THE UNIVERSITY OF TEXAS AT AUSTIN
McCOMBS SCHOOL OF BUSINESS

TEXAS EXECUTIVE MBA PROGRAM
FINANCIAL ACCOUNTING (BA 384T)
FALL 2012

Professor: **Ross Jennings**   Ross.Jennings@mccombs.utexas.edu
CBA 4M.202   512-471-5340

Teaching Assistant: **Laura Wang**   Laura.Wang@phd.mccombs.utexas.edu

Overview

This course provides an overview of financial accounting information and the role of that information in the economy. The course focuses on the recognition and measurement concepts underlying financial accounting, but also covers the mechanics of recording and reporting accounting information. The first portion of the course presents an overview of the accrual accounting model, how financial information is presented and the mechanics of keeping track of financial accounting information. Without a solid understanding of this material, the remainder of the course will be very difficult. I urge you to keep up with the course from the start.

The remainder of the course focuses on how corporate financial statements report particular economic events. By the end of the course you should feel comfortable reading the financial statements in published annual reports, and you should be able to come to a reasoned conclusion about a company's financial health and be able to make comparisons across firms and periods of time.

Course Materials

The textbook for the course is *Financial Accounting*, 3rd edition, by Dyckman, Magee, and Pfeiffer, published by Cambridge Business Publishing. You have also been given a copy of the student version of the solutions manual, which has the answers to the even-numbered questions.

You have been provided with a packet that includes (a) this syllabus, (b) extended excerpts from the most recent Form 10-K (annual report filed with the SEC) for Starbucks that we use as an in-class example, and (c) notes for the class.

I recommend that you acquire a financial calculator and learn how to use it. You will need it for this class and for many of your other classes in the program, and the sooner you get comfortable with one calculator the better. The calculator I am most familiar with is the HP 10B-II, made by Hewlett Packard. The Texas Instruments BAII Plus is equivalent.

The "Blackboard" website is https://courses.utexas.edu/webapps/portal/frameset.jsp. I will use this website to post all course-related documents, including those in the packet you have been given.

Class Sessions

The course packet in your binder has a roadmap for each textbook chapter that includes (a) guides for preparing for class and for studying following class, (b) a guide for how to read the assigned chapter, (c) the "Hand-in Assignment," i.e. the homework due in class on the first day we discuss that chapter, (d) the textbook problems that you should use to make sure you understand the basics of the topics covered in that chapter, (e) the practice exam problems to make sure you understand the material well enough to apply it to actual financial statements, (f) an overview of the material covered in the chapter, and (g) class notes that provide the structure that we will follow in our class session, which will include a combination of discussing new material and working examples together. I like class to be very interactive, I hope you are prepared to ask questions and to respond to my questions. The more you engage the easier the course will be.

Grades

Grades for the course will be assigned to conform to the following general guidelines that apply to all courses in the program: about 25% A, about 20% A-, about 15% B+, about 35% B, and about 5% B- and below. Grades of C and below will be given to those who have earned them. These are guidelines, not fixed rules. Final grades will be determined on the basis of the following assignments and weights.

Grading Summary

	Points	Percent
Homework	50	10%
Quiz	50	10%
Midterm Exam	150	30%
Final Project	50	10%
Final Exam	200	40%
Total	500	100%

To determine final grades I rank all of the students in the class from highest to lowest on the basis of total points. I then draw lines between A and A- and between A- and B+, etc., based on the guidelines described above.

Assignments

The course packet details all readings and homework that are to be completed before each class. Homework will be graded for completeness, not accuracy. I will collect your homework in class, but it will not be returned to you, so make a copy if you wish to have one. Before turning in your homework, fold the paper length-wise from left to right and write your name on the outside at the top with the fold on the left.

The course packet also includes for each chapter a guide to that chapter's reading assignment to help you see which parts of the textbook to focus on. However, keep in mind that the textbook and the textbook problems are only a learning resource, <u>what we cover in class and old exams are your best guides to what will be asked on exams</u>. You will not be responsible for material discussed in the text that was not discussed in class.

<u>This class is very cumulative. If you fall behind it will be both very difficult to understand new material and very difficult to catch up. Please, do not fall behind.</u>

Quiz and Exams

During the semester we will have one quiz, a midterm exam, and a final exam. All quizzes and exams are closed book and closed notes. You may bring a calculator to the exams, but it should not have emailing or text features. The use of laptops, smart phones, and personally crafted "note sheets" are <u>*not*</u> permitted. Each quiz and exam will be based on the actual financial statements of a real company. The financial statements for the quiz that will be given on <u>August 31, 2012</u> will be Starbucks financial statements for their fiscal year ending October 2, 2012. We will be using these financial statements as a running example in class. The quiz will include bookkeeping questions about the accounting cycle covered during the first two sessions. Some (or all) questions will rely on financial statement excerpts that will be provided to you with the quiz questions. The midterm and final exam will be based on other financial statements that will be announced well in advance.

Advice on preparing for the quiz and exams. Here is my best advice for success in this class: (a) <u>before coming to class</u> read the assigned chapter carefully, complete the hand-in homework, and spend a few minutes looking through the notes for that session; (b) <u>after class</u> complete the recommended textbook problems and some of the recommended prior exam problems; (c) <u>before an exam</u> complete a prior exam under exam-like conditions, and carefully review the financial statements for this semester's exam and make up and solve representative problems using these financial statements. <u>At each step</u> in the process, identify your weakness and seek help well before the exam date. Finally, recognize that accounting is very "hands on" and there is no substitute for lots of practice.

Honor Code

Collaboration is strongly encouraged outside of class. However, sharing of electronic files for homework and final project submission and collaboration on exams is not permitted.

Disabilities

The University provides upon request appropriate academic accommodations for qualified students with disabilities. For information, contact the Office of the Dean of Students at 471-6259, 471-4641 TTY.

Course Schedule

Date	Chapter	Topic
Aug 15	1	Introducing Financial Statements
	2	Constructing Financial Statements
		No homework due
Aug 17	3	Adjusting Accounts for Financial Statements
	4	Reporting and Analyzing Cash Flows
		No homework due
Aug 31		**QUIZ**
	App	Time-value of Money
		No homework due
Sept 14	6	Reporting and Analyzing Revenues and Receivables
		Chapter 6 homework due
Sep15	7	Reporting and Analyzing Inventory
		Chapter 7 homework due
Sep 29		**MIDTERM EXAM**
Oct 12	8	Reporting and Analyzing Long-Term Operating Assets
		Chapter 8 homework due
Oct 13	9	Reporting and Analyzing Liabilities
		Chapter 9 homework due
Oct 27	10	Reporting and Analyzing Leases and Income Taxes
		Chapter 10 homework due
Nov 9	12	Reporting and Analyzing Intercorporate Investments
		Chapter 12 homework due
Nov 30		**FINAL EXAM**