p. 464-476
 TB Problems: M9-23, M9-26, E9-47, P9-53
 M10-13, M10-15, E10-26, E10-27

15 Mon 11/2 Commitments and Contingencies

Case: McKesson Corp
 TB Reading: Chapter 10, p. 498-499
 TB Problems: E10-29, P10-38

16 Wed 11/4 Deferred Taxes

TB Reading: Chapter 10, p. 486-497
 TB Problems: M10-23, E10-34, E10-35, P10-41, P10-42

17 Mon 11/9 Owners' Equity

Case: PepsiCo
 TB Reading: Chapter 11
 TB Problems: M11-20, M11-21, M11-25

18 Wed 11/11 Owners' Equity (continued)

Case: TBD
 TB Reading: Chapter 11
 TB Problems: M11-35, E11-45, E11-54

19 Mon 11/16 Managerial Accounting & Cost Concepts

TB Reading: Chapters 13 and 15
 TB Problems: Chapter 13: M13-13, M13-19, E13-25
 Chapter 15: M15-11, M15-12, M15-16, E15-25

20	Wed	11/18	Cost Concepts (continued)	Case: Forest Gump TB Reading: Chapter 16 TB Problems: M16-12, M16-14, M16-16, E16-21, E16-25
21	Mon	11/30	Cost Allocation and Activity-Based Costing	Case: Wilkerson Company (HW #1) TB Reading: Chapters 14 and 18 TB Problems: Chapter 14: M14-11, M14-14, P14-27 Chapter 18: M18-10, M18-13, M18-16, E18-22
22	Wed	12/1	Budgeting and Planning	Case: Cash is King (HW #2) TB Reading: Chapter 21 TB Problems: M21-19, M21-20, E21-27
23	Mon	12/7	Decentralization and Transfer Pricing	Case: Caribbean Brewers (HW #1) TB Reading: Chapter 22, p. 1034-1037 Chapter 23, p. 1081-1086 TB Problems: Chapter 22: C22-42 Chapter 23: M23-19, E23-24, C23-40
24	Wed	12/9	Final Review and Course Wrap-Up	
	TBD		Final Exam	(Topics covered: Sessions #13 – #24, inclusive)