

Financial Accounting – 200A
Fall Quarter, 2009
Syllabus

Contact Information:

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Email is the easiest way to contact us. Students should email questions to *both* the professor and the teaching assistant. Please provide the section identifier (either “Daytime 200A”, “Sacramento 200A” or “San Ramon 200A”) in the subject line.

Course Objectives:

Corporate financial reporting is concerned with the form and content of the financial information disclosed by firms to external parties (e.g. shareholders, financial analysts). In the United States financial reporting practices must follow “Generally Accepted Accounting Principles” (GAAP), which are set by the Financial Accounting Standard Board (FASB), a private-sector regulatory authority. GAAP define the set of accounting method and disclosure practices from which firms select when providing information to external parties. The primary emphasis of this course is to assist you in developing the *basic* skills required to interpret, analyze and evaluate information contained in published financial statements. The course will introduce a variety of financial reporting topics. Later elective courses in the program cover many of the same topics, as well as additional topics, in more depth.

Waiving Out of the Course:

Students who earned a bachelor or master degree in accounting are/or who are certified public accountants will be automatically waived from taking the core Financial Accounting Course (200A). The student should email Professor M. Yetman (mhyetman@ucdavis.edu) and summarize the relevant education or certification that qualifies them for the exemption. She will send an email to you and student services confirming your exemption.

Other students who feel they have a very good understanding of basic accounting principles may take the waiver exam. Students who minored in accounting or have already taken a few financial accounting courses may attempt the waiver exam. The professor does not recommend waiving the course for students who have had only one previous undergraduate financial accounting course, as beginning undergraduate accounting courses are typically taught with an emphasis towards bookkeeping, whereas this course is taught with an emphasis towards managerial decision making.

Class Materials:

Textbook: **Financial Accounting for MBAs, 4th edition** by Easton, Wild, Halsey, McAnally. ISBN: 978-1-934319-34-5. There are many changes between the 3rd and 4th editions (including many of the end of chapter exercises and problems), so I urge you to obtain the 4th edition.

Additional Materials:

- **Course Cases** are provided on study.net. Instructions to accessing study.net are in SmartSite under “Resources,” “Instructions for Accessing Study.net.” If you have problems accessing the cases on study.net, contact Instructional Resources at the Graduate School of Management at instructional@gsm.ucdavis.edu or study.net directly. Other case information will be posted on SmartSite under “Resources,” “Cases”.
- **Class notes** will be provided on SmartSite under “Resources,” “Class Notes” at least 24 hours before class. Note that electronic copies of the class notes are not a substitute for the material covered in class. They are a base set of notes to assist you in note taking during class.
- **Solutions** to most of the textbook problems are posted on SmartSite under “Resources,” “Textbook Solutions.”

Class Format:

You are expected to have read the textbook material and attempted the textbook assignment prior to coming to class. Although you are responsible for all questions, exercises, and problems assigned, I will cover only the more challenging ones in class. The class format is a lecture that highlights key conceptual issues followed by working select problems and cases.

Attendance:

I do not take attendance. However, attending class is valuable in helping you understand the material; therefore I suggest you attend class. If you do need to miss class, you will need to rely on a classmate for any notes taken in class. I am happy to answer questions about the material, but only after you attempt to work through it yourself. One issue with respect to missing class is with respect to case assignments and exams. Please see “Assessment and Exam Policy” below in terms of the policy on turning in case assignments and taking exams.

If you know you will be missing a class and would like to attend an alternative section, you may email me to request to attend one of my other classes. The attached schedule outlines the topics that I plan to cover on each date. However, I cannot guarantee that the timing of the lectures will be perfectly synchronized across the sections.

Classroom Etiquette:

Please do your best to arrive in time. I realize that circumstances may occur where you may be late to class. Please feel free to join the class late, but enter quietly and try to minimize disruption to the class. Also, please turn your cell phone off during class. If you *must* have your cell phone on during class then please turn it on vibrate and sit in an area of the class room where you can minimize disturbance should you need to leave the room to take a call. Finally, please be respectful to all of your classmates and do not talk to your neighbors during class.

Performing well in the course:

This course does not require a prerequisite and will be taught assuming no prior knowledge of accounting. Because this is a master's course we move – the material quickly. This gives you little time to digest the material before we move on. Not understanding the material in early chapters will prevent the understanding of material in later chapters since the accounting concepts build on each other. Thus, many students will be inclined to get lost quickly unless they keep up and invest in understanding each concept as it is covered. If you find yourself getting behind, I strongly suggest that you find time to study. If you are confused, you need to see me for help (but only after you attempt to understand the material on your own). With this in mind, before the first class I strongly encourage you to read modules 1-3 and attempt the textbook assignment (solutions are posted on SmartSite). I don't expect you to fully understand the assignment, but if you read the modules and attempt the assignment, things will become clearer to you in the lecture.

Assessment and Exam Policy:

<u>Item</u>	<u>Percent of Final Grade</u>
Case Assignments (4 equally weighted)	20%
Exam 1 (Modules 1-4)	30%
Exam 2 (Modules 1-8)	30%
Final Exam (Comprehensive)	20%

You are expected to take the exams at the scheduled time. If you must miss an exam, then please contact the professor as far in advance as possible to make alternative arrangements. With the exceptions of emergencies, failure to contact the professor about missing an exam will result in a score of 0 on the item

The content of the exams will be derived from the textbook readings, textbook assignments, case assignments, class notes, and any problems covered in class. You are responsible for understanding all of the assignments regardless of whether we covered them in class (detailed solutions of all of the assignments will be posted on the course website). Case solutions will not be posted on the website, but we will review them in class.

Case assignments are due at the beginning of class. For East Bay classes, students in both sections must turn in their case assignments by the beginning of the first class on the due date. If you are going to miss class on a day when a case is due, you may email it to me, but it must be in my inbox before class begins and it must be in PDF format. Late assignments will not be accepted.

Requests for regrading must be made in writing within two weeks from the return of the graded item. My grader and I may regrade the entire item and, therefore regrading may result in a higher or lower score.

Schedule (subject to change):

Daytime: Tuesday from 9 am – 11:50 in Gallagher Hall, room 1213.

Sacramento: Tuesday from 6 – 9 pm in OCM, room 1.

East Bay Section 1: Friday from 2 – 5 pm and Saturday from 9 am – noon in Bishop Ranch, room 1501.

East Bay Section 2: Friday from 6 – 9 pm and Saturday from 1 – 4 pm in Bishop Ranch, room 1501.

Directions to locations: <http://www.gsm.ucdavis.edu/ExploreOurSchool/index.aspx?id=188&m2=99&m3=4&m1=94>

Note: Class notes will be posted on the course website *at least* 24 hours before class. There is no need for you to review them before class, but you may want to either print them or download them onto your computer to assist in note taking during class.

Daytime and Sacramento	East Bay	Module	Topic	Assignments (to be turned in) and Exam Dates	Textbook Assignment (do not turn in) (Solutions on SmartSite under “Resources,” “Textbook Solutions”)
Sept 29 and Oct 6	Fri Sept 25	1	Financial Accounting for MBAs		<ul style="list-style-type: none"> • Read Module 1 • Skim Appendixes 1A & 1B, • Q1-1 – 1-8, Q1-15 – Q1-18, E1-28, E1-30, E1-34, P1-36, P1-39, P1-44
		2	Introducing Financial Statements and Transaction Analysis		<ul style="list-style-type: none"> • Read Module 2 • Skim Appendix 2A • Q2-1 – Q2-18, M2-21, M2-23, E2-27, E2-35, P2-41, P2-43, P2-45, P2-46, P2-48
	Sat Sept 26	3	Constructing Financial Statements and Analyzing Transactions (only part of chapter)		<ul style="list-style-type: none"> • Read Module 3, but ignore the discussions on t-accounts and journal entries. We will record transactions only in the financial statement template and NOT in t-accounts or journal entry form. Also ignore discussion on Trial Balance. • Ignore Appendix 3A. • Q3-1, Q3-7, Q3-9, Q3-10, E3-28, E3-33, E3-36, P3-39, P3-41, P3-44, P3-45b, P3-47b

Daytime and Sacramento	East Bay	Module	Topic	Assignments (to be turned in) and Exam Dates	Textbook Assignment (do not turn in) (Solutions on SmartSite)
Oct 13	Fri Oct 9	3	Constructing Financial Statements and Analyzing Transactions		Continued from last assignment.
		4	Analyzing and Interpreting Financial Statements		<ul style="list-style-type: none"> Read Module 4 and appendices Q4-1–4-14, M4-15, M4-16, M4-17, E4-25, P4-39, P4-40, P4-41, P4-47, P4-48
Oct 20	Sat Oct 10	5	Reporting and Analyzing Operating Income	<p>Case 1: Lost Peak Winery, Inc. (A)</p> <ul style="list-style-type: none"> Case is provided on study.net Additional case information will be posted under “Cases” in SmartSite as Case1.pdf Due at the beginning of class (East Bay students must turn in case by 9 am on Saturday) Bring 2 copies of your case solutions (one to turn in and one to use while we review the solution in class) 	<p>Read these sections of Module 5</p> <ul style="list-style-type: none"> Revenue and its Recognition (5-1 – 5-11). No need to memorize the cases on 5-7 and 5-8 or how to calculate percentage of completion revenue, but be aware of the concepts. Research and Development (R&D) expenses (5-11 – 5-14) Restructuring Expenses and Incentives (5-14 – 5-16) Income Tax Expenses and Allowances (5-17 – 5-24, plus appendix 5A) Extraordinary Items (5-26 – 5-27) <p>Skim these sections of Module 5</p> <ul style="list-style-type: none"> Foreign Currency Translation Effects (5-24 – 5-25) Earnings Per Share (5-27 – 5-29) <p>Q5-1, Q5-2, Q5-3, Q5-6, Q5-7, Q5-8, Q5-10, M5-15, M5-21, E5-22, E5-23, E5-26, E5-30, E5-32, P5-41</p>

Daytime and Sacramento	East Bay	Module	Topic	Assignments (to be turned in) and Exam Dates	Textbook Assignment (do not turn in) (Solutions on SmartSite)
Oct 27	Fri Oct 23	5		Exam 1 <ul style="list-style-type: none"> Covers Modules 1 – 4 Additional exam information will be posted under “Exams” in SmartSite as Exam1.pdf 	
Nov 3	Sat Oct 24	6	Reporting and Analyzing Operating Assets		<ul style="list-style-type: none"> Read Module 6 Q6-1 – Q6-11, E6-22, E6-24, E6-27, E6-30, E6-32, E6-37, P6-41, P6-42
Nov 10	Fri Nov 6	8	Reporting and Analyzing Nonowner Financing	Case 2: Merrimack Tractors and Mowers, Inc.: LIFO or FIFO? <ul style="list-style-type: none"> Case is provided on study.net Case questions will be posted under “Cases” in SmartSite as Case4.pdf Due at the beginning of class (East Bay students must turn in cases by 2 pm on Friday) Bring 2 copies of your case solutions 	<ul style="list-style-type: none"> Read Module 8 Q8-1 – Q8-6, E8-23, E8-24, E8-28, E8-30, E8-31, E8-32, P8-37
Nov 17	Sat Nov 7	8	Reporting and Analyzing Nonowner Financing	Case 3: Depreciation Policy: British Airways Versus Lufthansa <ul style="list-style-type: none"> Case is provided on study.net Case questions will be posted under “Cases” in SmartSite as Case3.pdf Due at the beginning of class (East Bay students must turn in cases by 9 am on Saturday) Bring 2 copies of your case solutions 	Continued from last assignment.

Daytime and Sacramento	East Bay	Module	Topic	Assignments (to be turned in) and Exam Dates	Textbook Assignment (do not turn in) (Solutions on SmartSite)
Nov 24	Fri Nov 20			Exam 2 <ul style="list-style-type: none"> Covers Modules 1 – 6 + 8 (with heavy emphasis on 5, 6, & 8) Additional exam information will be posted under “Exams” in SmartSite as Exam2.pdf 	
Dec 1	Sat Nov 21	B	Appendix B Constructing the Statement of Cash Flows	Case 4: To be announced <ul style="list-style-type: none"> Case will be posted under “Cases” in SmartSite as Case4.pdf (not study.net). Due at the beginning of class (East Bay students must turn in cases by 9 am on Saturday) Bring 2 copies of your case solutions 	<ul style="list-style-type: none"> Read Appendix B and B1 QB-1 – QB-21, PB-39, PB-44, PB-47
Dec 8 during regular class time	To Be Announced			Final Exam <ul style="list-style-type: none"> Comprehensive Additional exam information will be posted under “Exams” in SmartSite as Final.pdf 	