



Department of Accounting
ACC 311 – Fundamentals of Financial Accounting
Spring 2013 Syllabus – Unique # 02470

Class time and location: Monday-Wednesday
2:00-3:30
UTC 3.104

Instructor: Robert Freeman
Office: CBA 3.222
Office Hours: Wednesday 10:00 - 11:30 & by appointment
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Objectives of the course are to learn:

- ✓ The nature and purpose of accounting for businesses, with emphasis on corporate business entities.
 - ✓ Accounting methods and their use as an orderly means of recording, classifying, and presenting useful information from a mass of data derived from transactions and events affecting businesses.
 - ✓ The basic language of business as represented by business and accounting terminology.
 - ✓ The use and interpretation of financial reports (i.e., income statements, balance sheets, statements of retained earnings, statements of cash flows) prepared for users external to businesses (i.e., owners, creditors, government and investors).
 - ✓ The concepts and standards underlying the measurements used in accounting to prepare the financial statements of businesses.
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Required Materials and Equipment:

- Textbook: ***Financial Accounting***, 7th Edition, by Libby, Libby, and Short, (McGraw-Hill/Irwin, 2011).
- Accounting Cycle Supplement: ***Solid Footing: Building an Accounting Foundation***, 6th edition, by Dan Wiegand, (Micro Solve, Inc., 2011). [This is a text with accompanying software and files.] There is a special distribution system for ***Solid Footing*** to save students money and to ensure that every student has the necessary tools to do Solid Footing Assignments on a timely basis. I WILL HAND OUT AND POST (to Blackboard) DIRECTIONS FOR ACQUIRING THE SOLID FOOTING TOOLS.
- Calculator: **A financial calculator is required for this course.** A financial calculator is one that has dedicated keys for convenience in working problems involving the time-value of money. The keys typically are labeled N (number of periods), I/Yr (required interest rate per period), PV (present value), PMT (payment per period), and FV (single future payment amount). If you already have such a calculator, you do not need to buy a new one. **However, if you do not already have such a calculator, you should buy an HP 10bII+.** This calculator is recommended by both the accounting and finance faculty of the McCombs School of Business. It will be supported in ACC 311 classes. If you have another kind of financial calculator, you will have to learn how to use it outside of class (the faculty will supply you with a list of things you must be able to do). **You may NOT use calculators that have text memory (e.g. for programs) or cell-phone calculators on quizzes or examinations.** Examples of prohibited calculators are the TI-83, 84, 86 and 89 that many of you have used since high school. You may use simple 4-function calculators if an exam or quiz does not require time-value-of-money calculations.

Supplements

- Homework solutions (will be made available on Blackboard)
- Instructor PowerPoint Slides (will be made available on Blackboard)
- Sample 311 Midterm Exams (will be made available on Blackboard)
- Blackboard Website: courses.utexas.edu

Publisher Supplements

- Student CD ROM: ***Financial Accounting***, Seventh Edition (Generally only available with new textbook purchases)
- Study Guide: ***Financial Accounting***, Seventh Edition (may be packaged with new textbooks or may be purchased separately)
- Website for the text: www.mhhe.com/libby7e

Prerequisite:

The prerequisite for this course is twenty-four semester hours of (prior) college credit. If you do not satisfy this prerequisite, you should drop ACC 311, or the Office of the Dean of Undergraduate Programs will drop you from the course. Instructors may not waive prerequisites to their courses.

Quantitative Reasoning Flag

This course carries the Quantitative Reasoning flag. Quantitative Reasoning courses are designed to equip you with skills that are necessary for understanding the types of quantitative arguments you will regularly encounter in your adult and professional life. You should therefore expect a substantial portion of your grade to come from your use of quantitative skills to analyze real-world problems.

Course Routine

I will conduct the course by giving lectures, facilitating solutions to in-class exercises and conducting discussions in a manner that encourages class participation by students, consistent with the objectives of the course and the time available. **Students are expected to study the chapter readings before topics are introduced in class and do assigned homework questions, exercises and problems to reinforce what they learn (you can't effectively learn accounting without doing exercises and problems).** Students are encouraged to ask questions and to request that particular points be explained in more detail if they remain confused or uncertain about items discussed or if concepts remain unclear.

Homework

There are two types of homework in the course, *Solid Footing* homework and homework from the textbook.

During the first four weeks of the course, you will be learning about the accounting cycle, the process with which companies capture transaction data, record them, summarize them and transform them into financial statements that conform with Generally Accepted Accounting Principles (GAAP). Every student must develop a solid understanding and ability to do accounting cycle tasks early in the course because mastery of the accounting cycle is the essential foundation for learning the remaining content of the course. Accordingly, the faculty adopted *Solid Footing*, a semi-interactive tool for learning the accounting cycle. ***Solid Footing* assignments and due dates are listed in the course schedule on page 10. To receive credit, *Solid Footing* assignments must be uploaded through Blackboard before the start of class on the date listed in the left hand column of the schedule. See page 11 for upload instructions.** For example, assignments 1-1 and 2-1 are due before our class meeting on January 16.

Textbook homework is assigned from the chapters we cover. As the name implies, homework is meant to be done outside of class. You will not turn in textbook homework; solutions will be available on Blackboard. This component of the course is intended to be a learning experience rather than a grading device. You should develop your best solution for each of the questions, exercises and problems assigned. Working with fellow students on this homework is fine. If you have questions about how to solve the exercises or problems after looking at the solutions, you should consult with the TA or me during office hours.

Quizzes

I will give quizzes on the first class day of any new topic (the day a new chapter of the textbook is assigned) to ensure that students have incentives to read chapter materials before the class sessions at which topics are first covered. The quizzes will consist of multiple-choice and/or short-answer questions.

Class Protocol

If for some reason you are running late, do not feel you should skip class. Please come in quietly and take a seat at the side or in the rear of the classroom. If you must leave class early, please tell me before class starts. I would appreciate it. Such comings and goings during class should be rare—do not let them become a habit. If you need to miss a class or other required activity, including an examination, for any reason, please inform me as far in advance of the absence as possible, so that I can approve the absence as excused and arrangements can be made to complete any missed work within a reasonable time after the absence. If you miss a class or other required activity, including an examination, for reasons beyond your control, precluding prior notice, inform me of the circumstances as soon as you are able.

Personal Electronic Equipment Policy

The University delegates to individual faculty members responsibility for and authority over classroom procedure and decorum. Due to abuse by those who came before you, I regret to announce you may not use a LAPTOP, e-Tablet, CELL PHONE, PDA, DVD player or MP3 (iPod) or any other such equipment during class time (unless it is an accommodation specified by the Office of Services for Students with Disabilities). Such types of equipment are distractions. Moreover, if I tolerate any one student using such equipment, I cannot deny others. From experience, I know that I cannot allow use of these distracters to escalate and get out of hand. Therefore, I will not tolerate any use by any individual student while class is in session. All such equipment should be turned off and put away. You are encouraged to bring a calculator to class and have it ready to use.

In addition to the use of the above types of equipment, all other forms of distracting behavior are prohibited. I won't begin to list such behaviors; you should know what is inappropriate.

E-mail and Blackboard

The use of email and Blackboard is required for this course. I will frequently communicate with the class with announcements and guidance via email. The TA and I check e-mail during weekdays and somewhat less regularly over weekends. **We will use the**

email addresses that are supplied to me on Blackboard. They are the email addresses that you have given the University for directory purposes. If you need to update your email address with the University go to your UT Direct page and, under personal info/all my addresses, change your email address. Before each class, I will post on Blackboard any PowerPoint slides I intend to use. You should print them in handout style to save paper—either six slides to a page or, if you prefer, three slides accompanied by note-taking space. **It is your responsibility to regularly check both your e-mail and the class website on Blackboard.**

Electronic Class Rosters

A recent opinion from the US Department of Education states that the University must inform students in advance if their name will be appearing on an electronic class roster. Since Fall 2001, web-based, password-protected class sites have been available for all accredited courses taught at The University. Class e-mail rosters are a component of the sites. Students who do not want their names included in these electronic class rosters must restrict their directory information in the Office of the Registrar, Main Building, Room 1. For information on restricting directory information see:

<http://www.utexas.edu/student/registrar/catalogs/gi00-01/app/appc09.html>

Academic Standards

A high academic level will be maintained with respect to (a) the quality of the course and (b) grading. Semester grades will be determined using the following factors and relative weights:

<i>Solid Footing</i> homework	5%
Exam I	25%
Exam II	25%
Final Exam (comprehensive)	30%
Quizzes	15%
	<u>100%</u>

The ACC 311 faculty have adopted the University's plus/minus grading as the standard for all sections of the course.¹ The faculty believe that plus/minus grading permits us to better distinguish gradations in performance and provides better feedback to students on their performance.

Course grades will be such that the class average will be in the range of 2.7 - 2.9. No letter grades will be associated with scores on exams or quizzes during the semester. At the end of the semester, I will calculate composite scores, rank students according to their composite scores and assign final grades. I do not curve grades, but I also do not require fixed grade cutoffs – cutoffs are determined based on my judgment of each semester's class performance after ranking the total scores of students enrolled in my classes. I also reserve the right to make score revisions (upward only) to previously graded work for improvement

¹ Under the traditional grading system an undergraduate student needs a D or better to receive credit for a course; under the plus/minus system an undergraduate student needs a D- or better to receive credit.

in performance on subsequently graded work of like kind. For example, I might recognize an improvement in performance on a subsequent examination and adjust the score on an earlier examination upward to add weight to the improvement factor.

Incompletes will be given only in the rarest of circumstances and according to university policy. There will be no opportunity to raise your course grade by doing “extra credit” work during or after the end of the semester – that would violate University policy.

Examinations

There will be two midterm examinations and a comprehensive final examination.

Exams 1 & 2 will be uniform (all sections at the same time).

Exam 1: Thursday, February 21st 7-9 PM UTC 4.122 & 4.124

Exam 2: Thursday, April 4th 7-9 PM UTC 4.122 & 4.124

Make-ups will be the following day or evening.

The **Final Exam** will be uniform (all sections at the same time) and comprehensive (covering the entire course). It will not be given on the dates and times listed in the UT course schedule. **We have asked the University for Thursday, May 9th, 7-10 PM**, as our primary exam date and time. We have requested our make-up exam to be scheduled Friday, May 10th, 7-10 PM. Although we usually get the dates we request, we cannot guarantee these dates. The actual dates and times will be announced later in the semester.

Only students with conflicts with other classes, medical or other documented emergencies and special needs will be given exams at times other than the uniform exams. If you have a job or extra-curricular activities at the times of the exams, this is notice that you are responsible to be excused, miss or work around those other activities.

Unexcused absence from any examination will result in a score of zero. If you miss an exam due to an illness or other emergency reason, you should notify me as soon as possible and provide me with written documentation (e.g., a note from the attending physician) after you return. I have final authority to determine if your absence should be excused and if I can give you a make-up exam. If you have an excused absence from a mid-term exam and I cannot give you a make-up exam, you will receive extra weight on your final to compensate for the missed examination.

If you need to make early travel reservations for the end of the semester, you should make them for travel on Wednesday, May 15th or later—because we will not know until well into the semester exactly when our examination will be scheduled by the University. If you make non-refundable (or non-cancelable) arrangements for travel before May 15th they will not be an acceptable reason for taking the final exam early.

Grading Quizzes

There are no make-up quizzes. At my discretion, everyone may be given the equivalent of one quiz as an extra score. This provision is intended to compensate for one or more low quiz scores or substitute for one missed quiz. So, you have a little slack, but not a lot. I do not return graded quizzes, but they are kept in my office and you may come and examine yours and ask questions (see the next section).

Grading Questions or Appeals

Do not wait until the end of the semester to question or appeal grade components other than the final examination.

If you feel there exists a grading error on any of the grade components, or if you feel you need to bring to the attention of our Teaching Assistant or me other facts or circumstances that might affect the grade for that item, you will have two weeks from the date the grade is posted on Blackboard to take such action and have the matter resolved.

Religious Holy Days

You will be given excused absences for observance of religious holy days. *By UT Austin policy, you must notify me of your pending absence at least fourteen days prior to the date of observance of a religious holy day. If you must miss a class, an examination, or a work assignment in order to observe a religious holy day, you will be given an opportunity to complete the missed work within a reasonable time after the absence.* If more than two days lapse between an exam and your return, the missed exam will be dropped as a requirement for you. Missed quizzes due to observance of religious holy days will be dropped in determining your quiz score.

Dropping the Course

Students must go through the official procedures to drop the course. A student who stops attending the class and fails to officially drop will receive a grade of F. Consult the Academic Calendar on the Registrar's website (<http://registrar.utexas.edu/calendars/>) for specific deadlines.

Students with Disabilities

Students with disabilities may request appropriate academic accommodations from the Division of Diversity and Community Engagement, Services for Students with Disabilities, 512-471-6259, <http://www.utexas.edu/diversity/ddce/ssd/>.

Policy on Scholastic Dishonesty

The McCombs School of Business has no tolerance for acts of scholastic dishonesty. The responsibilities of both students and faculty with regard to scholastic dishonesty are described in detail in the BBA Program's Statement on Scholastic Dishonesty at <http://www.mcombs.utexas.edu/BBA/Code-of-Ethics.aspx>. By teaching this course, I have agreed to observe all faculty responsibilities described in that document. By enrolling in this class, you have agreed to observe all student responsibilities described in that document. If the application of the Statement on Scholastic Dishonesty to this class or its assignments is unclear in any way, it is your responsibility to ask me for clarification. Students who violate University rules on scholastic

dishonesty are subject to disciplinary penalties, including the possibility of failure in the course and/or dismissal from the University. Since dishonesty harms the individual, all students, the integrity of the University, and the value of our academic brand, policies on scholastic dishonesty will be strictly enforced. You should refer to the Student Judicial Services website at <http://deanofstudents.utexas.edu/sjs/> to access the official University policies and procedures on scholastic dishonesty as well as further elaboration on what constitutes scholastic dishonesty.

Campus Safety

Please note the following recommendations regarding emergency evacuation from the Office of Campus Safety and Security, 512-471-5767, <http://www.utexas.edu/safety/> :

- *Occupants of buildings on The University of Texas at Austin campus are required to evacuate buildings when a fire alarm is activated. Alarm activation or announcement requires exiting and assembling outside.*
- *Familiarize yourself with all exit doors of each classroom and building you may occupy. Remember that the nearest exit door may not be the one you used when entering the building.*
- *Students requiring assistance in evacuation should inform their instructor in writing during the first week of class.*
- *In the event of an evacuation, follow the instruction of faculty or class instructors.*
- *Do not re-enter a building unless given instructions by the following: Austin Fire Department, the University of Texas at Austin Police Department, or Fire Prevention Services office.*
- *Behavior Concerns Advice Line (BCAL): 512-232-5050*
- *Further information regarding emergency evacuation routes and emergency procedures can be found at: www.utexas.edu/emergency.*

ACC311**Libby, Libby, Short, Financial Accounting, Seventh Edition
Textbook Material Excluded From the Course****Chapter 1**

Chapter Supplement B: Employment in the Accounting Profession (p 25-26)

Chapter 2

Key Ratio Analysis: Current Ratio (p 68-69)

Chapter 3

Key Ratio Analysis: Total Asset Turnover Ratio (p 127)

Chapter 4

Key Ratio Analysis: Net Profit Margin (p 182-183)

Chapter 5

A Closer Look At Financial Statement Formats And Notes (pp. 240-249)—continue reading at bottom of p. 249.

Chapter 6

Report, control and safeguard cash (pp. 295-301)

Chapter 7

Inventory Methods and Financial Statement Analysis (p 350-351)

Chapter Supplement A: LIFO Liquidations (p 357-358)

Chapter Supplement B: Additional Issues in Measuring Purchases (p 358-359)

Chapter 8

Key Ratio Analysis: Fixed Asset Turnover Ratio (p 390-391)

Repairs, Maintenance and Additions (pp. 394-395) ==> **Read the Chapter 8 supplement provided by the ACC 311 faculty on Blackboard instead of these pages.**

Chapter 9

Key Ratio Analysis: Quick Ratio (p 458)

Working Capital Management (p.467-468)

Chapter Supplement A: Present Value Computations Using Excel (p. 478-480)

Chapter Supplement B: Deferred Taxes (p 480-481)

Chapter 10

DO NOT READ Chapter 10 in Libby, Libby & Short. ==> **Read the Chapter 10 supplement provided by the ACC 311 faculty on Blackboard.**

Chapter 11

Key Ratio Analysis: Dividend Yield (p 560)

Stock Dividends and Stock Splits: (p. 563-564)

Preferred Stock: (p. 565-567)

Chapter Supplement A: Accounting for Owner's Equity for Sole Proprietorships and Partnerships (pp 576-579)

Chapter 12

Key Ratio Analysis: Economic Return from Investing: (p. 609)

Investments for Significant Influence: (p. 609-614)

Controlling Interests: Mergers and Acquisitions: (p. 614-616)

Chapter 13

Key Ratio Analysis: Quality of Income Ratio (p 651)

Key Ratio Analysis: Capital Acquisitions Ratio and Free Cash Flow (pp 654)

Chapter Supplement B: Adjustment for Gains and Losses on Sale of Long-Term Assets—Indirect Method (p. 664-665)

Chapter Supplement C: Using a Spreadsheet to Prepare the-Statement of Cash Flows--Indirect Method (p 665-666)

Chapter 14

Financial Statement Analysis (pp. 698-end)

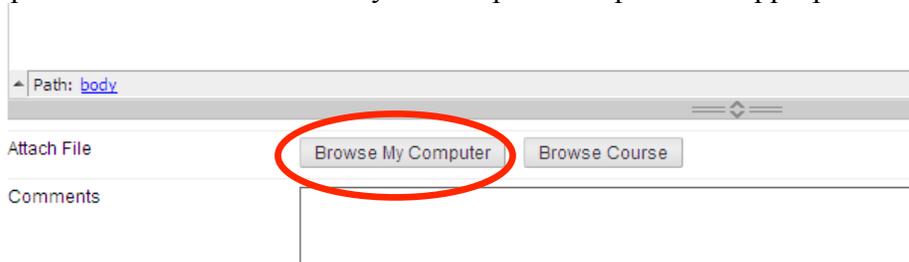
The University of Texas at Austin Department of Accounting

Schedule for Professor Freeman's Spring 2013 ACC 311 Class (Unique # 2470) — MW 2:00-3:30 in UTC 3.104

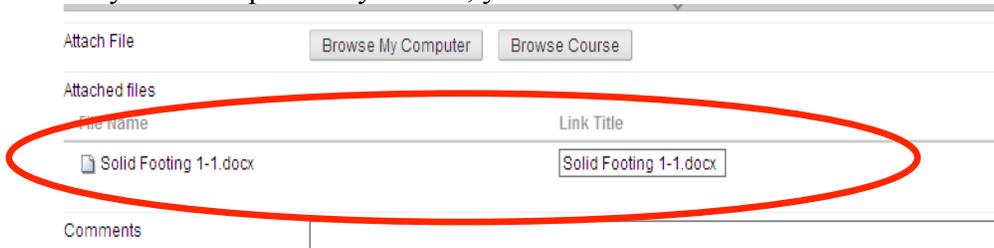
MW				Solid	Libby, Libby and Short Textbook Assignments			
Date	Day	TextCh	SFch	Topic	Footing	Questions	Exercises	Problems
1/14	M			Course Policies, Syllabus, Introduction	Hand in	Don't hand in		
1/16	W		1,2	Accounting Cycle	1-1,2-1			
1/21	M	Martin Luther King , Jr. Day						
1/23	W		3,4,5	Accounting Cycle - Continued	3-1,4-1,5-1			
1/28	M	02		Investing and Financing Transactions		1,2,3,5,7,10,11,12	1,2,3,4,6,8,10,17	2(R1-4)*,3(R1-4)
1/30	W	03	6	Operating Decisions and the Income Stmt	6-1	1,2,4,6,7,8,11	2,3,4,6,7,10,11,17	1,2,3(R1)
2/4	M	04	7,8	Adjustments and Financial Statements	7-3,8-2	2,3,4,6,7,8,11,13	M2*,2,6,8,13,16,18	6,7
2/6	W	04	9,10	Adjustment & Fin St - Continued	9-1,10-1			
2/11	M	01,A*		Financial Statements & Business Dec.	ACP	4,8,9,12,13,15,17,18,19	1,7,9	1,3
2/13	W	13,A		Statement of Cash Flows (Indirect method)		1,3,4,5,6,10,11,12	1,7,10,15,18(R1)	4(R2),AP1
2/18	M	*01,A means		Statement of Cash Flow - Continued			*M2 means	*R1 means
2/20	W	Ch1+Suppl A		Review for Exam I (voluntary)			Mini-exercise 2	Requirement 1
2/21	Th	EXAM I--7:00-9:00 PM -- UTC 4.122 & 4.124						
2/25	M	Day off						
2/27	W	06,A		Sales Revenue, Receivables, and Cash		1,2,3,4,7,8,9,10	1,6,11,13,16,18,21	1,2,5
3/4	M			Sales, Receivables, Cash - Continued				
3/6	W	07,C		COGS and Inventory		2,3,4,6,8,9,10,11	1,2,3,4,5,10,13,17,19	3,5,6
3/11	M	Spring Break						
3/13	W							
3/18	M			COGS and Inventory - Continued				
3/20	W	08,A		Tangible long-lived assets		1,3,4,5,7,10,12,13,14	1,4,6,7,11,14,17,23	1,6,7(R1-2),10,11
3/25	M			Intangibles				
3/27	W	09,C		Liabilities		1,3,7,8,9,10,12,13,15	M3,3,4,8(R1-2),15,16,22,25	3,7,11, CP3(R3-4)*
4/1	M			Liabilities - Continued				CP refers to cases and projects
4/3	W			Review for Exam II (voluntary)				
4/4	Th	EXAM II--7:00-9:00 PM -- UTC 4.122 & 4.124						
4/8	M	10		Bonds (Effective Interest method only)		1,5,7,8,9,10,11	1,2,4,6,10,12,18,19,21,22	7,CP3,CP4
4/10	W			Bonds - Continued				
4/15	M	9,C/10		Review of LT notes and bonds				
4/17	W	12		Passive investments		1,3,4,5	1,3,4,5,6,	AP12-1
4/22	M			Review of passive investments (optional)				
4/24	W	Day off						
4/29	M	11		Owners' Equity		1,3,5,7,8,10,11	2,4,5,8,12,16,23	1(R1-5),5,8
5/1	W	5/14		Financial statement analysis		Ch. 5, Q1,2,3,4,5,6,7	E5-1,2,18	CP5-3
TBA				Final Exam--the faculty have requested Thursday, May 11, 7:00-10:00PM				
TBA				Final Exam--makeup--the faculty have requested Friday, May 12, 7:00-10:00PM				

SUBMITTING ASSIGNMENTS THROUGH THE ASSIGNMENT MANAGER

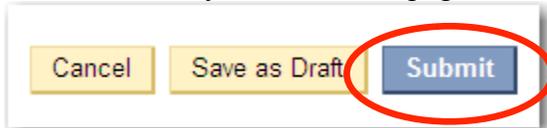
After you have opened an assignment link, scroll until you see the button “Browse My Computer.” Select it and browse your computer to upload the appropriate file.



After you have uploaded your file, your screen should look like this.



Scroll to the very bottom of the page and hit “Submit.”



Check that the file actually uploaded by opening the assignment link again. You should see the following screen with the attachment included. Don't quit without doing this!

2. Review Submission History

