

**INTRODUCTION TO FINANCIAL &
MANAGERIAL ACCOUNTING
ACCT 613
FALL 2021**



(VERSION 8/17/2021)

Instructor

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Office Hours:

Monday 12:30 pm – 2:00 pm, in 1309 SHDH

Wednesday 12:30 pm – 2:00 pm, virtually (via Zoom)

Or by appointment.

Note: all times in this syllabus are Philadelphia (Eastern) time.

Course Objectives:

This course provides an introduction to both financial and managerial accounting. 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. A significant portion 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 cost behavior and analysis, product and service costing, and relevant costs for internal decision-making. This course is recommended for students who will be using accounting information for making strategic decisions in manufacturing and service operations, as well as those going into general consulting, thinking of starting their own businesses, or simply seeking a broad understanding of accounting and financial reporting as it relates to shareholders, creditors, managers, and other users of financial information.

Course Website:

The website for this course is on Canvas (<https://canvas.upenn.edu/courses/1589645>)

Course Material:

- **Textbook (required):** Dyckman, T., M. Hanlon, R. Magee, G. Pfeiffer, A. Hartgraves, and W. Morse, *Financial & Managerial Accounting for MBAs*, 3. Ed., Wharton Custom Edition, 2019, Cambridge Business Publishers. The publisher has customized this textbook for our course. It is available from the Penn Bookstore or the publisher (<https://mybusinesscourse.com/book/wharton-fa-custom#purchase>).
- In the detailed schedule at the end of this syllabus, I recommend practice problems from the textbook to reinforce the material covered for each topic (I refer to ‘TB’ for the textbook in the syllabus). Solutions to the problems in the textbook are posted on the course website.

Material on the Course Canvas Website:

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

- **Pre-Class Videos:** these videos cover the core concepts related to each class session. Watch these videos before the live class session.
- **Pre-Class Quizzes:** these short quizzes are based on the pre-class videos and are due the day before the class meeting.
- **Pre-Class Questions:** Post questions you have after watching the pre-class videos and completing the pre-class quiz. I will answer as many of these questions at the beginning of the class as possible. I will not reveal the identity of the students who asked the questions.
- **Recommended Textbook Readings and Problems:** These readings and problems are not required but may provide helpful background material and practice working with the accounting concepts. The readings and questions associated with each class session are given in the class schedule at the end of this syllabus. Solutions to textbook problems are also available on Canvas.
- **In-class materials:** Cases or other materials that we will discuss in class will be posted to Canvas in advance. Please have these materials available during the class meeting.
- **Homework Assignments:** These are discussed in more detail below.
- **Exam Practice Problems and Solutions:** A few old midterms and final exams (along with solutions) will be provided as we get closer to the exam dates.

Grading Policy:

Final grades will be determined using the following weights:

Midterm Exam	25 %
Final Exam	25 %
Pre-Class Quizzes	20 %
Post-Class Quizzes	10 %
Homework	10 %
Engagement	10 %

Midterm & Final Exams:

The midterm exam is scheduled for **Wednesday, October 13, 7 pm – 9 pm**, and covers the material in sessions #1 through #12, inclusive. I will provide details on the administration of the exam closer to the exam day.

The final exam is scheduled by the University Registrar and covers the material in sessions #13 through #24, inclusive. The final exam date and time have yet to be scheduled. I will provide details on the administration of the exam closer to the exam day.

Exams will be administered through Canvas. Graded exams will also be made available through Canvas. If you feel that your exam has been incorrectly graded, you should contact me with a regrade request **within one week** of the graded exam being made available (requests made after that will not be considered). In your regrade request, please include a note that carefully explains the point of contention. **I will regrade the entire exam.**

It is your responsibility to complete the exam during the scheduled time. If you cannot complete an exam during the scheduled time, **please notify the MBA Office** and me as soon as possible.

Pre- and Post-Class Quizzes:

Prior to most classes, there will be a short quiz consisting of about 4-5 questions (primarily multiple choice). These quizzes are meant to reinforce the material covered in the pre-class videos. Pre-class quizzes are generally due by 11:59 pm the day before the class session to which they relate.

Following most classes, there will be a short quiz consisting of 2-3 questions relating to a company's financial statements. These quizzes are meant to provide practice in applying the concepts covered in the class session. Post-class quizzes are generally due by 11:59 pm the day before the **next** class session.

Please see Canvas for exact due dates and times for pre- and post-class quizzes.

Homework Assignments:

The homework assignments consist of two case write-ups. First, you must prepare a written solution for either the Wilkerson Company Case or the Caribbean Brewers Case. This homework assignment must be submitted **via Canvas** by the beginning of class when the respective case is on the class schedule. You only need to complete one of these two cases. The case solutions may be discussed in groups, but the write-up submitted must be your own work.

The second homework consists of preparing a written solution for the Cash is King Case. This write-up must also be submitted via Canvas by the beginning of the class for which the case is scheduled.

The due dates and times for the homework problem sets are as follows:

Homework 1: Choose and prepare a solution for one of the following:
Wilkerson Company Case (November 29, by the beginning of class)
Caribbean Brewers Case (December 6, by the beginning of class)

Homework 2: Cash is King Case (December 1, by the beginning of class)

Course Engagement and Conduct:

Engagement grades are based on what you add to the learning experience of the entire class. Students who consistently make contributions (either in-class or via Canvas) that facilitate discussions, help to clarify technical points, or provide new insights will receive full points. No contribution or contributions that are obvious, confusing, or peripheral will result in zero points. Consistently discourteous behavior will also result in zero class participation points.

Student Preparation:

The course's Canvas website is organized into modules. Each module corresponds to a session on the class schedule.

Each module is organized into activities you should complete before, 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 at least one day before 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 ask a question through the pre-class survey on Canvas. If you do not have any questions, you can simply enter "got it" in the survey.

- 2) In-Class Activities:
 - a. Attend the class session.
 - b. Be sure to have available any cases or other discussion items for that day's class.

- 3) Post-Class Activities:
 - a. Complete the post-class quiz.
 - b. Review your performance on the pre-class quiz.
 - c. As necessary, review the recommended textbook readings and practice problems.
 - i. Some students will find reviewing the textbook before class more helpful.

Teaching Assistants and Review Sessions:

There are five teaching assistants for the course. Irina is an accounting Ph.D. candidate. The other four TAs are second-year MBA students who performed extremely well in the introductory financial accounting course last year. The TAs will hold regular office hours according to the schedule posted on Canvas.

During office hours, one of the TAs will be present and will assist with questions about concepts, assigned problems/cases, or homework problems (however, they will not give you the solution to the homework assignments). The TAs may also periodically go over cases or homeworks recently covered in class (or work through practice exam problems). Note that the TAs are jointly servicing both ACCT611 and ACCT613, so you may encounter students from both courses attending the same office hours.

The five TAs for the course are as follows:

Irina Luneva	iluneva@wharton.upenn.edu
Mike Adams	adamsmj@wharton.upenn.edu
Brandon Fix	bfix@wharton.upenn.edu
Patrick Nikong	pnikong@wharton.upenn.edu
Vikramveer Thakore	vthakore@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.

ACCT 613 Financial & Managerial Accounting	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 Case Write-ups	A	A	A	A			A	D	D	D		
Pre/Post-Class Quizzes	A	A	A	A	A		A					
Midterm & Final Exams	A	A	A	A	A	A	A					
	A = Allowed material Shaded Cell = Not allowed							W = Allowed to work together D = Discussion of general concepts and procedures is allowed but no sharing of specific answers. Shaded Cell = Not allowed				
<u>Other comments:</u>												
The information above covers many common situations but will not cover every circumstance. Remember: The Wharton MBA Code of Ethics 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 Dyckman et al. textbook (Wharton custom edition); x-y means problem y in chapter x of the textbook.

1	Mon	8/30	Introduction
			TB Reading: Chapter 1
			TB Problems: M1-24, E1-28, E1-29, P1-38, P1-40

2	Wed	9/1	The Accounting Equation; Bookkeeping Basics; Introduction to Accrual Accounting
			Case: Animatronics: Step 1
			TB Reading: Chapter 2
			TB Problems: Chapter 2: M2-18, M2-19, M2-26, E2-35, E2-44, P2-66

3	Wed	9/8	Adjusting Entries and Preparing Financial Statements
			Case: Animatronics: Steps 2 – 4
			TB Reading: Chapter 3
			TB Problems: Chapter 3: M3-22, M3-24, E3-32, P3-42, P3-49

4	Mon	9/13	Balance Sheet Presentation
			TB Reading: Chapter 1, Appendix 1A
			TB Problems: E1-35, M2-21, M2-23, E2-40

5	Wed	9/15	Revenue Recognition
			Case: Salesforce
			TB Reading: Chapter 2, p. 54-56; Chapter 6, p. 274-279
			TB Problems: M6-14, M6-17, E6-27, E6-31, E6-33

6	Mon	9/20	Statement of Cash Flows
			Case: Animatronics: Step 5
			TB Reading: Chapter 4
			TB Problems: M4-23, M4-26, M4-31, E4-34, E4-38, E4-41, E4-44

7	Wed	9/22	Statement of Cash Flows (continued)
			Case: Callaway Golf
			TB Reading: Chapter 4
			TB Problems: P4-51, P4-54

8	Mon	9/27	Accounts Receivable
			Case: Omnicell
			TB Reading: Chapter 6
			TB Problems: M6-18, M6-20a-b, E6-34, E6-35, E6-38

9	Wed	9/29	Inventory, Product Costing, and Cost of Goods Sold
			Case: TBD
			TB Reading: Chapter 7; Chapter 17, p. 830-835
			TB Problems: M7-15, M7-19, M7-20, E7-26, E7-29, E7-31, M17-14

10	Mon	10/4	Long-Lived Assets
			TB Reading: Chapter 8
			TB Problems: M8-11, M8-14, E8-24, P8-36

11	Wed	10/6	Long-Lived Assets (continued)
			Case: TBD
			TB Reading: Chapter 8
			TB Problems: M8-17, E8-29, E8-35, P8-39

12	Mon	10/11	Introduction to Financial Statement Analysis (FSA)
			TB Reading: Chapter 5
			TB Problems: M5-14, M5-18, M5-24, E5-32, E5-33, E5-34

	Wed	10/13	Midterm Exam (7pm – 9pm)
			(Topics covered: Sessions #1 – #12, inclusive)

13 Mon 10/25 Long-Term Debt

Case: Starbucks (begin)
TB Reading: Chapter 9, Appendix A (p. 638, Time-Value of Money)
TB Problems: M9-21, M9-22, M9-28, M9-31, M9-34, E9-40

14 Wed 10/27 Long-Term Debt (continued) and Leases

Case: Starbucks (continue)
TB Reading: Chapter 10, p. 464-476
TB Problems: M9-23, M9-26, E9-47, P9-53
M10-13, M10-15, E10-26, E10-27

15 Mon 11/1 Commitments and Contingencies

Case: McKesson Corp
TB Reading: Chapter 10, p. 498-499
TB Problems: E10-29, P10-38

16 Wed 11/3 Deferred Taxes

TB Reading: Chapter 10, p. 486-497
TB Problems: M10-23, E10-34, E10-35, P10-41, P10-42

17 Mon 11/8 Owners' Equity

Case: PepsiCo
TB Reading: Chapter 11
TB Problems: M11-20, M11-21, M11-25

18 Wed 11/10 Owners' Equity (continued)

Case: TBD
TB Reading: Chapter 11
TB Problems: M11-35, E11-45, E11-54

19 Mon 11/15 Managerial Accounting & Cost Concepts

TB Reading: Chapters 13 and 15
TB Problems: Chapter 13: M13-13, M13-19, E13-25
Chapter 15: M15-11, M15-12, M15-16, E15-25

20	Wed	11/17	Cost Concepts (continued)
			Case: Forest Gump
			TB Reading: Chapter 16
			TB Problems: M16-12, M16-14, M16-16, E16-21, E16-25

21	Mon	11/29	Cost Allocation and Activity-Based Costing
			Case: Wilkerson Company (HW #1)
			TB Reading: Chapters 14 and 18
			TB Problems: Chapter 14: M14-11, M14-14, P14-27 Chapter 18: M18-10, M18-13, M18-16, E18-22

22	Wed	12/1	Budgeting and Planning
			Case: Cash is King (HW #2)
			TB Reading: Chapter 21
			TB Problems: M21-19, M21-20, E21-27

23	Mon	12/6	Decentralization and Transfer Pricing
			Case: Caribbean Brewers (HW #1)
			TB Reading: Chapter 22, p. 990-993 Chapter 23, p. 1037-1042
			TB Problems: Chapter 22: C22-42 Chapter 23: M23-19, E23-24, C23-40

24	Wed	12/8	Final Review and Course Wrap-Up
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TBD	12/X	Final Exam (date and time to be determined by registrar)	
		(Topics covered: Sessions #13 – #24, inclusive)	
