

**ACCOUNTING AND FINANCIAL
REPORTING
ACCT 101
SPRING 2021**



(VERSION 1/21/21)

Instructor

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Office Hours:

Teaching Assistant Office Hours/Location: Virtual, hours to be posted on Canvas
Professor Office Hours/Location: Tuesday 3:00pm-4:00pm, Virtual

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.

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 2021. 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 one week before the scheduled date). We often will post updated versions (including the solutions of problems covered in class) of the lecture slides after class.
- **Exam Practice Problems and Solutions** (from old exams)
- **Articles:** business press articles are *sometimes* referenced in the course syllabus and provide context for issues, some of which will be discussed in class.
- **Class recordings**

Course Textbook (required):

Dyckman, T., M. Hanlon, R. Magee, and G. Pfeiffer, *Financial Accounting for Undergraduates*, 2. Ed., 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 the instruction below. In case you are interested in a hardcopy, you can buy it at the Penn Bookstore (only). Solutions to the TB problems are posted on the course website.

To purchase your eBook subscription:

1. Launch the following link:
<https://mybusinesscourse.com/book/wharton2ndedition#purchase>.
2. Select Add to cart and then select View Cart
3. Review Shopping Cart and select Proceed to checkout
4. Create a New Account or Log in to Existing Account, if you have previously registered with myBusinessCourse.
5. Fill out Billing Address page and select Continue to payment method
6. Fill out card information and select Process order
7. You will automatically be routed to your My Subscriptions page where you can now access the eBook.
8. **For any assistance, please contact Student Support at (630) 504-0505 or mbcsupport@cambridgepub.com.**

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:

Midterm Exam #1	25%.
Midterm Exam #2	30%.
Final Exam	35%.
Homework	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.

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".

Midterm & Final Exams:

There are two midterm exams and one final exam for this course. The contents of the exams are NOT cumulative. For exam dates, times, and the topics covered, see the class schedule below. The final exam is scheduled by the University Registrar. Although it is rare for this date and time to change, the University Registrar does reserve the right to do so.

All exams are **open-book**. You should answer the questions using the WORD file sent to you and deliver your answers in PDFs. The graded exams won't be returned unless you explicitly request them.

You are allowed to work either individually or a group of up to two students. You will need to sign an honor code of not discussing the exams outside of your group members.

If you work in a group, you should write down **both your name and the individual** who you work with on the designated area of the exam. Failure to do so will result in lower grades. We will **only grade one of the exams unless you inform us otherwise** (e.g., your answers are different). In addition, you will submit your exam **individually**, even though you work in a group.

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.

Only your professor can grant permission to be excused from a scheduled exam because of a scheduling conflict or illness. Teaching assistants cannot grant such permission.

To be excused from a scheduled exam because of a scheduling conflict, students must provide documented evidence of the conflict. Only scheduling conflicts related to academic activities or university representation will be considered---internships, interviews, family vacations, or other travel plans are not acceptable scheduling conflicts. **Notify your professor of any conflict via email within two weeks of the start of classes.**

To be excused from a scheduled exam because of illness, students must consult with their professor and provide documented evidence of the illness. A “course absence report” in and of itself, does not excuse you from an exam. Minor illnesses, including upper respiratory infections (i.e., colds), or fatigue, are examples of unacceptable reasons for missing an exam. Illness during the time that a student had intended to study for an exam is not an acceptable reason for missing 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.

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.*

Homework:

There will be three homework assignments to be completed during the semester. The homework assignments will be posted on Canvas and announced in class. Homework assignments can be completed as part of a group, but **all homework must be submitted individually.**

Homework assignments must be submitted electronically through Canvas by 9 a.m. on the due date. Directions for submitting homework will be distributed via Canvas, and I

strongly encourage you to submit your homework answers well in advance of the 9 a.m. deadline. Late submissions, multiple submissions, and hard-copies are not accepted.

Because these homework assignments will be graded electronically, it is important that you submit the answers in the form indicated by the question. In particular, make sure that you submit the answers in the denomination requested (e.g., thousands of dollars or millions of dollars, etc.) and in the precision requested (e.g., rounded to the nearest third decimal, etc.). Homework Due Dates: Refer to Class Schedule.

Class Participation and Professionalism:

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 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.
- We expect that you will treat this course as a professional engagement. Please do not carry on private conversations during class in the chat room.
- 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.
- **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.
- This is an interactive class. 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. Note that I may be cold calling occasionally (but not in a mean way), so be prepared.
- I expect you to have your camera on.

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 and post-lecture versions of the lecture slides to Canvas. The syllabus also provides a reference to the relevant sections in the textbook together with select textbook problems that relate to the material in class. The textbook and problems serve as supplement to the lecture notes for those who want additional practice.

Students should come to class having reviewed the daily class slides and, on days with an assigned article, case study, 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. We suggest the following routine:

- Step #1: Before class, read the lecture slides, articles, and cases posted on Canvas.
- Step #2: Take notes in class and ask questions. After class, review the post-lecture notes which contain the solutions for the problems discussed in class.
- Step #3: **Ask questions in class. The class is highly interactive.**
- Step #4: If you are having difficulty, read the specified pages of the textbook and try the suggested problems to supplement your understanding of the material.
- Step #5: If you are still having difficulty, visit the TAs during their office hours. See the TA office hour schedule posted on Canvas for details.

Should you have any TECHNICAL questions, you should visit the support website <https://support.wharton.upenn.edu/help/working-remotely-students>. You can then contact the representatives, if these answers do not solve your problem. If you do not get a timely response (that is, within 24 hours), you should email them again and copy me on the email, which usually helps expedite the process.

Withdrawal from the Course:

In order to withdraw from the course, the student must meet the university deadline and requirements regarding withdrawals. If a student wishes to withdraw after the deadline, he/she 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.

Class Schedule (all of the topics listed below will be covered and **changes will be notified on canvas**)

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

1 Wed 1/20 **Introduction**

Slides: Session 1
TB Reading: Chapter 1

2 Mon 1/25 **Overview of Financial Statements**

Slides: Session 2
TB Reading: Chapters 1 and 2
Topics: The four financial statements
Textbook Probs: Chapter 1: M1-24, E1-28, E1-29, P1-38, P1-40
Chapter 2: P2-60

3 Wed 1/27 **Economic Events in Financial Statements**

Slides: Sessions 3 & 4
TB Reading: Chapters 2 and 3
Topics: Transaction analysis, T-accounts introduction, accounting for stock issuance.
Textbook Probs: M2-16, M2-19, M2-24, E2-35

4 Mon 2/1 **Income Statements**

Slides: Session 3&4
TB Reading: Chapters 2 and 3
Topics: Recording transactions, cash vs accrual accounting, revenue and expense recognitions
Textbook Probs: M2-25, M2-26

5 Wed 2/3 **Adjusting Entries**

Slides: Session 5
TB Reading: Chapters 2 and 3
Topics: Revenue and expense recognitions and adjusting entries
Textbook Probs: M2-28, E2-48, M3-22, M3-24, E3-32

6	Mon 2/8	Accounting Cycle	Slides: Session 6 TB Reading: Chapters 2 and 3 Topics: Depreciation, closing the books, Simpson Corp problems Textbook Probs: M2-27, E2-37, E2-46, E3-38
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7	Wed 2/10	Statement of Cash Flows	Slides: Sessions 7 TB Reading: Chapter 4 Topics: Cash flow statement and its construction TB Problems: M4-23, M4-26, M4-31, E4-34, E4-38, E4-41, E4-44 Add. Reading: Cash Never Flow Lies
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8	Mon 2/15	Statement of Cash Flows (continued)	Slides: Sessions 8 TB Reading: Chapter 4 Topics: Cash flow statement and its construction TB Problems: P4-51, P4-54 Add. Reading: Tesla Doubles Loss but Burns Less Cash
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Homework #1 due (by 9am)

9	Wed 2/17	Review Session for Midterm Exam #1	(Topics covered: Sessions #1 - #8, inclusive)
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10	Mon 2/22	Midterm Exam #1 (Open book; Post on Canvas 2/22/2021 9:00am EST and due on 2/23/2021 5:00pm EST)	(Topics covered: Sessions #1 - #9, inclusive)
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11	Wed 2/24	Accounts Receivable	Slides: Session 10 TB Reading: Chapter 6 TB Problems: M6-18, M6-20, E6-34, E6-35
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12 Mon 3/1 **Accounts Receivable**
 Slides: Session 11
 TB Reading: Chapter 6
 Case Problem: VF Corp; Barnes & Noble, Inc.

Drop period ends

13 Wed 3/3 **Inventory, Product Costing, and Cost of Goods Sold**
 Slides: Session 12
 TB Reading: Chapter 7
 TB Problems: M7-15, M7-19, M7-23

14 Mon 3/8 **Inventory, Product Costing, and Cost of Goods Sold (continued)**
 Slides: Session 13
 TB Reading: Chapter 7
 TB Problems: E7-26, E7-29, E7-31

SPRING BREAK

Wednesday, March 10 to Thursday, March 11

15 Mon 3/15 **Long-Lived Assets**
 Slides: Session 14
 TB Reading: Chapter 8

16 Wed 3/17 **Long-Lived Assets (continued)**
 Slides: Session 15
 TB Reading: Chapter 8
 TB Problems: M8-17, M8-21, E8-29, E8-32, E8-35

17 Mon 3/22 **Review Session for Midterm Exam #2**
 (Topics covered: Sessions #10 - #15, inclusive)

Homework #2 Due

18 Wed 3/24 **Midterm Exam #2 (Open book; Post on Canvas 3/24/2021 9:00am EST and due on 3/25/2021 5:00pm EST)**

(Topics covered: Sessions #10 - #16, inclusive)

Mon 3/29 **No Class**

19 Wed 3/31 **Long-Term Debt**

Slides: Session 17
 TB Reading: Chapter 9, Appendix A (Time-Value of Money)
 TB Problems: M9-21, M9-29, M9-31, M9-34

20 Mon 4/5 **Long-Term Debt (continued)**

Slides: Session 18-19
 TB Reading: Chapter 9, Appendix A (Time-Value of Money)
 TB Problems: M9-23, M9-26, E9-47

21 Wed 4/7 **Long-Term Debt (continued)**

Slides: Session 18-19
 TB Reading: Chapter 9, Appendix A (Time-Value of Money)
 TB Problems: M9-23, M9-26, E9-47

22 Mon 4/12 **No Class**

22 Wed 4/14 **Owners' Equity**

Slides: Session 20
 TB Reading: Chapter 11
 TB Problems: M11-20, M11-21, M11-25, M11-35, E11-45, E11-54

23 Mon 4/19 **Intercorporate Investment**
Slides: Session 21
TB Reading: Chapter 12
TB Problems: M12-21, M12-12, M12-13

24 Wed 4/21 **Intercorporate Investment II**
Slides: Session 22
TB Reading: Chapter 12
TB Problems: E12-33, P12-47

25 Mon 4/26 **Additional Topics and Catch up**
Slides: Session 23
Homework #3 Due on 4/26/2020 (by 9am)

26 Mon 4/28 **Review Session for Final Exam**
Slides: Session 24

27 **Final Exam (Open book; TBD)**
(Topics covered: Sessions #17 - #24, inclusive)
