

Department of Accounting

ACC 311 -- Fundamentals of Financial Accounting Fall, 2012 Syllabus

Instructor: Will O'Hara

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Office: GSB 5.126F

Office Hours: Monday & Wednesday: 10:00am-11:00am &

2:00pm - 3:00pm

E-mail questions are also encouraged and telephone conferences and office appointments can be set up via

e-mail.

Class times andUnique # 02595Unique # 02610locations:Monday-WednesdayMonday-Wednesday

12:30pm-2:00pm 3:30pm-5:00pm UTC 4.124 UTC 1.144

Teaching Assistant: Alden Lawrence

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Office: GSB 5.126F

Office Hours: <u>Tuesday & Thursday: 10:00am-12:00pm</u>

E-mail questions are also encouraged and telephone conferences and office appointments can be set up via

e-mail.

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.

Objectives of the course: To learn the following:

- A. The nature and purpose of accounting for business, government, non-profit organizations and society in general, with emphasis on corporate business entities.
- B. 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).

Course Objectives (continued)

- C. The concepts and standards underlying the measurements used in accounting to develop the financial statements of businesses.
- D. 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.
- E. The basic language of business as represented by business and accounting terminology.

Required Materials:

- <u>Textbook</u>: *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.]
 - *NOTE: 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. SEE BLACKBOARD FOR DETAILS
- 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/Y (required interest rate per period), PV (present value), PMT (payment per period), and FV (future value). If you already have such a calculator, you do not need to buy a new one. However, if you don't 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 (you will be supplied with a list of things you must be able to do).

Note: 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 TVM calculations.

Course Supplements

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

Publisher Supplements

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

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.

Class Protocol

If for some reason you are running late, do not feel you should skip class. Please co me 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 the 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 to your fellow students. 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.

E-mail and Blackboard

The use of email and Blackboard is <u>required</u> for this course. Any outside-of-class announcements that I make (e.g., corrections or clarifications of items discussed in class, syllabus changes, quiz announcements, etc.) will be posted to Blackboard or sent to you via e-mail and I will also answer questions via e-mail. I check my e-mail at frequent intervals during weekdays and somewhat less regularly over weekends. <u>I</u> will use the email addresses that are supplied to me on Blackboard (they are the e-mail addresses that you have given the University for directory purposes). <u>If you need to update your email address</u> with the University go to your UT Direct page and, under personal info/all my addresses, change your email address.

It is your responsibility to regularly check both your e-mail and the class website on Blackboard. If you are using a personal e-mail address (other than.utexas.edu), you are also responsible that your personal e-mailbox is not full.

Postings for Each Class:

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.

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. Syllabi, handouts, assignments and other resources are types of information that may be available within these sites. Site activities could include exchanging e-mail, engaging in class discussions and chats, and exchanging files. In addition, class e-mail rosters will be 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

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.

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:

Solid Footing homework	5%
Exam I	25%
Exam II	25%
Final Exam (comprehensive)	30%
Mini-Quizzes	3%
Quizzes	8%
Instructor discretion—group projects, etc.	4%
	<u>100%</u>

The ACC 311 the faculty have adopted the University's plus/minus grading as the standard for all sections of the course. 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 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 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.

Homework

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

1. <u>Solid Footing Homework:</u> 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).

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

Solid Footing Homework (continued):

It is essential that every student develop a solid understanding and ability to do accounting cycle tasks because these accomplishments early in the course are the foundation for learning the remaining content of the course. Accordingly, the faculty adopted *Solid Footing*, a semi-interactive tool for learning the accounting cycle. It is meant to present, reinforce and test progress in the accounting cycle in a way that leads to more consistent and deeper understanding among our students, leading to less attrition and disappointing grades in ACC 311. To be sure that all students keep up with the lessons during this phase of the course, we require that *Solid Footing* homework assignments be handed in and graded. See the Solid Footing column of the attached course schedule for the assignments and dates on which they must be turned in at the start of class.

2. <u>Textbook Homework:</u> Is assigned for most chapters, and as the name implies, is meant to be done outside of class. <u>You will not turn in textbook homework</u>; 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, by appointment or by email.

Mini-Quizzes

Mini-Quizzes are designed to ensure that students have incentives to read chapter materials **before** the class sessions at which topics are first covered. Mini-Quizzes may be given at the beginning our discussion of each chapter (the day a new chapter of the textbook is assigned) and will be based on the content of that textbook chapter. The mini-quizzes will consist of multiple-choice and/or short-answer questions.

Quizzes

Quizzes will be announced one class period in advance and will be given <u>after</u> a chapter has been completed. Quizzes will consist of multiple-choice and/or short-answer questions.

Grading Mini-Quizzes & Quizzes

There are no make-up quizzes or mini-quizzes. You will be allowed to drop one Quiz score and two Mini-Quiz scores. The drop provision is intended to take care of low quiz and mini-quiz scores and/or missed quizzes and mini-quizzes. If you miss a quiz or mini-quiz, it will count as a dropped quiz or mini-quiz. If you miss a class, it is your responsibility to obtain information covered in class, including announcements concerning quizzes.

Group Project(s)

At my discretion, I may assign one or more projects to be completed in groups outside of class. For this purpose, you will be assigned to a group. I will announce these assignments early enough in advance to assure you will have sufficient time to get organized as a group and complete them on schedule.

Examinations

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

Exams I & II will be uniform (all sections at the same time).

Exam I: Tuesday, October 9th 7-9 PM Room TBA Exam II: Tuesday, November 13th 7-9 PM Room TBA

All examinations are scheduled for all sections of ACC 311 on the same dates and times. Alternate exam opportunities will be provided for students with legitimate conflicts and special needs

Unexcused absence from a midterm will result in a score of zero. Make-up midterm exams will not be given except in emergencies and only within 24-hours of the scheduled examination. If you miss a mid-term 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.

The <u>Final Exam</u> will be uniform (all sections at the same time) and comprehensive (covering the entire course). It will <u>NOT</u> be given on the dates and times listed in the UT course schedule. We have asked the University for Thursday, December 13th, 7-10 PM, as our primary exam date and time. 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.

<u>Unexcused absences from the final will result in a score of zero.</u> If you need to make early travel reservations for the end of the semester, you should make them for travel on Tuesday, May 17th 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 December 14th they will not be an acceptable reason for taking the final exam early.

Grading Questions or Appeals

DO NOT WAIT UNTIL THE END OF THE SEMESTER TO TAKE ACTION ON GRADING ISSUES. BY THAT TIME IT WILL BE TOO LATE!

If you feel there exists a grading error on any of the above 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 or the graded item is redistributed back to the class (whichever is later) to take such action and have the matter resolved. If for whatever reason you are not in class on the day the graded item is available for pickup, the two-week period will still begin on that day.

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, a work assignment, or a project 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 the exam and your return, the missed exam will be dropped as a requirement for you. Missed quizzes will not be made up, but 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.

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.
- o 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.
- o 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.

Students with Disabilities

Students with disabilities may request appropriate academic accommodations from the Division of Diversity and Community Engagement, Services for Students with Disabilities, 471-6259, 471-4641 TTY.

Policy on Scholastic Dishonesty

The McCombs School of Business and the department of accounting have 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 Policy Statement on Scholastic Dishonesty for the McCombs School of Business.

By teaching this course, I have agreed to observe all of the faculty responsibilities described in that document. By enrolling in this class, you have agreed to observe all of the student responsibilities described in that document. If the application of that Policy Statement to this class and its assignments is unclear in any way, it is your responsibility to ask me for clarification. Policy on Scholastic Dishonesty: 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, and the integrity of the University, policies on scholastic dishonesty will be strictly enforced.

Scholastic dishonesty includes, *but is not limited to*: copying tests or assignments, representing (copying) the work of another person as one's own or allowing another person to represent your work as their own, collaborating without authority with another student during an exam or in preparing academic work, using or having on your desk unauthorized materials or aids to complete a quiz or exam (e.g., cheat sheets, solutions, graphing or programmable calculators, pagers, cellular telephones, Palms, etc), continuing work on an exam after a stop time has been announced, etc.

Students are expected to adhere to a strict ethical standard in this course.

You should refer to the Student Judicial Services website at: http://deanofstudents.utexas.edu/sjs/acadint.php or the General Information catalog to access the official University policies and procedures on scholastic dishonesty as well as further elaboration on what constitutes scholastic dishonesty.

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

Reconciliation of the Cash Account and the Bank Statement (p 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 supplemental reading provided by the faculty 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

Bonds Issued at a Discount (p 514-519) =====

Bonds Issued at a Premium (p 519-522) =====

Early Retirement of Debt (pp 523)) =====

Read the supplemental reading provided by the faculty instead of these pages.

Chapter Supplement A: Bond Calculations Using Excel: (p.526-527)

Chapter Supplement B: (accounting for bonds issued at discounts and premiums without using discount and premium accounts): (p. 527-532)

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

The University of Texas at Austin Department of Accounting									
Schedule for ACC 311 — Fundamentals of Financial Accounting, Fall 2012									
	MW				Solid	Libby, Libb	Libby, Libby and Short Textbook Assignments		
Date	Day	TextCh	SFch	Topic	Footing	Questions	Exercises	Problems	
8/29	W			Course Policies, Syllabus, Introduction	Upload to Bb	Don't hand in			
9/3	M			Labor day					
9/5	W		1,2	No Class	1-1,2-1				
9/10	M		3,4,5	Accounting Cycle-Continued	3-1,4-1,5-1				
9/12	W	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)	
9/17	М	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)	
9/19	W	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	
9/24	M	04	9,10	Continued	9-1,10-1				
9/26	W	01,A*		Financial Statements & Business Dec.	ACP	4,8,9,12,13,15,17,18,19	1,7,9	1,3	
10/1	М	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	
10/3	W	*01,A m		Continued			*M2 means	*R1 means	
10/8	М	Ch1+Suppl A		Catch Up & Review for Exam I			Mini-exercise 2	Requirement 1	
10/9	T			EXAM I7:00-9:00 PM					
10/10	W	Day	off						
10/15	M	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	
10/17	W			Continued					
10/22	M	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	
10/24	W			Continued					
10/29	М	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	
10/31	W			Intangibles					
11/5	M	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)*	
11/7	W			Continued				CP refers to	
11/12	M			Catch Up & Review for Exam II				cases and projects	
11/13	T			EXAM II7:00-9:00 PM					
11/14	W	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	
11/19	M			Continued					
11/21	W	Day	off						
11/26	M	12		Passive investments		1,3,4,5	1,3,4,5,6,	AP12-1	
11/28	W	11		Owners' Equity		1,3,5,7,8,10,11	2,4,5,8,12,16,23	1(R1-5),5,8	
12/3	M	5/14		Financial statement analysis		Ch. 5, Q1,2,3,4,5,6,7	E5-1,2,18	CP5-3	
12/5	W			Catch Up & Review For Final Exam					
TBA				Final Examth	e faculty have rec	uested Thursday, Decem	ber 13, 7:00-10:00PM		