

The Wharton School of the University of Pennsylvania

ACCOUNTING 102 – Managerial Accounting Course Syllabus Fall, 2019

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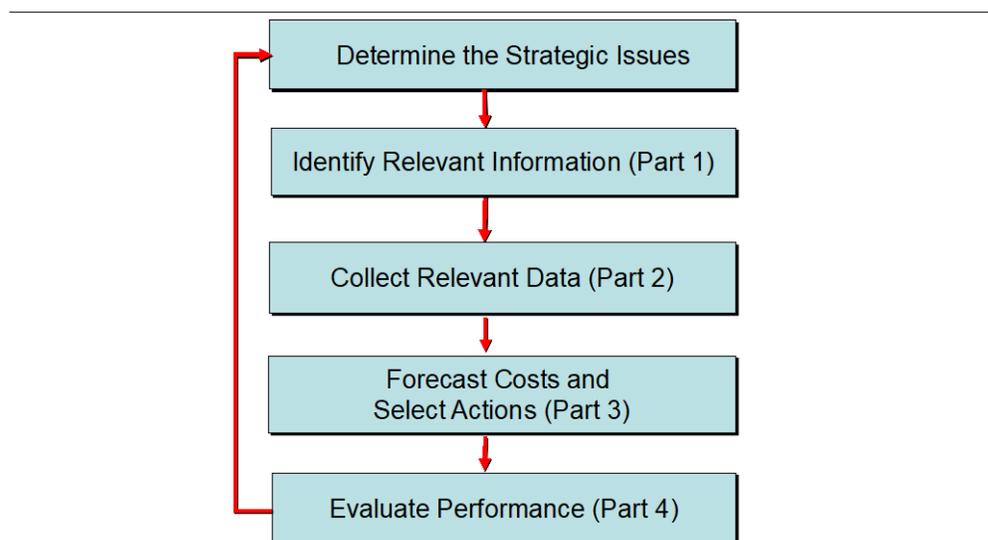
Office Hours: Monday and Wednesday 2:00 to 3:00 pm or by appointment

Teaching Assistants: Refer to Canvas

COURSE OBJECTIVES:

This course focuses on financial decision-making and performance evaluation within firms. Throughout the class, the following strategic cost-management framework is applied across the various functions of an organization to highlight the cost analysis and performance evaluation methods available to improve organizational performance.

The Strategic Cost Management Decision-Making Process



Examples from a variety of settings, ranging from product design and pricing to customer profitability analysis, competitor cost analysis, and the development of pro forma financial statements and earnings forecasts, are used to illustrate the widespread applicability of these methods to internal management, consulting, and financial analyst positions.

SUPPLEMENTARY MATERIAL:

Davila, Antonio and Daniel Oyon, *Malea Fashion District, How Successful Managers Use Financial Information to Grow Organizations*, 3rd Edition, 2009

Shim, Jae K. and Joel G. Siegel, *Shaum's Outlines, Managerial Accounting*, 2nd Edition, McGraw Hill

COURSE OPERATION:

The course meets twice a week - Monday and Wednesday

OFFICE HOURS:

My office hours and those of the TAs will be posted on Canvas.

CANVAS:

To access the Canvas for Accounting 102, go to the internet URL: <https://canvas.upenn.edu/>

On that page, click on ACCT to display links to accounting course Canvas rooms, and then click on your section number.

Canvas contains, among other items, the course syllabus, class schedule, and information on the TAs' office hours and location. I will make the lecture notes for each class available on Canvas no later than the day preceding the day of the class.

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 iwane@wharton.upenn.edu

PERFORMANCE EVALUATION SYSTEM:

The course grade is based on relative performance evaluation (i.e., a curve), but no forced grade distribution is used. There will be four exams during the semester. Your grade will be based exclusively on the weighted average of three exams and the in-class questions. In session 02 (September 4), students can vote on which exam grades count for the final score: the three highest raw scores or the three highest scores divided by the mean of the respective exam. I will change the syllabus accordingly after the vote. The schedule and weight of exams and in-class questions is as follows

	Date	Time	Weight
Exam I:	September 25 (Wednesday)	6:00 – 7:30 pm	30%
Exam II:	October 17 (Thursday)	6:00 – 7:30 pm	30%
Exam III:	November 11 (Wednesday)	6:00 – 7:30 pm	30%
Exam IV:	<i>likely</i> December 16 (Monday)	3:00 – 4:30 pm	30%
In-class questions	September 09 – December 06	during class	10%

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.

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%. **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 45%) will likely receive a final grade of F.

IN-CLASS QUESTIONS

Starting in session 3, on September 09, I will ask two or three questions during every class except for review sessions. I will ask all questions using Canvas and open the poll during classes such that students can answer the question and will close the poll a little later. To answer the questions students will need to bring either a smart phone, a tablet, or a laptop.

Note: there is one exception to the in-class questions. In session 16, on Wednesday October 30, we will not have class but run an online simulation in groups of 3 students. Finishing the simulation with at least 60% of the adjusted present value (an output of the simulation) of the most successful group, accounts for 10 correctly answered questions.

Students can gain a total of 10 points (that translate to 10% of the total grade) by answering in-class questions via Canvas. Up to 5 points are gathered for any answer, not just correct answers. 5 additional points can be gathered by answering correctly. The points can be achieved as follows:

Answered questions	Score
30% – 39%	1
40% – 49%	2
50% – 59%	3
60% – 69%	4
70% – 100%	5

Correctly answered questions	Score
30% – 49%	2
50% – 100%	5

If you have to miss three or more consecutive sessions due to medical problems. Please provide documented (written) evidence (i.e., from a doctor – a letter from Student Health is NOT sufficient) that you were **seriously ill, or unavailable for some other reason**. In this case, I will take the questions during those classes out of the numerator and denominator.

EXAMINATIONS

All examinations are closed-book and closed notes, with one exception. Students will be permitted to use one page (8 ½" x 11") 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 have a class or an exam for another course that is scheduled at the same time as a scheduled exam, you must notify your instructor (not your TA) by e-mail, no later than one week before the exam. Your e-mail must include your complete class and exam schedule for the day of the conflict. In those cases of an acceptable exam conflict, arrangements will be made for you to take the exam at an alternate time. Note that if such an arrangement has been made and you fail to attend the exam at the arranged time, you will receive a grade of zero for the exam. If your schedule changes such that you no longer have a "conflict" with the regularly scheduled exam, you should notify your instructor by e-mail as soon as possible.

In other cases, documented (written) evidence (i.e., from a doctor – a letter from Student Health is NOT sufficient) 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. 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.)

A job interview, your attendance at a social event, or participation in a sporting event are not 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).

RE-GRADES:

I and the TAs 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), 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*.

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 Friday, November 08, 2019.** Therefore, if you wish to withdraw after November 08, 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).

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.

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 will be administered. There are no exceptions to this policy under any circumstances.

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.**

COURSE SCHEDULE

Session	Date	Topic and readings	
Part 1: Identifying Relevant Decision-Making Information			
01	Wed. 8/28	Introduction Class Notes:	Session 01
	Mon. 9/02	Labor Day – No Class	
02	Wed. 9/04	Cost Concepts Class Notes: Text Books Malea Fashion District Shaum's Outline	Session 02 Chapters 1, 2, 6 Chapters 2, 4, 5
03	Mon. 9/09	Relevant Costs Class Notes: Text Books Malea Fashion District Shaum's Outline	Session 03 Chapters 1, 2, 6 Chapters 2, 4, 5
04	Wed. 9/11	Cost, Volume, Profit (CVP) and Financial Modeling Class Notes: Text Books Malea Fashion District Shaum's Outline	Session 04 Chapters 1, 2, 6 Chapters 2, 4, 5
05	Mon. 9/16	Decision Making: Case Class Notes: Reading	Session 05 Forrest Gump Case
06	Wed. 9/18	Decision Making with Interdependencies Class Notes: Text Books Malea Fashion District Shaum's Outline:	Session 06 Chapter 13 Chapter 12, pp. 319-321
07	Mon. 9/23	Review Class Notes:	Session 07
	Wed. 9/25	Exam 1 6-7:30pm (All materials covered in Session 1-7)	

Part 2: Determining Profits		
08	Mon. 09/30	Overview of Cost Accounting Class Notes: Session 08 Text Books Malea Fashion District Chapters 3, 4, 7 Shaum's Outline Chapter 12
09	Wed. 10/02	Profits with Joint Costs Class Notes: Session 09 Text Books Malea Fashion District Chapters 3, 4, 7 Shaum's Outline Chapter 12
Mon. 10/07	Drop Period Ends	
10	Mon. 10/07	Variable and Direct Costing Class Notes: Session 10 Text Books Malea Fashion District Chapter 7, pp.153-155 Shaum's Outline Chapter 11 Chapter 4, p. 63
11	Wed. 10/09	Activity Based Costing Class Notes: Session 11 Text Books Malea Fashion District Chapter 10 Shaum's Outline Chapter 13, pp. 335-338
12	Mon. 10/14	Review Class Notes: Session 12
	Wed. 10/16	No class
	Thu. 10/17	Exam 2 6-7:30pm (All materials covered in Session 8-12)

Part 3: Forecasting Costs and Selecting Actions		
13	Mon. 10/21	Budgeting Class Notes: Session 13 Text Books Malea Fashion District Chapter 8 Shaum's Outline Chapter 6
14	Wed. 10/23	Capital Budgeting Class Notes: Session 14 Text Books Malea Fashion District Chapter 12 Shaum's Outline Chapter 9, pp. 212-222
15	Mon. 10/28	Multi-Period Investment Analysis Class Notes: Session 15 Text Books Malea Fashion District Chapter 12
16	Wed. 10/30	Resource Allocation Simulation – out of class
17	Mon. 11/04	Resource Allocation Simulation - debrief Class Notes: Session 17
18	Wed. 11/06	Review Class Notes: Session 18
	Fri. 11/08	Withdrawal Period Ends
	Mon. 11/11	Exam 3 6-7:30pm (All materials covered in Session 12-18)

Part 4: Evaluating Performance		
19	Wed. 11/13	Decentralization & Responsibility Accounting Class Notes: Session 19 Text Books Malea Fashion District Chapter 15, pp.307-316 Shaum's Outline Chapters 7, 8
20	Mon. 11/18	Accounting Performance Measures Class Notes: Session 20 Text Books Malea Fashion District Chapter 3, pp.60-75 Shaum's Outline Chapters 7, 8
21	Wed. 11/20	Variance Analysis Class Notes: Session 21 Text Books Malea Fashion District Chapter 9 Shaum's Outline Chapters 6, 7
22	Mon. 11/25	Comprehensive Performance Measurement Class Notes: Session 22
	Wed. 11/27	Thanksgiving: Class cancelled
23	Mon. 12/02	Transfer Pricing Class Notes: Session 23 Text Books Malea Fashion District Chapter 15, pp. 316-319 Shaum's Outline Chapter 8, pp. 186-187
24	Wed. 12/04	TBA
25	Mon. 12/09	Review
Exam 4 (All materials covered in Session 19-25)		