

**ACCOUNTING AND FINANCIAL REPORTING
ACCT 101 - SPRING 2022**

(VERSION 1/10/2022)

**1. INSTRUCTOR***Antonio Marra*Office: 1312 Steinberg Hall-Dietrich Hall
3620 Locust WalkEmail: antoma75@wharton.upenn.edu**Office Hours:**

Professor Office Hours/Location:

Monday 5:30pm-6:30pm or by appointment (send me an email and we can set up a time) -
(*Virtual*)A **Zoom** link will be made available!

2. COURSE OBJECTIVES

This course provides an introduction to financial accounting as the “language of business.” It emphasizes the analysis and evaluation of accounting information from the perspective of both investors and managers in the processes of planning, decision-making, and control. The objective of the course is to provide an overview of financial accounting and external reporting, including the basic accounting concepts and principles, as well as the structure of the income statement, balance sheet, and statement of cash flows. The course covers the accounting for and the analysis of the most common and significant business transactions of a firm, such as credit sales, delivery of products and services, manufacturing processes and procurement, creation of operating infrastructure including production facilities, intellectual property, and goodwill, debt and equity financing, as well as other (potential) obligations towards customers, suppliers, or tax authorities.

We recommend this course for students who will be using accounting information for investment decisions, who will be considering strategy choices in manufacturing and service operations, or who are simply seeking a broad understanding of accounting and financial information as it relates to shareholders, creditors, managers, and other stakeholders in the firm. The content of this course will be essential if you want to pursue a career in investment banking, financial analysis, consulting, or general management and to those thinking of starting their own business.

3. COURSE WEBSITE

The website for this course is on Canvas. To access the course website, go to <https://canvas.upenn.edu> and choose “**ACCT 101 – Spring 2022**”. Each enrolled Penn student can use their PennKey username and password for access.

On the website, we provide the following material:

- **Lecture Slides:** the lecture slides will be made available in advance of class (*at least three days before the scheduled date*). We often will post updated versions (including the solutions of problems covered in class) of the lecture slides after class.
- **Practice Problems (Text and Solutions)** mostly from old exams.
- **Articles:** business press articles might be used to provide context for issues and discussed in class.
- **Class recordings**

4. COURSE TEXTBOOK (REQUIRED):

Hanlon, M., R. Magee, G. Pfeiffer, and T. Dyckman, Financial Accounting for Undergraduates, 2nd Edition, Wharton Custom Edition, 2020, Cambridge Business Publishers.

This textbook is especially customized for our course, covers all the chapters in the class, and is available as eBook for purchase for the duration of our class directly from the publisher under this link: <https://mybusinesscourse.com/book/wharton2ndedition#purchase>.

Several copies of the custom textbook are on reserve at Lippincott Library. In case you are interested in a hardcopy, you can buy it at the Penn Bookstore (only).

In a separate sheet uploaded and updated on canvas - as the course proceeds - we will assign practice problems from the textbook to reinforce the material covered for each topic (we refer to 'TB' for textbook in the syllabus).

The teaching assistants (TA) will also cover some of these TB problems in their office hours. Solutions to the TB problems are posted on the course website.

5. GRADING POLICY

The course grade is based on **relative performance evaluation** (i.e., a curve), but we use no forced grade distribution. Final grades are determined using the following weights (**total: 100points**):

Midterm Exam #1	20
Midterm Exam #2	20
Final Exam	30
“In-Class” Short Quizzes	15
Class participation*	15
Total	100

**Please notice that given the uncertainty on how classes will be held, I might re-assign the 15 points for class participation to the other exam parts. This will be clarified in a couple of weeks.*

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.

We note that no student who remains in the course after the drop period is negatively affected by the fact that other students have withdrawn. Students taking the class pass/fail must achieve a grade of "D" or higher to get a "Pass".

a. Midterm & Final Exams:

There are two midterm exams and one final exam for this course.

Each exam is structured such that students should be able to solve it in 60 minutes, but to give everyone a fair chance to carefully work through all the problems, we allot 90 minutes to ALL the exams.

The exams will be held in person (*please notice this is also depending on pandemic situation*) during a specific time slot but administered online using Canvas (i.e., bring your computer to the exams).

For exam dates, times, and the topics covered, see the class schedule below. The final exam is scheduled by the University Registrar and at this stage date and time is still tentative. I will keep you posted on this.

Exams are *open-book* and you are allowed to use all the class material. Note that sharing exam information with your classmates or accepting third-party help will result in a referral to the Office of Student Conduct, and students caught cheating will receive a grade of "F" for the course.

We will post practice exams together with solutions on Canvas for preparation. The graded exams will be available online once the exam scores have been released.

a1. Exam Accommodation and Conflicts

It is the student's responsibility to attend examinations at the times specified. 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 the student has a class conflict or exam conflict for another course during the same time as a scheduled exam, s/he must notify the instructor (not the TA) by e-mail within two weeks of the start of classes. The e-mail must include the student's complete class and exam schedule for the day of conflict. In cases of an acceptable exam conflict, arrangements will be made for the student to take the exam at an alternate time.

In other cases of excused absences, written evidence (i.e., from a doctor or from Student Health) 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. To be excused from an exam, the student must email the instructor as soon as possible (prior to the exam, if possible), and provide a copy of the required documentation. *Please note that job interviews or attendance at a social event are normally not sufficient reasons to miss an exam.*

A student who has permission to miss an exam due to a scheduling conflict or illness will receive a grade of “INCOMPLETE” for the semester and will be required to take a make-up exam on the University’s officially scheduled make-up exam date during the following semester. After the student takes the make-up, the incomplete will be changed to the earned course grade. If a student fails to show up for the make-up, he/she will receive a grade of zero for the exam.

STUDENTS WHO MISS AN EXAM WITHOUT MAKING ARRANGEMENTS IN ACCORDANCE WITH THE ABOVE GUIDELINES WILL RECEIVE A GRADE OF ZERO FOR THE RELEVANT EXAM.

a2. Requests for Regrades

If a student feels that there was a mistake in the grading of an exam, he/she must submit a **written explanation** of the points of contention **to the professor** – not a TA – **within one calendar week** following the posting of the exam grade. We will not consider submissions after one calendar week.

*Any exam submitted for re-grade is subject to a **complete review**, which may result in an increase or decrease in the total score. All re-grade decisions are final.*

b. In-Class Quizzes

There are **four** in-class quizzes during the course of the semester, which will be held on the dates and cover the topics indicated in the class schedule. **Quizzes are given at the beginning of the class** (late arrivals will not be accommodated with extra time, so be punctual).

Each quiz will take 15-20 minutes and consists of 5 questions (multiple choice). The quizzes will be administered online using Canvas. The **quizzes are open-book** and you are allowed to use all the class material.

Note that sharing quiz information with your classmates or accepting third-party help will result in a referral to the Office of Student Conduct, and students caught cheating will receive a grade of “F” for the course.

In computing a student’s final grade, only the **three highest quiz scores** will be counted (i.e., we drop the lowest quiz score). If for some reason you are unable to take one of the four quizzes we will simply count the three quizzes that are completed. **No make-up quizzes will be given!**

c. Class Participation

Class participation grades are based on what you add to the learning experience of the entire class. Students who consistently make contributions that facilitate discussions, help to clarify technical points, or provide new insights will receive **15 points**.

No contribution, repeated class absences, or contributions that are obvious, confusing, or peripheral will result in a deduction of points for participation.

Depending on how classes proceed (virtual or in person) I will give points to participation or redistribute. In case of participation, this will be based on cases presentation/discussion in class where to be most objective possible part of the points will be given using a polling software

(e.g., Zoom Polls) based on the participation to class polls.

Please, on this part be flexible and patient more info will come in due course.

6. CLASS ETIQUETTE

If ever possible, classes will revert to “**in person**”. In such case 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:

- Students should sit in the same seat each class session. Please display **name tents** to make it easier for the instructor to keep track of participation.
- Class starts and ends on time. If a unique situation arises such that you must come in late or leave early, please inform your professor ahead of time and sit in an open aisle seat close to the door.
- Students should remain in attendance for the duration of class, except in an emergency.
- All phones and other electronic devices should be turned off, with the exception of computers/tablets that are strictly used for the purpose of this class (e.g., for use during the polls).
- We expect that you will treat this course as a professional engagement. Please do not carry on private conversations during class.
- Please, feel free to interrupt me and ask questions at any time. Raise your hand feature to do so. Note that I will be cold calling occasionally (but not in a mean way), so be prepared.

For the first two weeks!

Lectures are given online, using Zoom. Please adhere to the following principles of professionalism:

- **Class starts and ends on time and uses Zoom.** If a unique situation arises such that you must log in late or leave early, please inform your professor ahead of time.
- Students should remain in attendance for the duration of class, except in an emergency.
- Please do not carry on private conversations during class in the chat room.
- **You can attend any session of your choosing and are not restricted to the session you are registered in.** This is to accommodate students in different time zones.
- Please interrupt me and ask questions at any time. Use the “raise your hand” feature to do so and you can unmute your microphone when I call on you.
- Try to keep your camera on.

Follow the Code of Academic Integrity. On behalf of the majority of the students who make an honest effort in this class, we 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.

7. STUDENT PREPARATION

The lectures will cover all the relevant material for this course. The class schedule at the end of the syllabus provides an overview of the topics covered in each class session together with the

relevant lecture slides, cases, and additional reading materials. Lectures slides are self-contained, and we often will post both pre-lecture versions and post-lecture versions (with solutions if needed) of the lecture slides to Canvas.

The syllabus also provides a reference to the relevant sections. The textbook and problems serve as supplement to the lecture notes for those who want additional practice.

Students should attend class having reviewed the daily class slides and, on days with assigned articles, case study or video, having read/watched these materials and worked through the case questions. It is also recommended that students read the suggested chapter sections from the textbook either before or immediately after the class, and work through at least some of the suggested practice problems from the textbook.

8. WITHDRAWAL FROM THE COURSE

In order to withdraw from the course, the student must meet the university deadline and requirements regarding withdrawals. In particular, note that the university *withdrawal deadline* is **March 28, 2022**. If a student wishes to withdraw after this date, s/he will be required to submit a petition to the Wharton Undergraduate Division to obtain approval. Please obtain the School's approval before you ask your instructor.

9. TEACHING ASSISTANTS

There are *three* teaching assistants for the course. The TAs will hold regular office hours on a weekly basis (except for holidays) based on the schedule posted on the course website. All office hours will be held online!

During office hours, the TAs will reserve the first half of the time slot to go over pre-designated textbook problems. This is the recitations part of the office hour sessions. During the second half of the time slot, the TAs will answer student questions about concepts, assigned problems/cases, or other topics covered in class.

If you have general questions about class content or concepts, please, use the discussion board on **Piazza** (on which your fellow students can provide answers).

The TAs for the course are as follows:

Irina Luneva	iluneva@wharton.upenn.edu
Alexandra Coble	acoble@wharton.upenn.edu
Yoo, Minji	minjiyoo@wharton.upenn.edu

Teaching Assistant Office Hours/Location:
Virtual, hours to be posted on Canvas

10. DETAILED CLASS SCHEDULE

All of the topics listed below will be covered and **changes will be notified on canvas**)

Note: *TB* Reading refers to the Dyckman et al. textbook (Wharton custom edition, see **p2**)

1	Wed	1/12	Introduction: Course Overview and Introduction to Financial Accounting Slides: Session 1 TB Reading: Chapter 1
2	Wed	1/19	Overview of Financial Statements Slides: Session 2 TB Reading: Chapters 1 and 2
3	Mon	1/24	Reflecting Economic Events and Business Activity into Financial Statements Slides: Sessions 3 TB Reading: Chapters 2 and 3
4	Wed	1/26	Reflecting Economic Events and Business Activity into Financial Statements: <i>The Accounting Cycle</i> Slides: Session 4 TB Reading: Chapters 2 and 3
5	Mon	1/31	Introduction to Accrual Accounting Revenue Recognition & Matching Expenses to Revenues Slides: Session 5-6 TB Reading: Chapters 2 and 3
6	Wed	2/2	Introduction to Accrual Accounting Revenue Recognition & Matching Expenses to Revenues (cont'd) Slides: Session 5-6 TB Reading: Chapter 6, p. 270-283
7	Mon	2/7	Statement of Cash Flows Slides: Sessions 7-8 TB Reading: Chapter 4
8	Wed	2/9	Statement of Cash Flows (continued) Slides: Sessions 7-8 TB Reading: Chapter 4

9	Mon	2/14	Review Session for Midterm Exam #1 (Topics covered: Sessions #1 - #8, inclusive)
10	Wed	2/16	Midterm Exam #1 (Topics covered: Sessions #1 - #9, inclusive)
11	Mon	2/21	Introduction to Financial Statement Analysis Slides: Session 11-12 TB Reading: Chapter 5
12	Wed	2/23	Introduction to Financial Statement Analysis Slides: Session 11-12 TB Reading: Chapter 5
13	Mon	2/28	Account Receivable Slides: Session 13 TB Reading: Chapter 7
14	Wed	3/2	Inventory, Product Costing, and Cost of Goods Sold Slides: Session 14-15 TB Reading: Chapter 7
SPRING BREAK Mon March 7 th and Wed March 9 th <i>NO Classes</i> Scheduled			
15	Mon	3/14	Inventory, Product Costing, and Cost of Goods Sold (continued) Slides: Session 14-15 TB Reading: Chapter 7
16	Wed	3/16	Long-Lived Assets Slides: Session 16-17 TB Reading: Chapter 8
17	Mon	3/21	Long-Lived Assets (continued) Brief Review of Midterm Exam #2 Slides: Session 16-17 TB Reading: Chapter 8

18	Wed	3/23	No Class Scheduled
19	Mon	3/28	Midterm Exam #2 (Topics covered: Sessions #11 - #17, inclusive)
20	Wed	3/30	Long-Term Debt Slides: Session 20-21 TB Reading: Chapter 9, Appendix A (Time-Value of Money)
21	Mon	4/4	Long-Term Debt (continued) Slides: Session 20-21 TB Reading: Chapter 9, Appendix A (Time-Value of Money)
22	Wed	4/6	Owners' Equity – Shareholders' Equity, Treasury Stock, Dividends Slides: Session 22-23 TB Reading: Chapter 11
23	Mon	4/11	Owners' Equity – Shareholders' Equity, Treasury Stock, Dividends (continued) Slides: Session 22-23 TB Reading: Chapter 12
24	Wed	4/13	Reporting and Interpreting Investments in Other Corporations Slides: Session 24-25 TB Reading: Chapter 12
25	Mon	4/18	No Class Scheduled
26	Wed	4/20	Reporting and Interpreting Investments in Other Corporations (continued) Slides: Session 24-26 TB Reading: Chapter 12
27	Mon	4/25	Current Topics in Accounting Slides: Session 27
28	Wed	4/27	Review Session for Final Exam
	Mon	5/9	Final Exam (3.00 to 5.00pm) - Tentative