

## INTRODUCTION TO FINANCIAL & MANAGERIAL ACCOUNTING

### **ACCT 613, Spring 2022**

Section 001 (10:15 to 11:45AM)

Section 002 (noon to 1:30PM)

Location: JMHH, room G55



### **Instructor**

#### **William Baber**

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office hours: TW, 5-6PM, and by appointment

### **Course Description and Objectives**

This is an introductory treatment of accounting topics tailored to Wharton MBAs. Much of the course is an overview of financial accounting and external reporting fundamentals, including the conventional structure of basic financial statements -- the income statement, the balance sheet, and the statement of cash flows -- compiled, organized, and reported according to General Accepted Accounting Principles (GAAP). The course also introduces elements of managerial accounting which emphasizes use of accounting information for internal decision-making and control. The content is designed to be generally relevant to both external stakeholders who evaluate, and to management insiders who execute and administer, operating, investing, and financing activities that transpire both within and between organizations. The intent is to develop appreciation of the relevance of accounting-based analysis for promoting efficiency and efficacy, and for creating value to organization stakeholders.

### **Course Website**    <https://canvas.upenn.edu/courses/1626626>

The Canvas site is organized as a series of modules. The top module ("Administrative Matters") includes continuously updated documents related to the administration of the course. A module for each class session follows. These "session" modules include reading materials, assignments, and sometimes quizzes to be prepared prior to class. A complete ppt deck is posted mid- to late-afternoon. Modules containing other potentially useful information are posted following the class session modules. Canvas also is the platform for administering course quizzes and examinations.

## Organization of class sessions

Appendix A provides a *tentative* list of weekly topics and assignments for class meetings and displays the nature and timing of course deliverables. Modifications to Appendix A during the semester will display to the canvas Administrative Matters module. Instructor recommended textbook problems may be amended as the course progresses.

## Textbook

Dyckman, T., M. Hanlon, R. Magee, G. Pfeiffer, A. Hartgraves, and W. Morse, Financial & Managerial Accounting for MBAs, Wharton Custom Edition, 2019, Cambridge Business Publishers.

This text, which is customized for the Wharton 613 course, is available from the Penn Bookstore or from the publisher at <https://mybusinesscourse.com/book/wharton-fa-custom#purchase> Solutions for all problems in the text are provided in a separate Canvas module.

## Online quizzes

Two kinds of quizzes will be administered. The first kind (designated “pre-session quiz”) encourages preparation in anticipation of in-class activities. These quizzes are to be submitted before 10AM the day of the corresponding class session. The second kind (designated “weekend quiz”) is intended to encourage study and review of textbook and classroom material covered during prior sessions. These quizzes are timed exercises (typically 30 or 40 minutes) available during a Thursday (noon) to Sunday evening (midnight) window. Appendix A shows seven weekend quizzes during the semester. These quizzes can be accessed only during the stated availability period.

**Important:** Quizzes are open-book, open-notes, etc., but quizzes are to be executed individually, without consulting with others.

## Course Engagement

Course engagement is considered when computing final course grades. Participation during class sessions is the most conspicuous form of engagement, but interactions between or among instructor and/or student colleagues that elevate comprehension and/or provide useful insight can be considered. Regular class attendance alone is not sufficient to receive engagement points.

## Mid-Term and Final Examination

A mid-term examination and a comprehensive final examination will be administered using the Canvas platform. The midterm examination will be administered 7-9PM on Tuesday, March 1. The format and specific time for the final examination is yet uncertain.

## Grading

Course grades will be determined using a weighted average of

Course engagement	5 %
Quizzes and homework	15 %
Mid-term examination	45 %
Final Exam	35 %

Final grades will be set using the distribution of weighted scores for all students enrolled in both of the 613 sections during the spring 2022 semester.

## Academic support

The four-person instructional team includes the course instructor and three teaching assistants (TAs), who are second-year students in the Wharton MBA program. Instructional team members can be consulted either via email or during office hours administered through Zoom. Regular office hours will begin the week of January 24; regular office hours will not be held March 2 to 11. Office hours will be administered via Zoom, at least through the midterm.

### Office hour schedule

Zoom link: XXXX

	Day/time	Contact
Bill Baber (Instructor)	Tuesdays and Wednesdays 5-6 PM	wbabber@wharton.upenn.edu
Mike Adams	TBA	adamsmj@wharton.upenn.edu
Patrick Nikong	TBA	pnikong@wharton.upenn.edu
Vikramanveer Thakore	TBA	vthakore@wharton.upenn.edu

## **Diversity and Inclusion**

An objective is to create a learning environment where students from diverse backgrounds and perspectives are well served, learning needs are addressed both in and out of class, and student diversity is viewed as a strength and benefit. The intent is also to present and use materials and initiate activities that are respectful of gender, sexuality, disability, age, race, socioeconomic status, ethnicity, religious affiliation and practice, and culture. Suggestions about ways to improve course effectiveness on these dimensions are encouraged and appreciated.

**Appendix A**  
**Sessions and Activities**  
*(draft 1/9/22)*

Date/Topic	Text Reference and Recommended problems	Session activities
<b>Session #1 (W. January 19)</b> <b>(ADMINISTERED REMOTELY)</b>  <b>Introductory Remarks, Overview, Accounting Regulation</b>	Chapter 1 <i>(focusing on pp 11-21)</i> E 1-27, 29-30; P1-41, 47	
<b>Session #2 (M. January 24)</b>  <b>The Accounting Equation</b>	Chapter 2 <i>(focusing on pp. 49-61)</i> M2-20,21, 22, 25, 28, 35, 40	<b>Case:</b> Keene Valley Laundry
<b>Session #3 (W. January 26)</b>  <b>Financial Statement Example</b>	Chapter 2 <i>(focusing on pp. 44-49; 71-72)</i> P2-53, 54, 61	<b>Pre-session quiz</b> Tootsie Roll 10-K
<b>Weekend Quiz #1: covers sessions #1 through #3</b> <i>Available 1/27 (noon) – 1/30 (midnight)</i>		
<b>Session #4 (M. January 31)</b>  <b>Analyzing and Journalizing transactions</b>	Chapter 2 <i>(focusing on pp. 62-70)</i> Chapter 3 <i>(focusing on pp. 102-109)</i> E2-47 and 48	<b>Case:</b> Hoya Unlimited (Part 1)
<b>Session #5 (W. February 2)</b>  <b>Adjusting Entries/Closing Entries</b>	Chapter 3 <i>(focusing on pp.109-125)</i> M3-24, 26, 32, 39; P3-46, 52	<b>Case:</b> Hoya Unlimited (Part 2)

<b>Session #6 (M. February 7)</b>		<b>Case:</b> TBD (C3-55?)
<b>Summary: The Accounting Cycle</b>		
<b>Session #7 (W. February 9)</b>		
<b>Statement of Cashflows Overview</b>	Chapter 4 (focusing on pp 158-162; 182-186) P1-37, 38; Q4-11; M4-21 to 24	<i>Pre-session quiz</i>
<b>Weekend Quiz #2: covers sessions through #6</b> <i>Available 2/10 (noon) – 2/13 (midnight)</i>		
<b>Session #8 (M. February 14)</b>		
<b>Statement of Cashflows Working with T-accounts</b>	Chapter 4 (focusing on pp.162-171; 177-181) Chapter 8 (page 381 only) M3-25, 36; C3-58; E4-35, 36, 39, 44; M8-14, 15; E8-22	Handout problems
<b>Session #9 (W. February 16)</b>		
<b>Statement of Cashflows Comprehensive Problem</b>	Reading: Schumer and Sanders: Limit Corporate Stock Buybacks (WSJ, 2/3/19)	<i>Pre-session quiz</i> Problem TBD
<b>Weekend Quiz #3: covers sessions through #9</b> <i>Available 2/17 (noon) – 2/20 (midnight)</i>		
<b>Session #10 (M. February 21)</b>		
<b>Performance measures</b>	Chapter 5 (focusing on pp. 225-240) Chapter 11 (focusing on pp 546-549 only) M5-14, 17, 18; E5-29, 34; M11-24, 32, 33	<i>Pre-session quiz</i> Kelloggs' 10-K
<b>Session #11 (W. February 23)</b>		
<b>Time Value of Money</b>	Appendix A of the financial accounting section of the text (pp 638-661) EA-2, 4, 8, 9, 15, 20	

<b>Weekend Quiz #4: Reading a Financial Statement</b> <b>Available 2/24 (noon) – 2/27 (midnight)</b>		
<b>Session #12 (M. February 28)</b>  <b>Revenue Recognition</b>	Chapter 6 (focusing on 274-279) M6-24; E6-28, 33, 40	
<b>MID-TERM EXAMINATION</b> <b>(45% of course grade)</b> <b>March 1, 7-9 PM</b>		
<b>Session #13 (M. March 14)</b>  <b>Accounts Receivable and Reserve Accounting</b>	Chapter 6 (focusing on pp 283-290; 298-300); Chapter 9 (pp 419-421 only) M6-18, E6-35, 37, 45; E9-38, 43	
<b>Session #14 (W. March 16)</b>  <b>Inventory and Manufacturing Accounting</b>	Chapter 7 (including Appendix 7A) Chapter 17 (focusing on pp 832-835) M7-15, 17, 20, 24; E7-30, 32	<b>Pre-session quiz</b>
<b>Weekend Quiz #5: covers sessions #13 and #14</b> <b>Available 3/17 (noon) – 3/20 (midnight)</b>		
<b>Session #15 (M. March 21)</b>  <b>Liabilities and Long-term Debt</b>	Chapter 9 (focusing on pp 427-443) M9-22, 23, 25, 31, 34, 36; E9-48	

<b>Session #16 (W. March 23)</b>	Chapter 8 Chapter 10 ( <i>pp 465-476; 486-497 only</i> ) M8-11, 26; E8-31; P8-36, 37; E10-32 Reading: Francis, Accounting Experts Ask Congress to Change Proposal on Minimum Corporate Tax, <i>WSJ</i> 11//5/21	TBD
<b>Long-term Assets/Leases/ Income Taxes</b>		
<b>Session #17 (M. March 28)</b>	Chapter 11 M11-26, 27, 39; E11-45, 50	AutoZone
<b>Stockholders' Equity</b>		
<b>Session #18 (W. March 30)</b>	Chapter 12 ( <i>including appendices 12A and 12B only</i> )	TBD
<b>Investments in other companies</b>		
<b>Weekend Quiz #6: covers sessions #15 through #18</b> <i>Available 3/31 (noon) – 4/3 (midnight)</i>		
<b>Session #19 (M. April 4)</b>	Chapter 13 ( <i>focusing on pp 695-697</i> ) Chapter 14 ( <i>focusing on pp 710-720</i> ) Chapter 15 ( <i>include Appendix 15A</i> ) E14-17, 18, 21; M15-16, 19, 24, 36	Case: Amazon
<b>Management Control Breakeven Analysis</b>		
<b>Session #20 (W. April 6)</b>	Chapter 16; Chapter 17 M16-16; E16-19, 22, 25 M17-19, 20, 24, 30, 31, 32	<b>Pre-session quiz</b> Case: Arizona Micro Brewery
<b>Product Costs Incremental Analysis</b>		
<b>Session #21 (M. April 11)</b>	Chapter 21 ( <i>pp. 986-1000 only</i> ) Chapter 22 ( <i>pp. 1032-1036</i> )	Cases: Tarheel Company; Oracle/Microsoft
<b>Variance Analysis</b>		



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<b>Session #22 (W. April 13)</b>	Reading: Kerr, <i>On the Folly of Rewarding A, While Hoping for B</i> Chapter 23 ( <i>pp 1081-1086 only</i> ) P19-32, 36	Cases: California Housewares; Winslow Company
<b>Performance Reporting</b>		
<b><i>Weekend Quiz #7: covers sessions #19 through #22</i></b> <b><i>Available 4/14 (noon) – 4/17 (midnight)</i></b>		
<b>Session #23 (M. April 18)</b>		
<b>Activity Based Costing and Marketing Applications</b>	Chapter 18	<b><i>Pre-session quiz</i></b> Case: TBD
<b>Session #24 (W. April 20)</b>	Reading: Tayan (Stanford series), <i>The Wells Fargo Cross Selling Scandal</i>  Reading: <i>Commonsense Corporate Governance Principles</i>	Case: Under Armour
<b>Governance</b>		
<b><i>FINAL EXAMINATION</i></b> <b><i>(35% of course grade)</i></b>		