

The Wharton School of the University of Pennsylvania

ACCOUNTING 102 – Managerial Accounting Course Syllabus Fall, 2021

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Office Hours: Refer to Canvas

Teaching Assistants: Refer to Canvas

COURSE OVERVIEW

Increasing business competition requires organizations to not only develop realistic and achievable strategies, but also to develop and analyze goals in financial terms and evaluate performance. Organizational efficiency requires all spending to be viewed as an investment, with spending decisions based on strategic vision and the capabilities needed to deliver value from that investment. Managers must analyze decisions from a financial perspective, gain a deeper understanding of how resources are deployed throughout an organization, and understand how to leverage cost analysis to position the organization for strategic success.

Strategic Cost Analysis is the process of analyzing and managing costs in order to improve the strategic position of the business. This goal can be accomplished by having a thorough understanding of which activities and costs support an organization's strategic position and which activities and costs either weaken it or have no impact. Subsequent cost management efforts can then focus on reducing or limiting expenditures on activities that add little or no strategic value, while increasing expenditures on activities that support the strategic position of the organization. Performance can then be evaluated to ensure that the chosen actions are taken, and that these actions are yielding improved strategic performance.

COURSE OPERATION

The course meets twice a week - Monday and Wednesday. There will be typically 30-45 minutes of pre-recorded material and 45-55 minutes of live class time for each class. Pre-recorded material will typically introduce new terms and concepts, while live classes will be used to discuss and apply these new concepts to problem-solving contexts. You are expected to watch the pre-recorded material **before** class. I will start the live class time later to account for the pre-recorded material.

Live classes will take place via Zoom (and will be recorded and posted to Canvas). Students are expected to attend the live classes and to have their video ON (appropriate Zoom backgrounds are allowed).

COURSE RULES

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. Both as a courtesy to your fellow students and the professor, and to ensure that everyone has the greatest opportunity to learn, please adhere to the following principles of professionalism:

- Class starts and ends on time (class start time may vary depending on the length of pre-recorded material; please check Canvas for the start time of each class). If a unique situation arises such that you must come in late or leave early, please inform your professor ahead of time.
- Students are expected to leave their video on for the duration of live class time, unless the student has received an exception from the instructor. Momentarily switching it off (e.g. to take a bathroom break) is permitted.
- Students should remain in attendance for the duration of class, except in an emergency.
- I expect that you will treat this course as a professional engagement. Please do not carry on private conversations, messaging, etc. during class.
- 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. Students caught cheating will receive a grade of "F" for the course and will be remanded to the appropriate school disciplinary board(s)

CANVAS

Canvas contains, among other items, the course syllabus, class schedule, and information on the TAs' and my office hours. I will make the lecture notes for each class available on Canvas no later than the day preceding the day of the class. The lecture notes made available on Canvas will not necessarily contain everything that is covered in class, so students are expected to take notes during class. Solutions to the cases covered in class will not be posted on Canvas.

Canvas announcements are my primary method of communicating important information about the course, so be sure to check for them frequently.

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 accounting_it@wharton.upenn.edu

PIAZZA

In addition to office hours, I will utilize Piazza during the semester for students' **content-related** questions. Canvas will contain a link to Piazza. Only questions pertaining to course content can be posted here. Any questions on logistics, grading, etc., should be directed to your instructor and any questions on such topics will be deleted from Piazza. In the interests of building community, **anonymous posts will not be permitted**, and answering questions that other students have posted is strongly encouraged. Piazza will be monitored primarily by the TAs.

SUPPLEMENTARY MATERIAL (OPTIONAL)

1. If you would like more intuition and reasons for why the problems that we discuss arise:
Davila, Antonio and Daniel Oyon, *Malea Fashion District, How Successful Managers Use Financial Information to Grow Organizations*, 3rd Edition, 2009
(the official webpage <http://www.maleafd.com/> effectively contains the whole book in little youtube videos and small pages, otherwise a paperback is available)
2. If you would like more problems (with solutions) to practice the mechanics of many of the concepts we discuss in class:
Shim, Jae K. and Joel G. Siegel, *Shaum's Outlines, Managerial Accounting*, 2nd Edition, McGraw Hill
(no ebook available, paperback approximately \$22)
3. If you would like a different simple introduction to the topics we discuss:
Alshar, Kalpesh, *Cost Accounting & Management Essentials You Always Wanted To Know*, Vibrant Publishers
(e-book available for approximately \$10)
or
Holtzman, Mark P., *Managerial Accounting For Dummies*, For Dummies
(e-book available for approximately \$15)

PERFORMANCE EVALUATION SYSTEM

90% of the course grade is determined by your performance in tests. I offer four tests (each 75 minutes long) during the semester and for each student will count the three highest raw scores for the final grade. Individual exam scores will not be normalized (e.g., I will not mean adjust the exam scores and I will not use z-scores). For example, if you have raw scores of 60, 70, 80, 90, and 100 in the four tests, I will count 70, 80, 90, and 100 for the final distribution.

10% of the course grade is determined by completion of canvas quizzes (see the section titled “Day of Class Canvas Quizzes” for a detailed rubric).

The course grade is based on relative performance evaluation (i.e., a curve), but no forced grade distribution is used. Grades will be distributed so that approximately 85% of the class enrollment (following the end of the drop period) receives A’s or B’s (split evenly between A’s and 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 85%. 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.

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.

DAY OF CLASS CANVAS “QUIZZES”

Starting with session 3 on September 13, each class session (except for reviews and on test days) will have a corresponding Canvas Quiz. Each quiz will become available at 9am EST on the day of the class session, and is to be submitted by 11:59pm EST on the day of the class session. Each quiz will take a maximum of **ten minutes** to complete. These quizzes serve a variety of purposes. First and foremost, these quizzes provide an opportunity to practice course material, and receive early feedback on comprehension. Second, these quizzes provide useful information to me about students’ strengths and weaknesses on course content, which will help me plan for subsequent classes/review sessions. Third, these quizzes can be useful ‘jumping off’ points for discussion in subsequent sessions. Students can gain a total of 10 points (that translate to 10% of the total grade) by answering the day of class questions on Canvas. The points can be achieved as follows:

Total Quizzes Completed	Score
<30%	0
30% – 39%	2
40% – 49%	4
50% – 59%	6
60% – 69%	8
70% – 100%	10

In calculating quiz scores, **correctness is NOT a factor**. Getting a question right or wrong does not influence this score in any way. Canvas Quizzes are graded only for completion.

Canvas Quizzes must be submitted by **11:59 EST on the day of the scheduled class**. Students are welcome to work together on Canvas Quizzes but each student must submit their own quiz.

TESTS

All tests are closed-book and closed notes and will be administered on Canvas. Students are permitted to use a calculator, excel, etc., and to view any material on the Canvas site. Students must **complete the exam individually** and are not to communicate with anyone while taking the exam, or with anyone about the exam until the main exam window and any alternative exam windows have closed. Before commencing each exam, students will be required to acknowledge that they have read and agree to abide by the university's code of academic integrity. Any departures from the above protocol will be dealt with harshly. Giving help and/or receiving help will both be considered cheating, and will result in an overall course grade of F, no exceptions. Students are expected to notify me of any test-taking improprieties they are aware of.

The schedule and weight of tests is as follows:

	Date	Time	Weight
Test 1:	Monday September 27	7:00 – 8:30 pm	30%
Test 2:	Thursday October 21	7:00 – 87:30 pm	30%
Test 3:	Monday November 15	7:00 – 8:30 pm	30%
Test 4:	Finals period – date TBA	TBA	30%

RE-GRADES:

Occasionally, grading of tests will lead to mistakes, and I am eager to correct them. If you believe that there was a mistake in the grading of your test, you must submit a **written explanation** of the points of contention **within one calendar week following the return of the test**. If the re-grade request is made after one calendar week or without an accompanying explanation, no re-grade will be permitted. Because exams will be online this semester, I will correct the grading for all exams when a mistake is found.

All re-grade decisions are *final*.

TEST ACCOMMODATIONS AND CONFLICTS:

If you need additional time to complete a test 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 a test for another course that is scheduled at the same time as a scheduled test, you must notify your instructor (not your TA) by e-mail, no later than one week before the test. Your e-mail must include your complete class and test schedule for the day of the conflict. In those cases of an acceptable test conflict, arrangements will be made for you to take the test at an alternate time. Note that if such an arrangement has been made and you fail to attend the test at the arranged time, you will receive a grade of zero for the test. If your schedule changes such that you no longer have a “conflict” with the regularly scheduled test, you should notify your instructor by e-mail as soon as possible.

If you are in a different time zone that prevents you from taking a test at 6pm Eastern Time notify your instructor (not your TA) by e-mail, as soon as possible.

In other cases, documented (written) evidence that you were **seriously ill, or unavailable for some other reason**, at the scheduled time of a test is the only valid excuse for missing a test. In order to be excused from a test, you must email your instructor as soon as possible (prior to the test, if possible).

A job interview, your attendance at a social event, or participation in a sporting event are not sufficient reasons to miss a test.

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

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

WITHDRAWAL FROM THE COURSE:

I rarely 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, November 08, 2021.** Therefore, if you wish to withdraw after November 09, 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).

COURSE SCHEDULE

1	Wed	1-Sep	Introduction & Cost Concepts
2	Wed	8-Sep	Short-term Decision Making I
3	Mo	13-Sep	Short-term Decision Making II
4	Wed	15-Sep	Cost, Volume, Profit (CVP) & Financial Modeling
5	Mo	20-Sep	Decentralization, Moral Hazard and Incentives
6	Wed	22-Sep	Review
7	Mo	27-Sep	TEST I
8	Wed	29-Sep	Introduction to Costing Systems
9	Mo	4-Oct	Cost Allocation is Paramount
10	Wed	6-Oct	Costing Systems in Practice
11	Mo	11-Oct	Costing Systems for Decision-Making
Drop deadline			
12	Wed	13-Oct	Joint Costs
13	Mo	18-Oct	Review
	Wed	20-Oct	No class due to test on Thursday
14	Thu	21-Oct	TEST II
15	Mo	25-Oct	Budgeting (including Cost Estimation)
16	Wed	27-Oct	Capital Budgeting
17	Mo	1-Nov	Multi-period Investment Analysis & Real Options
18	Wed	3-Nov	Cash Budgeting
19	Mo	8-Nov	Sustainability Accounting
Withdrawal deadline			
20	Wed	10-Nov	Review
21	Mo	15-Nov	TEST III
22	Wed	17-Nov	Responsibility Accounting
23	Mo	22-Nov	Variance Analysis
		24-Nov	No class: Thanksgiving
24	Mo	29-Nov	Berkshire Case
25	Wed	1-Dec	Delegated Decision Making
26	Mo	6-Dec	Transfer Pricing
27	Wed	8-Dec	Review