Accounting 326, Spring 2017  
Financial Accounting Standards and Analysis  

Professor: Dain Donelson  
Office: CBA 3.216  
Phone: (512) 232-3733  
E-mail: dain.donelson@mccombs.utexas.edu  
Office Hours: TR 10:30-11:30 or by appointment  
TA: Antonis.Kartapanis@mccombs.utexas.edu  
Office Hours: MW 9:30-10:30, CBA 5.334L

Course  
The course examines issues in financial reporting primarily from a user perspective.  

Objectives:   The basic objectives of the course are:  

(1) to learn about current U.S. financial reporting;  
(2) to consider the economics of transactions and events, and understand whether and how financial reporting captures those economics;  
(3) to learn how to reason about financial reporting problems as users do (i.e., work backward from financial statement and footnote data to journal entry).  

Required Text  
Financial Reporting and Analysis by Revsine et al. (6th Edition)  

Grades  
Your course grade will be based on four exams, each worth 25% of your grade. Exams may include both multiple-choice and computational questions. Any missed exam must be approved through Student Emergency Services. In these cases, a weighted average of the other exams will substitute for the missed exam. If you do not have a valid reason, you will receive a grade of zero. I reserve the right to adjust grades for extraordinary class contribution. I also reserve the right to give quizzes without prior announcement between exams which will substitute as part of the exam or to require homework to be turned in as part of the exam.  

Class Attendance and Homework  
Class attendance and homework are important components of this course. Knowing what to study for the exams is much easier if you've been in class on a regular basis. I do not take attendance and there is no explicit reward for attending or penalty for missing class. You should complete the homework problems to reinforce what we do in class and prepare for the exam. You are far better off to work homework problems as or soon after we cover material in class, rather than waiting until right before the exam. Working on the homework assignments with other students is encouraged.  

Communication Channels  
The class webpage is on Canvas. I may send email containing announcements, etc.
Class Conduct
Professional behavior is not only required when interacting with someone outside of the university environment, but it also is expected in your classes. I expect you know what this means. Nevertheless, as non-exhaustive guidelines:

1. **I expect students to arrive to class on time.** If you are running late, do not feel you should skip class. Please quietly take a seat at the side of the classroom. If you must leave class early, do so quietly.

2. **I expect that all electronic devices will be turned OFF once class begins.** If you have truly extraordinary circumstances, speak with me about it before class. Whether I say something in class regarding the use of your phone does not that that I did not notice it – you should be aware that use of a cell phone is one of the most obvious activities to observe from the front of the room, and it is even more obvious when you hold it in your lap. So, if you want to ensure I notice it and that you receive the largest grade penalty possible, be sure to go out of your way to “hide” your usage.

Electronic Class Rosters
Password-protected class sites will be 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/gi02-03/app/appc09.html](http://www.utexas.edu/student/registrar/catalogs/gi02-03/app/appc09.html).

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

Departmental 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](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/](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.
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 from the Office of Campus

• 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
## ACC 326 – Spring 2017 – Course Schedule

<table>
<thead>
<tr>
<th>Approx. Date</th>
<th>Chapter, pages</th>
<th>Topic</th>
<th>E = exercise</th>
<th>P = problem</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-19</td>
<td>CH. 1, 1-27</td>
<td>Financial Reporting &amp; Corporate Governance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-21</td>
<td>CH. 11, 652-56</td>
<td>Disclosure and Risk</td>
<td>E 7, P 18</td>
<td></td>
</tr>
<tr>
<td>1-26</td>
<td>CH. 2, 53-83</td>
<td>Income Statement</td>
<td>E 5, 6, 8, 9, 16</td>
<td>P 5, 7, 15</td>
</tr>
<tr>
<td>1-31</td>
<td>CH. 3, 144-55</td>
<td>Earnings Management &amp; Restatements</td>
<td>E 16, 17, 18</td>
<td>P 13, 14</td>
</tr>
<tr>
<td>2-2</td>
<td>CH. 4, 202-14</td>
<td>Cash Flows</td>
<td>Ch. 4: E 5-9, 10</td>
<td>P 7, 8</td>
</tr>
<tr>
<td>2-7</td>
<td>CH. 17, 1031-47; 1053-59</td>
<td>First Exam – In Class</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2-9</td>
<td></td>
<td><strong>Liabilities and Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2-14 2-16</td>
<td>CH. 13, 745-88</td>
<td>Deferred Taxes</td>
<td>E 1, 2, 7, 8, 9</td>
<td>P 1, 2, 5</td>
</tr>
<tr>
<td>2-21 2-23</td>
<td>CH. 11, 601-33</td>
<td>Debt</td>
<td>E 1-6, 8, 9</td>
<td>P 2, 3, 5, 15</td>
</tr>
<tr>
<td>2-28 3-2</td>
<td>CH. 15, 889-903</td>
<td>Equity</td>
<td>E 1, 2, 3, 5, 8; P 4</td>
<td>E 10, 13-15; P 7, 12</td>
</tr>
<tr>
<td>3-2</td>
<td>CH. 15, 904-11</td>
<td>EPS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>~3-7</td>
<td></td>
<td>Second Exam – In Class</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3-21 3-23</td>
<td>CH. 11, 633-50</td>
<td>Derivatives</td>
<td>E 13; P 6, 23, 24</td>
<td></td>
</tr>
<tr>
<td>3-28 3-30</td>
<td>CH. 15, 911-24</td>
<td>Stock-Based Compensation</td>
<td>E 16</td>
<td></td>
</tr>
<tr>
<td>4-4 4-6</td>
<td>CH. 15, 924-30</td>
<td>Compound Financial Instruments</td>
<td>P 2, 5</td>
<td></td>
</tr>
<tr>
<td>4-11</td>
<td></td>
<td>Third Exam – In Class</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4-13 4-18</td>
<td>CH. 12, 687-716</td>
<td>Leases</td>
<td>P 1, 2, 3, 6, 7</td>
<td></td>
</tr>
<tr>
<td>4-20 4-25</td>
<td>CH. 14, 825-861</td>
<td>Pensions</td>
<td>E 1-7</td>
<td></td>
</tr>
<tr>
<td>4-27 – 5-4</td>
<td>CH. 16, 953-75; 985-94</td>
<td>Intercompany Equity Investments</td>
<td>E 4, 5, 9, 10, 12, 15</td>
<td>P 1, 4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fourth Exam – Final Period</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>