What is this class all about and why should you take it?

This course provides an overview of financial accounting information and the role of that information in the economy. To achieve this goal we both focus on recording business transactions and using and understanding financial statements. The goal of the class is to help you understand accounting as a system of representing business transactions so that you can use and apply this knowledge. A cliché is that accounting is the language of business. As much as I hate clichés, this one is useful.

A solid knowledge of accounting will ensure that you are best equipped to understand the way and manner in which businesses make economic transactions, the implications of these transactions, and the various ways in which you can use this information to: understand firms, analyze firms, inform decisions, engage in real-world valuation and, ultimately, work through and solve more challenging problems and applications.

This class is extremely important for students who aspire for careers in business, especially those not pursuing accounting-specific careers.

What to Expect:
This will be a challenging class that requires a commitment. It should also be very valuable to your academic and future careers. It is not challenging as it involves false rigor centered on the memorization of complex formulas or lists (that we could easily look up in the real world), but as it will present a useful exposure to how companies record and report financial information and how this can be useful to outsiders. The learning is what we do day-to-day, class-by-class; therefore, active learning before, during and after class is essential.

As an educator and as your professor, I am intensely focused on creating a valuable learning experience. I am passionate about the material and teaching and I will not devalue your educational investment by teaching to the test or trying to create the path of least resistance where you pretend to learn and I pretend to teach. I seek to challenge you and to add value to you in your future careers in each class and lesson. I will constantly strive to use and discuss examples that include current events and issues relevant to your future. Therefore, while the class will be challenging, you can do very well by maintaining an active interest in learning, an open mind, a sense of commitment to your educational investment and overall thoughtfulness and integrity.
A Broader Background of the Course

This course is designed to be different from a traditional undergraduate class in accounting as it is designed to replicate a financial accounting class for MBA students. As a result, the focus is not simply on recording entries or accounting rules, but on seeing how these play out in the real world for real companies. That is, the class focuses on exposing you to perspectives that are necessary to students who pursue careers that use financial information (which will almost surely be every student in the class). As a result, the class will move quickly and missing or skipping the material will be costly.

In this course you will enhance your knowledge and understanding of financial reporting (the language of business) and how financial information helps leaders understand and manage their business. Through class discussion, informal study groups, and projects you will enhance your communication and collaboration skills. You will learn how high-quality, credible financial reporting enhances the ability of managers to lead their organizations effectively and with integrity. Finally, many of the cases and examples involve international companies and reporting practices, affording you a global perspective on financial reporting.

Course Summary:
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 pay particular attention to what we are doing and why and 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 general comparisons across firms and periods of time.

Classroom Experience:
As you will quickly see, I like class to be very interactive. I hope you will come prepared and that you will ask questions when you don’t understand something and that you will bring up examples from your work when they are relevant. This greatly enriches the class discussion. The more you engage the more interesting class will be, the more you will get out of each class session, and the easier the course will be.
Structure, Materials and Logistics

Course Structure
- The class format involves coverage of the main areas and tools noted above.
- The course will be taught using a combination of examples, discussion questions, cases and homework problems. We will learn new concepts using various firms’ historical and current financial data.
- A tentative schedule of class meetings is attached to the end of this document. This schedule may be revised and all updates will be posted on Canvas or discussed in class.

Materials
- Required: The “Canvas” website [http://canvas.utexas.edu/](http://canvas.utexas.edu/) for the course has everything you need for this course, including class notes (see below) practice exams, instructional videos, and more. When you first access the website read the “Announcements” posted there to better understand the website and its contents.
- Required: We will also have a Discussion Board on Canvas, with both required and additional material.
  - To ensure the highest dissemination of information and to maintain a fair playing field, all non-personal questions must be asked on the Discussion Board.
- Text: There are “Pre-Class Notes” and “Post-Class Answers” posted on-line at the Canvas website. These notes are aligned with the course schedule. You are to carefully read the pre-class notes before coming to class to understand the topic for that session, and during each class session we will work our way through the in-class notes together to help you apply the material you have learned. These notes are self-contained and include everything that we will cover in the class. There are also prior-semester exams for several past years at the Canvas website that will be useful in preparing for exams.
  - The class notes are very comprehensive, so there is no textbook assigned for this course. However, if you feel the need for a textbook to provide an alternative explanation of material we are covering, just about any recent introductory financial accounting textbook will serve this purpose. Two good ones are the recent editions of *Financial Accounting* by Dyckman, Magee, and Pfeiffer or *Financial Accounting* by Libby, Libby and Short.
- You will need a financial calculator. The HP 10B-II(+), made by Hewlett Packard and The Texas Instruments BAII Plus will both be fine for this course (any calculator that does time value of money calculations will work).

Prerequisites:
- Admission and good standing within the MSF Program.
Assignments and Grading Information (page 1 of 3)

**Determination of Grades:**
I will determine the final distribution of letter grades at the end of the semester. This means that numerical scores on specific assignments do not correspond to a particular letter grade prior to the end of the semester. Final grades are determined by summing up all pieces, then ranking all students and then following the class distribution.

Some areas of the distribution may be very tight. This means that it is mathematically unavoidable that some students with similar grades do not get the exact same final letter grades. Ultimately, someone must fall at each “break point” that means that someone gets the lowest of one grade (for example, the lowest A-) and someone else, with similar grades, gets the highest of the next letter grade (for example, the highest B+). The class’s distribution dictates the percentage of each of the letter grades. That is, your classmates’ performance, more than I, determine your final letter grade. Students may not ask for exclusive extra credit or grade changes. This is unprofessional and requesting specific treatment violates our University’s academic goals. Moreover, challenging the grades, points, allocation or policies after the semester has begun is unprofessional and may result in a lower final grade as it signifies a departure from the expectations of the class. Constructive comments are warmly welcomed as long as they are made before the first day of class.

My expectation is that the final grade distribution will result in a mean GPA of around [INSERT: Waiting on Program Guidelines], consistent with guidance provided by the MSF program offices. However, please keep in mind that it is a target, not a rule, and the distribution within an individual section might deviate considerably from this target (either up or down).

**Course Requirements and Grading:**
Your grade in the course will be determined as a combination of assignments as follows:

<table>
<thead>
<tr>
<th>Assignment</th>
<th>Number</th>
<th>Points Each</th>
<th>Total Points</th>
<th>Percent</th>
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<tr>
<td>Homeworks</td>
<td>12</td>
<td>10</td>
<td>120</td>
<td>15%</td>
</tr>
<tr>
<td>Midterm Exam</td>
<td>1</td>
<td>200</td>
<td>200</td>
<td>25%</td>
</tr>
<tr>
<td>FSA Project</td>
<td>1</td>
<td>120</td>
<td>120</td>
<td>15%</td>
</tr>
<tr>
<td>Final Exam</td>
<td>1</td>
<td>320</td>
<td>320</td>
<td>40%</td>
</tr>
<tr>
<td>Class Participation</td>
<td>1</td>
<td>40</td>
<td>40</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>800</strong></td>
<td></td>
<td></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

**Description of Requirements:**

**Homeworks**
For each non-exam class session you will have homework due before class (exceptions will be noted on Canvas). The homeworks involve a series of questions from the pre-class notes for that session. Generally, they are the problems that use the Starbucks financial statements. The homework will be graded completeness, and I expect that all students will receive full credit for the homework in line with the expectations of general professionalism. To be clear, completeness is not simply putting some words or numbers on the page, but by providing a professional and complete answer to each question and part of each question. The homeworks will be turned in on the Canvas on their respective links. Please upload one clear and organized file with your answers.

**Final Project**
You will get a chance to use your new financial reporting and analysis skills in completing a short financial statement analysis of a company of your choosing. Details on the report, including company choices and deadlines will be posted on Canvas.
Assignments and Grading Information (page 2 of 3)

Class Participation
This small portion of the grade represents your contributions to the professional learning environment inside the classroom. A student who asks good questions; proposes wrong, but relevant, answers; provides correct responses; or offers points related to the class discussion on a consistent basis, such as once a class, and refrains from missing class or disruptive behavior will score well on this component. In addition, good questions, answers or relevant points posted to the Discussion Board will be considered in this component of the grade, but the main emphasis is on classroom participation.

In addition and consistent with what is noted in this syllabus, students are required to attend all classes and refrain from disruptive behavior. Students are permitted two total excused absences (or partial attendance) for the semester for major events only, which represents missing 17% of the 12 non-exam classes. As your absence can detract from the learning experience of others, if you will miss part of or a whole class, please post to our Discussion Board before (or after) class when this occurs. The post can include an apology to your classmates, if sincere, and can include whatever information you believe is both personally and professionally prudent. If, for any reason, you are uncomfortable posting the circumstance to the class, you may email me in private. A student who misses more than two total classes cannot pass the class without a direct and clear documentation of the circumstances that is provided to me before the final exam.

This policy is in place as there is a strong (albeit obvious) link between taking part in active learning and doing well and mastering the material. Therefore, there is one evidence-based exception to the attendance policy: students who achieve a 96 or higher on the midterm exam can choose to miss class if they prefer for the classes that follow. To be clear, this is not advised. The reason this is not advised is that I have seen students who do well on a midterm fall into two camps: (1) they continue to work hard and get high As and (2) they gain a false sense of mastery and then drop 20-40 points on the final and struggle to use the material in future classes and work experiences.

Finally, students should not engage in any unprofessional or disruptive behavior during the semester. Disruptive behavior includes arriving late, leaving or packing up early, using a cell phone in anyway, or leaving the classroom for any reason (without a medical/safety need) during class. This also include out-of-class activities, such as disruptive emails or disruptive Discussion Board posts; for example, complaining about grades, assignments or policies, constantly asking for information that is already provided in class, on Canvas or on this syllabus without a valid reason, and insulting or acting unprofessional towards other students or faculty. Disruptive behavior also includes asking for unfair opportunities or extra credit or any other violation of the academic policies and expectations of our University. I hope no one engages in any of these as this behavior represents a major lack of professionalism and respect for our University. A student should expect to receive no points for this component with one example of disruptive behavior and may not pass the class with more than one occurrence of disruptive behavior.

Exams
During the semester we will have a midterm exam and a final exam. Both exams are closed book and closed notes. You may bring a calculator to the exams, but it should not have emailing or text features. Each exam will be based on the actual financial statements of a real company. The statements will be provided to you for the exam. All notifications of exam conflicts must be received no less than one week after the start of the semester. No exceptions.

The exam is primarily built around class discussions and homeworks. This exam is not one for which you should try to cram. You prepare for the exam by doing the work day-to-day in this class and then by relaxing the night before the exam. Cramming is not useful in the real world and I aspire to create a class that helps move us away from this unhelpful practice.
Grading Disputes
My grader and I make every effort to grade all of your work fairly and accurately, but grading errors can occur. If you believe there’s an error, you may request a re-grading of the assignment. Be aware, however, that grading errors can occur in both directions - errors can make grades too high as well as too low. Therefore, if you request a re-grading, your entire assignment will be re-graded, and all grading errors will be corrected. By requesting a re-grade, you accept the possibility that your grade may go either up or down. To request a re-grade, you must submit a written request to me within 72 hours from the time in which the assignment’s grade was released to students (whether or not you were present in class on that day or checking email). The request must be accompanied by the original, if I do not retain it, and must state the area of dispute, your recommendation for change in grade, an explanation or justification for your recommendation and any limitations to this recommendation. The re-grade request must refer to the guidelines established in this syllabus.

Informal discussions about how a student can perform better are allowed, but a student should first be able to clearly articulate (in person or in writing) how their submission compared to the discussion from the class and any posted materials and also be able to discuss the expectations as noted in this syllabus. That is, you should lead this conversation by noting how the submission related to class or any posted materials, noting the mistakes and discussing how you intend to improve and then I can fill in as needed.
Advice for Success (page 1 of 2)

This course works well for people who possess all of the following:

1) an interest in learning and a willingness to develop new skills and perspectives;
2) an interest in how businesses operate, make decisions, change and report their performance;
3) a willingness to benefit from and contribute to the UT/McCombs’ educational experience;
4) an interest in understanding financial accounting as the logical language of business.

General Objectives:
The objective of this course is to help you to become comfortable reading the financial statements of any business, from a large publicly-traded company to a small privately-held company. We will achieve this in three steps. The first step is to understand the accounting concepts in general (early part of course) and as they apply to specific situations (later part of course). You will accomplish this step largely on your own by reading the pre-class notes and completing your assigned homework. The second step is to apply these accounting concepts to actual financial statements. This step can be a little tricky because there is some variation across companies and how and where they present the data you will need for any particular task. This step will be the focus of our in-class work, and you will only get the most out of it if you have done a good job of understanding the relevant accounting concepts before you come to class. The third step is practice. I can’t emphasize this enough. Learning accounting requires practice. The more you practice the more comfortable you will become with financial statements and the better you will do in the course. See my advice below for how to succeed in this course. Finally, study groups are great, use them. My only word of caution is that in the end you will take the exams by yourself, so make sure before each exam that you can succeed independent of the group.

Specific Advice

• Most Important
  o Modules 1-4 are the most important in the course and the foundation for all that follows. As a result it is especially important that you follow the advice below for these four modules. In addition, at Canvas you will find three (ungraded) multiple choice quizzes that are focused on the material in modules 2, 3, and 4. These quizzes can be very useful in helping you to master this material.

• Weekly
  o Before each class session you should study the pre-class notes for that session and complete the homework. The homework will be graded on a completion basis, so it is possible to just skim the material, guess at something for the homework and get full credit. This is a really bad idea. You should read through the notes slowly and thoughtfully, doing each of the example exercises and thinking about why the answer is the right answer. Then slowly do the homework and think about what you are doing.
  o The more prepared you are for each class session the more you will get out of that class session. If you come to class knowing where your weaknesses or questions are, there is a better chance they will be asked and answered in class.
  o Come to class and engage—don’t multi-task. Class time is an important time to fill in the gaps in your knowledge that you identified in your pre-class preparation. This is best done by paying attention and asking questions about whatever is not clear.
  o Review the notes after class. Sometimes when you watch me in class you think you understand something, but once out of class you can’t remember exactly what you
Advice for Success (page 2 of 2)

thought you knew. A quick review the next day, using the annotated notes with solutions provided at Canvas, will help you to identify something you might not completely understand so that you can go back over the notes, or consult with a classmate, or post a question to our Discussion Board.

• Prior to Quizzes and Exams
  o Review the in-class notes one more time. By now you have been through these notes three previous times, so you should be quite sure of what you understand well and what you are not so sure about. For remaining questions, consult with a classmate or post a question to our Discussion Board.
  o Review prior exams. Spend fifteen or twenty minutes familiarizing yourself with the financial statements attached to the prior exam first, and then begin to attempt the problems. Give the problems a good try before looking at the solution, but do not spend too much time trying to figure out an answer that you are unsure of. If, after you look at the solution, you are still not sure why that is the correct answer, consult with a classmate or post a question to our Discussion Board.
  o Save one prior exam to take under test-like conditions. As you use the prior exams to study, it is easy to use the solution as a crutch and as a result overestimate what you understand. Taking one of the exams under test-like conditions and then grading it objectively will give you a better sense of what you understand and what you do not understand.
  o Study the financial statements for the quiz or exam. It is essential that you understand the financial statements and notes that will be the basis for your exam or quiz prior to coming to the exam. If there is something you don’t understand consult with a classmate or post a question to our Discussion Board.
  o Make up exam problems using the financial statements for the quiz or exam and solve them. This is a great way to both become familiar with the financial statements and anticipate what will be on the quiz or exam. This is also a great activity to do with a study group.
Academic Integrity and University Policies (page 1 of 2)

Cheating involves copying work across groups, cheating on an exam or project, plagiarizing your assignments and other things as well. Don’t cheat as (1) it is wrong; (2) the costs far outweigh the benefits: you don’t want to get kicked out in a short-sighted attempt to make a B a B+; and (3) there is a very good chance that your cheating will be revealed and we will all be extremely disappointed.

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://my.mccombs.utexas.edu/BBA/Code-of-Ethics. By teaching this course, I have agreed to observe all faculty responsibilities described there. By enrolling in this class, you have agreed to observe all student responsibilities described there. 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.

Copyright and Intellectual Property
The course notes and other materials are the intellectual property of your professor and are given to you, for free, on an individual basis only. You may not, in anyway, share, distribute or post electronic, hardcopy or other versions of the class materials with other people or on websites or other avenues of social media without explicit permission from me. Posting or sharing materials, or even snippets of materials, will be considered a violation of our University’s Academic policies for all parties involved and may lead to a failing grade in this class. This includes all websites, apps and social media; the only exception is that you may post class-related material to our class’s Canvas Discussion Board during the semester.

Recording Class:
Recording all or any part of class without explicit written permission from the professor is strictly prohibited. Violations will constitute a violation of the academic integrity policies of our University and may lead to a failing grade in this class and legal prosecution. If you need to record the class, please email me to seek permission at least a week in advance and include details about the date, topics, individuals involved and a clear explanation of the reasons for this need.

Privacy in Canvas:
Information in Canvas is protected by your UTEID login. If applicable, please be aware that I will use a merged Canvas site for all sections, if there is more than one, of a course that I teach. This will allow students in other sections to see that you are enrolled in the course and send you email from within Canvas. However, they will not actually learn your email address and no other personal data will be revealed through Canvas. If you have any concerns, please contact the ITS Help Desk at 475-9400 for help removing your name from view of other students.
Academic Integrity and University Policies (page 2 of 2)

Important Notifications

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://diversity.utexas.edu/disability/.

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.

Campus Safety
Please note the following recommendations regarding emergency evacuation, provided by 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 the 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.
- Further information regarding emergency evacuation routes and emergency procedures can be found at: http://www.utexas.edu/emergency.
Preliminary Schedule:
This may change and Canvas, not this syllabus, will hold the official schedule.

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<th>Month</th>
<th>Date</th>
<th>Topic</th>
<th>Homework</th>
<th>Module</th>
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<td>Monday</td>
<td>August</td>
<td>15</td>
<td>Introducing Financial Statements</td>
<td>Assignment 1</td>
<td>1</td>
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<tr>
<td>2</td>
<td>Wednesday</td>
<td>August</td>
<td>17</td>
<td>Constructing Financial Statements</td>
<td>Assignment 2</td>
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<td>Adjusting Accounts for Financial Statements</td>
<td>Assignment 3</td>
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<td>Assignment 4</td>
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<td>Reporting and Analyzing Cash Flows</td>
<td>Assignment 5</td>
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<td>Assignment 8</td>
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<td>Reporting and Analyzing Inventory</td>
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<td>10</td>
<td>Monday</td>
<td>September</td>
<td>19</td>
<td>Reporting and Analyzing Intercorporate Investments</td>
<td>Assignment 10</td>
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<td>11</td>
<td>Wednesday</td>
<td>September</td>
<td>21</td>
<td>Reporting &amp; Analyzing Long-Term Operating Assets</td>
<td>Assignment 11</td>
<td>10</td>
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<td>12</td>
<td>Monday</td>
<td>September</td>
<td>26</td>
<td>Reporting and Analyzing Liabilities</td>
<td>Assignment 12</td>
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<tr>
<td>13</td>
<td>Wednesday</td>
<td>September</td>
<td>28</td>
<td>Catch Up, Wrap Up and Review</td>
<td>Assignment 13</td>
<td></td>
</tr>
<tr>
<td>Thursday</td>
<td>October</td>
<td>6</td>
<td>Financial Statement Analysis Project Due</td>
<td>Assignment 14</td>
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<td>October</td>
<td>3-5</td>
<td>Final Exam</td>
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