

The Wharton School
University of Pennsylvania

ACCT 6130

Fundamentals of Financial and Managerial Accounting

Fall 2025

Instructor

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Office hours

Tuesdays, 2:30-4:00pm and by appointment.

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 and 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 cost behavior and analysis, product 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 interested in financial services, 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!).

Required Course Materials

Textbook (TB): 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.

Materials on Course Website, “Canvas site” (<https://canvas.upenn.edu/courses/1811048>):

Log in to “Canvas” with your PennKey and password. On this site you will find:

- Lecture slides
- **Practice Problems – financial statement applications to be discussed in class and practice problems to be prepared outside of class.**
- Notes – an outline and condensed notes for each topic.
- Articles– interesting news articles related to each topic to show you how accounting is relevant!
- Attendance Check in Link through aPlus+
- Class Recording Requests through Class Recording Permissions
- Announcements
- Discussion Board
- Quizzes, including Homeworks
- Solutions
- Old Exams
- Recordings
- Zoom links, as needed
- Grades

Grading

Your course grade will be determined as follows:

Class engagement	10 pts.
Quizzes (5 total)	10 pts.
Homework assignments (4 total)	16 pts.
Midterm exam	30 pts.
Final exam	34 pts.
Total	<u>100 pts.</u>

Quizzes: There will be 7 online quizzes during the term, of which I will count your top 5 scores. These are simple and are designed to ensure that you are keeping up with the material. They will be available before the class in which the material is taught and due the evening after the material is taught – to encourage you to be prepared for class and clear up any issues in class. These are individual assignments. You will find these assignments in Canvas under “Quizzes.”

Homework Assignments: There will be 5 online homework assignments during the term, of which I will count your top 4 scores. These are more complex and will be similar to exam questions (as well as Practice Problems!). These are individual assignments. They will be due after the material is covered in class.

Class Engagement:

There are several ways you can engage in class.

- a. *Contribute to class discussion:* Students who consistently make contributions that facilitate discussion, help to clarify technical points, or provide new insights will receive the maximum class participation grade. **You cannot contribute if you are not there, so attendance matters.** Further, contributions that are obvious, peripheral, or beyond the scope of the class will result in no points.

Please note that there are no penalties for “wrong” answers; it is the attempt to thoughtfully reason through or identify a problem that is valued and adds to the learning experience for everyone. Reward is **not given for quantity** of comments. In fact, students who monopolize the conversation may have points deducted. With more than 70 students in each class, everyone cannot comment substantively each class meeting, but you should be a contributor in at least one of the cases as well as some of the other problems and articles we discuss in class.

- b. *Participate in polls during and prior to class.* Staying engaged in class is helpful for your learning and the learning of others. This is a great way to shore up the class discussion component.
- c. *Post relevant articles* on the Canvas Discussion Board that help your classmates (and me!) understand the real-world implications of topics discussed in class. These should be from credible sources, not repetitive of classmates’ posts or class discussion, and generally not considered “spam” or inappropriate by any of us.
- d. *Answer questions on the discussion board.* If you know the answer to one of your classmates’ questions and I or the TAs have not responded yet, helping them out is a great way to add to the learning of the entire class.

Cases: Cases are designed to reinforce your understanding of material covered in class (i.e., as review) and to give you an appreciation of the complexities involved in actual financial statements and financial and managerial reporting issues that is necessary if you want to be a “sophisticated” user of financial information.

There are **four** cases that we will discuss in class. You should read the cases and work through the case questions prior to class. You may discuss the case in groups. During case discussions I will use polls and warm calling to assess if you understand the material and motivate an interesting discussion. Your contribution to the discussion of cases will determine part of your class engagement grade.

AI Policy:

You may not use generative AI or the work of others (plagiarism) when completing quizzes or preparing homework assignments or cases. This will be considered a violation of the Wharton Code of Ethics and will be reported to the MBA Ethics Committee.

Perhaps more importantly, you will not learn optimally if you engage in this behavior. Working through issues will solidify your understanding and allow you to take the knowledge with you.

Class Protocol: The classroom is intended to be a place where the student’s opportunity to learn is maximized. My hope is to create an environment where students feel free to share their views, where students are comfortable expressing confusion or disagreement, and where participants respect the opinions and time of all others in the room. As a starting point to achieve this, I require all of us to abide by the following set of norms at Wharton:

From the Wharton Learning Agreement:

- Arrive on time and ready to begin. I had a teacher a while ago who had a sign hanging in the classroom that said, “**Early is on time and on time is late.**” That’s a good motto to live by.
- Please do not go in and out of the classroom. Leaving is disturbing to everyone around you.
- Display your name plate.
- Turn off and put away your phone. If you must keep a phone on by reason of a personal emergency, you should inform me before class begins.
- Only flat laptops or tablets are permitted in class. Do not use your laptop or tablet for anything other than class while in class. I know it’s tempting, but it’s also distracting to those around you. And it’s kind of rude.

Attendance:

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

- Check into class for attendance.
- Submit an excused absence 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. 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.

Midterm and Final Exams

The midterm and final exams are closed book, but students may bring one 8½ x 11 sheet of paper with notes written on it. In addition, each exam will be based in part on an excerpt of a financial statement and students should print out a copy of that excerpt and have it, with their notes on it, available during the exam.

The midterm exam is scheduled for **Friday, October 3 from 3pm – 5pm**. The final exam is not cumulative; however, the material is, in some sense, cumulative. The final exam is scheduled for **Friday, December 5 from 2pm – 4pm**. You must take the exams at the scheduled times and places (see the schedule at the end of this syllabus). Make-up examinations will not be provided except in extraordinary circumstances. If you cannot take an exam at the scheduled time and place, you must **notify me and the MBA Program Office prior to the exam** (or as soon as possible in the case of unexpected medical emergencies). Only the MBA Program Office may authorize you to be absent from an exam. **An unauthorized absence from an exam will result in a grade of zero for that exam.**

Grading disputes: You may disagree with the point allocation on exams. All grading disputes must be appealed in writing within one week following the return of the exam (unless otherwise noted). A request for a re-grade will not be considered if it is submitted more than one week after the return of the exam (or after the specified deadline). To have an exam re-graded, you must submit your original exam with a written description of your disagreement with the initial grade which describes why you think your answer is correct. Requests such as “please regrade my exam” or “please regrade Question 5” without a description of why will not be honored. I reserve the right to review the entire exam.

Teaching assistants

There are six teaching assistants for the course, all of whom are 2nd year MBA students who 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 or problems/cases/homework. 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:

Chase Binkley	cbinkley@wharton.upenn.edu
Juan Crestanello	juanpre@pennareylaw.upenn.edu
Pedro (Kenzo) Jukemura	pekenzo@wharton.upenn.edu
Chithira Mamallan	chithira@wharton.upenn.edu
Caterina Ragnoli	ragnolic@wharton.upenn.edu
Abigal Wax	abbywax@wharton.upenn.edu

Pro Tips for Preparing for Class:

Like anything, you get better at accounting with practice! Here is my suggestion for the best way to prepare for class:

- **Prior to class, read the material assigned for the day.** This will include portions of the required textbook or Notes. The text material presents the basic mechanics that must be mastered before one can become an effective user of financial statements. The Notes are a condensed version of each topic. Students who don't feel the need to work through the examples in the textbook chapter may find the notes to be "quicker." However, students with weaker backgrounds or who are struggling with a topic are advised to work through the material in the text. The Notes should be a useful summary of the material for later use (exams and life after Wharton).
- **Prior to class, do some assigned text problems.** This will allow you to know if you understand what you read and to ask helpful questions in class. You are not expected to work through each of the textbook and practice problems before class. Extra problems are there for practice and to help you check (or double check) your mastery of the material after class. Solutions to textbook problems are posted on Canvas.
- **After class, work through some practice problems.** These often require more involved analysis than the textbook problems. These materials also include examples extracted directly from published financial statements to allow students to familiarize themselves with using real statements rather than simplified 'textbook' examples. In many instances, these problems are from prior exams. We will often spend some portion of the class time discussing these problems. The practice problems also provide a great way to review for the exams. The solutions to these practice problems are provided, but resist the urge to look at them first!
- **Prior to class, read any case that is assigned for discussion.** These are usually more in-depth, have greater nuance, and will represent the culmination of a topic.
- **To prepare for an exam or homework assignment, work through additional practice problems and old exams.** Remember, accounting is a subject you can only truly learn by **working problems**. The material in the course is cumulative and it takes some time to soak in. You cannot wait until the night before the exams and expect to successfully cram and memorize. This will not help you on the exams, and it certainly will not help you retain anything after the course is over.

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 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 Hanlon, et al. textbook.
- Notes are found on Canvas under Files
- PP refers to Practice Problems which are found on Canvas under Files.

1	Tue	08/26	Introduction	Readings: TB: Chapter 1 Notes: Introduction Problems: TB: M1-24, E1-29, E1-30, P1-38 PP: None
2	Thu	08/28	Balance Sheet and Accounting Mechanics	Readings: TB: Chapter 2, pages 1 – 12 Notes: Accounting Process - Balance Sheet Problems: TB: M2-17, M2-26, E2-34, E2-46 PP: Eli Lilly, Travelers Insurance, Harker Co.
3	Tue	09/02	Income Statement and More Accounting Mechanics	Readings: TB: Chapter 2, pages 12 – 30. Chapter 3 Notes: Accounting Process - Income Statement Problems: TB: M2-18, M2-19, M2-28, E2-35, P2-57, P2-58, P2-66, M3-23, M3-24, M3-27, M3-28, E3-39, E3-40, E3-49, P3-56 PP: ABC Merchandise
Tue 09/02 Quiz #1 due at 11:59pm			Topic: Revenue and Expenses	
4	Thu	09/04	Revenue Recognition	Readings: TB: Chapter 6, pages 1 – 14 Notes: Revenue Recognition Problems: TB: M6-14, M6-16, M6-26, E6-34, E6-37, E6-48, E6-50 PP: Cracker Barrel
Mon 09/08 Homework #1 due at 11:59pm			Topic: Dual Entry Accounting	
5	Tue	09/09	Statement of Cash Flows	Readings: TB: Chapter 4 Notes: Statement of Cash Flow Problems: TB: M4-24, M4-26, M4-31, E4-35, PP: Simple Inc., Gains and Losses, ABC Merchandise

6 Thu 09/11 **Statement of Cash Flows, continued**
 Readings: TB: Chapter 4
 Notes: Statement of Cash Flow
 Problems: TB: E4-40, E4-42, E4-44, P4-51, P4-54
 PP: Psilos, La-Z-Boy

7 Tue 09/16 **Accounting Foundations: Wrap up and Financial Statement Analysis**
 Readings: TB: Chapter 5
 Notes: Financial Statement Analysis
 Problems: TB: M5-15, M5-16, M5-17, E5-31
 PP: Kohl's & Dillard's
Case: Chemalite, Inc.

Thu 09/18 Quiz #2 due at 11:59pm Topic: Accounts Receivable
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8 Thu 09/18 **Accounts Receivable**
 Readings TB: Chapter 6, pages 14 – 28
 Notes: Accounts Receivable
 Problems: TB: M6-18, M6-19, M6-21, M6-22, E6-39, E6-41, E6-45
 PP: DHC, Inc., Larcker Liquor, Columbia Sportswear

Mon 09/22 Homework #2 due at 11:59pm Topic Primary Financial Statements
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9 Tue 09/23 **Inventory**
 Readings: TB: Chapter 7, Appendix 7A
 Notes: Inventory
 Problems: TB: M7-15, M7-16, M7-23, E7-33, E7-34
 PP: ICF, Hershey

10 Thu 09/25 **Long-lived Assets: Property, plant, and equipment**
 Readings: TB: Chapter 8, pages 1 – 17
 Notes: Long-Lived Assets Notes
 Problems: TB: M8-11, M8-15, E8-29, P8-44
 PP: Alaska Airlines

Mon 09/29 Homework #3 due at 11:59pm Topic: A/R, Inventory & PPE

- 11 Tue 09/30 **Long-lived Assets: Intangible assets In-class Midterm Review**
 Readings: TB: Chapter 8, pages 17 – 24
 Notes: Long-Lived Assets
- Problems: TB: E8-36, E8-37, C8-51
 PP: Alaska Airlines

Tue 09/30 Quiz #3 due at 11:59 Intangible Assets

- 12 Thu 10/02 **Finish Intangible Assets/Midterm Review**

Wed 10/01 Review Session (Remote via Zoom, 5:00pm – 6:30pm)
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Fri 10/03 Midterm Exam, 3p – 5p (Sessions 1-12, through Long-term Assets)
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Tue 10/21 Quiz #4 due at 11:59pm Topic: Long-term Debt

- 13 Tue 10/21 **Long-term Debt: Present Value, Notes, and Mortgages**
 Readings: TB: Chapter 9
 Notes: Long-term Liabilities
- Problems: TB: M9-26, M9-36, M9-39, M9-42, E9-45
 PP: Munson Grocery

- 14 Thu 10/23 **Long-term Debt: Bonds**
 Readings: TB:
 Notes: Long-term Liabilities
- Problems: TB: M9-29, E9-44, E9-45, E9-58, P9-67, M10-15,
 M10-16, P10-47
 PP: LTD, Inc.

Tue 10/28 Quiz #5 due at 11:59pm Topic: Income Taxes

- 15 Tue 10/28 **Long-term Debt: Contingent Liabilities/Accounting for Taxes (Begin)**
 Readings: TB: Chapter 10 (“Contingencies”), pages 36 – 39
 Notes: Long-term Liabilities
- Problems: TB: M9-29, E9-44, E9-45, E9-58, P9-67, M10-15,
 M10-16, P10-47
 PP: B&G Foods

- 16 Thu 10/30 **Accounting for Taxes**
 Readings: TB: Ch. 10 (“Income Taxes”), pages 25 - 36
 Notes: Income Taxes
 Problems: TB: M10-30, E10-43, E10-44, P10-52, P10-53
 PP: ABC Merchandise revisited, Kohl’s

Mon 11/03 Homework #4 due at 11:59pm Topic: LT Debt & Taxes
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- 17 Tue 11/04 **Stockholders’ Equity**
 Readings: TB: Chapter 11, Appendix 11A
 Notes: Stockholders’ Equity
 Problems: TB: M11-20, M11-21, M11-22, M11-26, M11-35,
 M11-40, M11-41, E11-62
 PP: Roku

Thu 11/06 Quiz #6 due at 11:59pm Topic: Costing
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- 18 Thu 11/06 **Managerial Accounting & Cost Concepts**
 Readings: TB: Ch. 13, 14 (pages 1 – 12 and 21-23) and 15
 Notes: Managerial Accounting and Cost Concepts
 Problems: TB: M13-15, E13-24, M14-11, M14-14, E14-28
 M15-14, M15-19, E15-33, P15-39
 PP:

- 19 Tue 11/11 **Cost Concepts continued**
 Problems: TB: M16-12, M16-15, M16-20, E16-28, E16-33
 PP: Forest Gump

- 20 Thu 11/13 **Product Costing/Activity-based Costing**
 Readings: TB: Chapter 17, pages 1 – 22
 Notes: Activity Based Costing
 Problems: TB: M17-14, M17-16, E17-26, E17-30, E17-31, P17-45
 PP: Best Furniture revisited

Mon 11/17 Homework #5 due at 11:59pm Topic: Stockholder Equity & Costing

- 21 Tue 11/18 **Activity-based Costing/Customer Profitability**
 Readings: TB: Chapter 18,
 Notes: Activity-based Costing
 Problems: TB: M18-10, M18-16, E18-21, E18-25, E18-29, E18, 30
 Cases: **Wilkerson Manufacturing, Johnson Beverage**

	Thu	11/20	Quiz #7 due at 11:59pm	Topic: Transfer Pricing
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22	Thu	11/20	Transfer Pricing
			Readings: TB: Ch. 23, pages 8 – 14 Notes: Transfer Pricing
			Problems: TB: M23-17, M23-18, M23-19, E23-25, E23-27, P23-40 PP: Penn’s Pens
			Case: Caribbean Brewers (if time, else finish on Tuesday, 12/02)

23	Tue	11/25	CLASS CANCELLED
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24	Tue	12/02	Finish Transfer Pricing/Course Wrap up/Final Exam Review
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Thu 12/04 Review Session

Fri 12/05 Final Exam, 2p – 4p (Sessions 13-24, Long-term Debt through Transfer Pricing)
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