

**INTRODUCTION TO FINANCIAL &  
MANAGERIAL ACCOUNTING  
ACCT 6130  
FALL 2024**



**Instructor**

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**Office Hours:**

By appointment.

**Welcome Wharton MBA Class of 2026!**

After a year on sabbatical visiting many business schools in Europe and South American, I am very happy to be back in the classroom! I am excited to meet you all and look forward to helping you become more knowledgeable and savvy consumers of corporate financial information. I also hope to convince you that accounting is far more interesting and important than you might have been led to believe!

**Course Objectives:**

This course provides an introduction to both financial and managerial accounting and emphasizes the analysis and evaluation of accounting information from the perspective of both investors as well as managers in the processes of planning, decision-making, and control. A large aspect of the course covers the fundamentals of financial accounting. The objective is to provide an overview of financial accounting and external reporting, including basic accounting concepts and principles, as well as the structure of the income statement, balance sheet, and statement of cash flows. The course also introduces elements of managerial accounting and emphasizes the development and use of accounting information for internal decisions. Topics include analysis of product and service costs, budgeting and forecasting, and relevant costs for internal decision-making. This course is recommended for students who will be making strategic and financial decisions in manufacturing and service operations, as well as those interested in financial services and general consulting, thinking of starting their own businesses, or simply seeking a broad understanding of corporate disclosure and financial reporting as it relates to shareholders, creditors, managers and other users of financial information (so, frankly, it's recommended for virtually anyone and everyone!).

**Course Website:**

The website for this course is on Canvas (<https://canvas.upenn.edu/courses/1797591>)

All times on the website and in this syllabus are Philadelphia time (Eastern Time)

**Course Material:**

**Textbook (required):** M. Hanlon, R. Magee, G. Pfeiffer, Kulp, X. and Drago, A., Financial & Managerial Accounting for Decision Makers, Wharton Custom Text, Fourth Edition, 2024, Cambridge Business Publishers. This textbook is customized specifically for our course. In the detailed schedule below, practice problems from the textbook are assigned to reinforce the material covered for each topic (referred to as ‘TB’). Solutions to the problems in the textbook are posted on the course website.

**Material on the Course Canvas Website (mostly accessed via “Modules” and “Files” tabs):**

The course’s Canvas page is the central repository for all material related to the course. On Canvas, you will find the following materials:

- **Recommended Pre-Class Textbook Readings and Post-Class Practice Problems:** These readings and problems are not required but provide helpful background and practice working with accounting concepts. Readings and questions are listed in the class schedule at the end of the syllabus. Solutions to textbook problems are also available on Canvas.
- **Cases and other in-class materials:** Cases or other materials that we will discuss in class.
- **Pre-Class Videos:** These videos, starring my former Wharton colleague and fellow ACCT6130 instructor Professor Jeremy Michels, cover core concepts related to class sessions. Watch these videos prior to the live class session and prior to attempting to complete the pre-class quizzes (each video is titled with a specific Class #).
- **Pre-Class Quizzes:** These short online quizzes are based on the content in the pre-class videos and **must be completed no later than 10am** on the day of the relevant class meeting (see the “Modules” tab on the Canvas webpage). These are discussed in more detail below.
- **Homework Assignments:** There are six online homework assignments, and one case write-up homework that will also be submitted online (discussed in more detail below).
- **Midterm and Final Exams:** Exams will be completed **in person** at the designated dates/times – more information below.
- **Practice Exams and Solutions:** Some recent midterm and final exams (along with solutions) will be provided on Canvas as we get closer to the exam dates.

**Grading Policy:**

Final course grades will be determined using the following weights:

|                   |             |
|-------------------|-------------|
| Pre-Class Quizzes | 20 %        |
| Homeworks         | 20 %        |
| Midterm Exam      | 25 %        |
| Final Exam        | 25 %        |
| Class Engagement  | <u>10 %</u> |
|                   | 100%        |

**Pre-Class Quizzes:**

Prior to most of the financial accounting classes, there will be a short on-line quiz consisting of about five questions (primarily multiple choice or true/false). These quizzes are meant to reinforce the material covered in the pre-class videos (as noted above, these videos were prepared by my former Wharton Accounting colleague and ACCT6130 instructor Professor Jeremy Michels and cover the core concepts related to the class sessions).

Pre-class financial accounting quizzes are **due by 10am on the day of the class session** to which they relate (for example, the pre-class quiz for Class #2 is due by 10am on Thursday, August 29<sup>th</sup>, which is the Class #2 date). You may attempt each financial accounting quiz up to **two** times, with each quiz attempt randomly selecting questions from a question bank. You will see your score after each attempt, and can then decide whether to take the quiz a second time – the highest score on either attempt will be the score recorded for that quiz (i.e., there is no downside to attempting the quiz twice – at the same time, if you get a perfect score on the first attempt, there is no benefit to taking the quiz a second time – unless you simply like taking quizzes, or better yet, wish to test your accounting knowledge!).

There are **thirteen (13)** financial accounting quizzes in total during the semester, and I will count your **eleven (11) highest scores** on the financial accounting quizzes toward your grade. Please see the Class Schedule below and the Canvas website for exact due dates and times for the financial accounting pre-class quizzes.

Later in the semester, when we reach the managerial accounting material, there are **three (3)** very short pre-class quizzes related of the case studies we will discuss in class (specifically, on the dates we cover the Forest Gump, Wilkerson, and Caribbean Brewers cases). These quizzes are again **due at 10am** on the date we cover the case in class. I will not grade these managerial accounting quizzes for correctness, but instead will count these quizzes towards your participation grade in the class (i.e., the point of these quizzes is to get you thinking about a key case issue as opposed to whether you have the “correct” answer).

**Homework Assignments:**

There are **seven (7)** homework assignments with due dates indicated below, and in the class schedule (and on Canvas). The homework assignments may be discussed in small study groups. However, the solution submitted by each student should be their own individual work. It is not acceptable to simply copy another student's work and submit it as your own.

**Homework assignments #1 through #6** will be made available on the course website and must be submitted via Canvas by the due date and time listed below. I will count your **highest 5 scores** on the financial accounting quizzes toward your grade.

**Homework #7** consists of preparing a written solution for the **Cash is King Case (all students are required to write up this case)**. NOTE: the Cash is King case is not particularly complicated, but it is numerically intensive and will take most students some time to complete (probably three to five hours, so please keep that in mind when fitting this assignment into your schedule.

The due dates and times for the homeworks are as follows:

|             |  |
|-------------|--|
| Homework 1: | Monday, September 9 <sup>th</sup> (11:59pm)                  |
| Homework 2: | Monday, September 23 <sup>rd</sup> (11:59pm)                 |
| Homework 3: | Monday, September 30 <sup>th</sup> (11:59pm)                 |
| Homework 4: | Monday, October 7 <sup>th</sup> (11:59pm)                    |
| Homework 5: | Monday, November 4 <sup>th</sup> (11:59pm)                   |
| Homework 6: | Monday, November 11 <sup>th</sup> (11:59pm)                  |
| Homework 7: | Tuesday, November 19 <sup>th</sup> (10am): Cash is King Case |

**Midterm & Final Exams:**

The MBA Program Office has scheduled our midterm exam for **Friday, October 11<sup>th</sup> from 11am-1pm**, and covers the material in sessions #1 through #12, inclusive.

The MBA Program Office has scheduled our midterm exam for **Monday, Dec. 9<sup>th</sup> from 7pm-9pm**, and covers the material in sessions #13 through #24, inclusive. Although it is rare for this date and time to change, the Program Office does reserve the right to do so.

Exams are closed book, but you are allowed to bring to each exam one piece of 8 ½" x 11" paper with notes. This paper may contain handwritten or typed (any font and size) notes. You may write on both sides. You are allowed to use a regular calculator during the exams.

In addition, each exam will be based in part on an excerpt of a financial statement, which will be provided to you a few days before the exam. Students should print out a copy of that excerpt and have it, with their notes on it, available during the exam.

It is the student's responsibility to attend examinations at the times and places specified. If a student cannot attend an examination, **it is their responsibility to notify the MBA Office** and the instructor prior to the exam (or as soon as possible). **Only** the MBA Office may grant a student authorization to be absent from an examination; **there are no exceptions to this rule**. In the event of an *authorized* absence from any exam, a make-up exam is given in **January 2025** during the official make-up exam period set by the Registrar. You will receive a final grade of "Incomplete" for the course pending the completion of the make-up exam. An unauthorized absence from an examination will result in a grade of zero for that examination.

If a student feels that an exam has been incorrectly graded, he/she should return the exam to me – *not a TA* – **within one week** of the return of the examination (requests made after that will not be considered). The student should submit the original copy of the completed examination together with a **written** note that carefully explains the point of contention. **The entire exam will be re-graded.**

### **Course Engagement and Conduct:**

Engagement grades are based on your attendance and participation in class, as well as what you add to the learning experience of the entire class. Students who consistently make contributions that facilitate class discussions will receive 5 points. No contribution, or consistently discourteous behavior or behavior that violates class protocols will result in zero class participation points. Contributions between the endpoints will receive between 1 and 4 points, accordingly.

### **Attendance:**

This course will be using APlus+ in Canvas for attendance. This application is new this year. You can find it in the left navigation list in Canvas. You will use this app to:

- Check into class for attendance.
- Submit an absence excuse request for days that you miss class.

### **Requesting recordings:**

This course will use the Class Recordings Permission link in Canvas for you to request access to view a video recording of class. The request for recordings is now separate from the request for an excused absence (new this year!). Please note that I will release all class videos about a week before the midterm and final so that you can use them for studying.

**Student Preparation:**

The course's Canvas website is organized into modules. The modules can be accessed on the left-hand side of the Canvas website and corresponds to a session on the class schedule. Each module is organized into activities you should complete prior to, during, or after that session's class period.

I recommend the following routine for each class session:

- 1) Pre-Class Activities:
  - a. Watch the pre-class videos the day prior to the scheduled class session.
  - b. Complete the pre-class quiz after watching the pre-class videos.
  - c. Reflect on what you find confusing, or which concepts could use additional clarification and come to class with any questions.
  - d. Read and reflect on any case study that is scheduled to be discussed in class that day.
- 2) Class-Day Activities:
  - a. Attend the class session and be amazed by the wonderful world of accounting.
- 3) Post-Class Actives:
  - a. Review solutions to any cases or problems discussed in class.
  - b. As necessary, review the recommend textbook readings and practice problems.
  - c. Work on and submit any homework assignment that might be due over the next few days on the material covered in class.

**Teaching assistants**

There are six 2<sup>nd</sup> year MBA students teaching assistants, all of which performed extremely well in introductory accounting last year. They will help me answer your questions via the discussion board on the Canvas site, hold office hours, and assist with most of the grading. **A weekly office hour schedule will be posted on Canvas.**

During office hours at least one TA will be present and will assist with questions about concepts, assigned problems/cases. Note that the TAs are jointly serving both ACCT6110 and ACCT 6130, so you may encounter students from both courses attending the same office hours.

The TAs for the course are as follows:

|                 |                            |
|-----------------|----------------------------|
| Sam Burke       | burkesam@wharton.upenn.edu |
| Kieran Desai    | kieranbi@wharton.upenn.edu |
| Sachin Doshi    | doshisac@wharton.upenn.edu |
| Arman Hassan    | akhassan@wharton.upenn.edu |
| Ashish Kulkarni | ashkulki@wharton.upenn.edu |
| Connor Mahoney  | cmahone@wharton.upenn.edu  |

**Ethics Matrix:**

The Wharton MBA Code of Ethics typically requests an Ethics Matrix for each class to provide ground rules and ethical guidelines for course materials and assistance from classmates or others. Below is the completed matrix for this course. If you have any questions about the matrix, please feel free to ask me.

|   | Materials   |                            |                        |                            |                        |                          |  | People  |                                  |  |  |                           |
|---|---|----------------------------|------------------------|----------------------------|------------------------|--------------------------|--|---|----------------------------------|--|--|---------------------------|
|   | Approved calculator                               | Laptop / other electronics | Summary sheet of notes | Current book / class notes | Past notes / summaries | Past exams / assignments | Internet content / other outside materials | Learning team / approved work team  | Other student(s) in same section | Student(s) in other sections (same term) | Wharton student not taking the class this term | Person outside of Wharton |
| In-Class Readings & Cases   | A   | A                          | A                      | A                          |                        |                          | A  | W   | W                                | W  |  |                           |
| Homework Problem Sets   | A   | A                          | A                      | A                          |                        |                          | A  | D   | D                                | D  |  |                           |
| In-Class Quizzes/Polls  | A   | A                          | A                      | A                          |                        |                          |  |   |                                  |  |  |                           |
| Midterm & Final Exams   | A   |                            | A                      |                            |                        |                          |  |   |                                  |  |  |                           |
|   | A = Allowed material<br>Shaded Cell = Not allowed |                            |                        |                            |                        |                          |  | W = Allowed to work together<br>D = Discussion of general concepts and procedures is allowed but no sharing of specific answers.<br>Shaded Cell = Not allowed |                                  |  |  |                           |
| <b><u>Other comments:</u></b>   |   |                            |                        |                            |                        |                          |  |   |                                  |  |  |                           |
| The information above covers many common situations but will not cover every circumstance. Remember: The <a href="#">Wharton MBA Code of Ethics</a> that you accepted requires, among other things, that you represent yourself and your work honestly, don't try to gain unfair advantage over other students, follow the instructor's guidelines and respect confidentiality of your work and the work of others. |   |                            |                        |                            |                        |                          |  |   |                                  |  |  |                           |
| Should you have questions, please contact your ethics liaison or professor.   |   |                            |                        |                            |                        |                          |  |   |                                  |  |  |                           |

**Class Schedule****Key**

- TB refers to the Hanlon, et al. textbook.
- CP refers to readings or problems in the Notes or Problems Course Pack.

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|   |     |       |                     |                            |
|---|-----|-------|---------------------|----------------------------|
| 1 | Tue | 08/27 | <b>Introduction</b> |                            |
|   |     |       | TB Reading:         | Chapter 1                  |
|   |     |       | TB Problems:        | M1-24, E1-29, E1-30, P1-38 |

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|   |     |       |  |   |
|---|-----|-------|--|---|
| 2 | Thu | 08/29 | <b>The Accounting Equation; Bookkeeping Basics; Introduction to Accrual Accounting</b> |   |
|   |     |       | <b>Pre-Class Quiz:</b>   | <b>Class #2: Due at 10am</b>                                      |
|   |     |       | Case:  | Animatronics: Step 1  |
|   |     |       | TB Reading:  | Chapter 2   |
|   |     |       | TB Problems:   | Chapter 2: M2-17, M2-26, E2-34, E2-46, M2-18, M2-19, M2-28, E2-35 |

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|   |     |       |   |  |
|---|-----|-------|---|--|
| 3 | Tue | 09/03 | <b>Adjusting Entries and Preparing Financial Statements</b> |  |
|   |     |       | <b>Pre-Class Quiz:</b>                                      | <b>Class #3: Due at 10am</b>                               |
|   |     |       | Case:   | Animatronics: Steps 2 – 4                                  |
|   |     |       | TB Reading:   | Chapter 3  |
|   |     |       | TB Problems:  | Chapter 3: M3-23, M3-24, M3-27, M3-28, E3-39, E3-40, E3-49 |

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|   |     |       |                                   |                              |
|---|-----|-------|-----------------------------------|------------------------------|
| 4 | Thu | 09/05 | <b>Balance Sheet Presentation</b> |                              |
|   |     |       | <b>Pre-Class Quiz:</b>            | <b>Class #4: Due at 10am</b> |
|   |     |       | TB Problems:                      | P2-57, P2-58, P2-66, P3-56   |

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|  |     |      |   |  |
|--|-----|------|---|--|
|  | Mon | 9/09 | <b>Homework #1 (due at 11:59pm)</b>     |  |
|  |     |      | (Topics covered: Dual Entry Accounting) |  |

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|   |     |       |                            |   |
|---|-----|-------|----------------------------|---|
| 5 | Tue | 09/10 | <b>Revenue Recognition</b> |   |
|   |     |       | <b>Pre-Class Quiz:</b>     | <b>Class #5: Due at 10am</b>                    |
|   |     |       | TB Reading:                | Chapter 2, p. 54-56; Chapter 6, p. 274-279      |
|   |     |       | TB Problems:               | M6-14, M6-16, M6-26, E6-34, E6-37, E6-48, E6-50 |

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**6 Thu 09/12 Statement of Cash Flows****Pre-Class Quiz: Class #6: Due at 10am**

Case: Animatronics: Step 5

TB Reading: Chapter 4

TB Problems: M4-24, M4-26, M4-31, E4-35

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**7 Tue 09/17 Statement of Cash Flows (continued)****Pre-Class Quiz: Class #7: Due at 10am**

Case: Callaway Golf

TB Reading: Chapter 4

TB Problems: E4-40, E4-42, E4-44, P4-51, P4-54

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**8 Thu 09/19 Accounts Receivable****Pre-Class Quiz: Class #8: Due at 10am**

TB Reading: Chapter 6, pages 14-28

TB Problems: M6-18, M6-19, M6-21, M6-22, E6-39, E6-41, E6-45

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**Mon 9/23 Homework #2 (due at 11:59pm)**

(Topics covered: Statement of Cash Flows)

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**9 Tue 09/24 Inventory****Pre-Class Quiz: Class #9: Due at 10am**

TB Reading: Chapter 7; Appendix 7A

TB Problems: M7-15, M7-16, M7-23, E7-33, E7-34

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**10 Thu 09/26 Long-Lived Assets****Pre-Class Quiz: Class #10: Due at 10am**

TB Reading: Chapter 8, pages 1-17

TB Problems: M8-11, M8-15, E8-29, P8-44

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**Mon 09/30 Homework #3 (due at 11:59pm)**

(Topics covered: Accounts Receivable and Inventory)

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**11 Tue 10/01 Long-Lived Assets (continued)****Pre-Class Quiz: Class #11: Due at 10am**

Case: TBD  
 TB Reading: Chapter 8, pages 17-24  
 TB Problems: E8-36, E8-37, C8-51

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Thu 10/03 **Fall Break – No Class**

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Mon 10/07 **Homework #4 (due at 11:59pm)**  
 (Topics covered: Long-Lived Assets)

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12 Tue 10/08 **Introduction to Financial Statement Analysis**

TB Reading: Chapter 5  
 TB Problems: M5-15, M5-16, M5-17, E5-31

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Fri 10/11 **Midterm Exam (11am-1pm)**

(Topics covered: Sessions #1 – #12, inclusive)

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13 Tue 10/22 **Long-Term Debt**

TB Reading: Chapter 9, Appendix A (Time-Value of Money)  
 TB Problems: M9-26, M9-36, M9-39, M9-42, E9-45

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14 Thu 10/24 **Long-Term Debt (continued), and Commitments and Contingent Liabilities**

**Pre-Class Quiz: Class #14: Due at 10am**

Case: TBD  
 TB Reading: Chapter 10, p. 36-39  
 TB Problems: M9-29, E9-44, E9-45, E9-58, P9-67, M10-15, M10-16, P10-47

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15 Tue 10/29 **Commitments and Contingent Liabilities (continued), and Accounting for Taxes (begin)**

**Pre-Class Quiz: Class #15: Due at 10am**

TB Reading: Chapter 10, p. 25-36  
 TB Problems: M10-30, E10-43, E10-44, P10-52, P10-53

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16 Thu 10/31 **Accounting for Taxes (continued)/Stockholders' Equity (begin)**

**Pre-Class Quiz: Class #16: Due at 10am**

TB Reading: Chapter 10, p. 25-36

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Mon 11/4 **Homework #5 (due at 11:59pm)**

(Topics covered: Long-Term Debt and Contingent Liabilities)

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17 Tue 11/05 **Stockholders' Equity (continued)**

Case: PepsiCo

TB Reading: Chapter 11, Appendix 11A

TB Problems: M11-20, M11-21, M11-22, M11-26, M11-35, M11-40, M11-41, E11-62

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18 Thu 11/07 **Managerial Accounting & Cost Concepts**

TB Reading: Ch. 13, 14 (pages 1 – 12 and 21-23) and 15

TB Problems: M13-15, E13-24, M14-11, M14-14, E14-28  
M15-14, M15-19, E15-33, P15-39

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Mon 11/11 **Homework #6 (due at 11:59pm)**

(Topics covered: Taxes and Stockholders' Equity)

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19 Tue 11/12 **Cost Concepts (continued)**

**Pre-Class Quiz: Class #19 (Forest Gump Case): Due at 10am**

Case: Forest Gump

TB Reading: Chapter 16

TB Problems: M16-12, M16-15, M16-20, E16-28, E16-33

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20 Thu 11/14 **Cost Allocation and Activity-Based Costing**

**Pre-Class Quiz: Class #20 (Wilkerson Case): Due at 10am**

Case: Wilkerson Company

TB Reading: Chapter 17, pages 1 – 22, Chapter 18

TB Problems: M17-14, M17-16, E17-26, E17-30, E17-31, P17-45  
M18-10, M18-16, E18-21, E18-25, E18-29, E18-30

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21 Tue 11/19 **Budgeting, Planning and Financing**

**Homework #7: Cash is King Case Write-up**

Case: Cash is King

TB Reading: Chapter 21

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22 Thu 11/21 **Decentralization and Transfer Pricing**

**Pre-Class Quiz: Class #22 (Caribbean Brewers Case): Due at 10am**

Case: Caribbean Brewers

TB Reading: Ch. 23, pages 8 – 14

TB Problems: M23-17, M23-18, M23-19, E23-25, E23-27,  
P23-40

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23 Tue 11/26 **NO CLASS**

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24 Tue 12/03 **Final Review and Course Wrap-Up**

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Mon 12/09 **Final Exam (7pm-9pm: Note that this is a tentative date set by the Program Office, and subject to change)**

(Topics covered: Sessions #13 - #24, inclusive)

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