

FINANCIAL ACCOUNTING EM 130
Course Syllabus
Fall Semester 2011
Gustavus Adolphus College
Economics and Management Department

Instructor: Timothy Peterson
Assistant Professor Economics and Management Department
Classes this semester: E/M 130-001 10:30 -11:20 MTWF BH 311
E/M 130-002 11:30-12:20 MTWF BH 311
E/M 340-001 2:30-4:20 MW BH 219
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Text and Required Materials

Financial Accounting, Second Edition, Spiceland, Thomas, Hermann, McGraw-Hill, 2011, ISBN 978-0-811082-5

Calculator

Text companion website: www.mhhe.com/succeed

Course Overview

The course is required for students majoring in accounting, economics, management, or international management at Gustavus. The course is beneficial to any student proclaiming to possess a general and broad education. There are no prerequisites for this course.

This course represents a study and application of generally accepted accounting principles (GAAP) for asset valuation, income measurement, and financial statement presentation applicable to for profit business entities. The course develops this study and application by covering in detail topics that are essential to preparing and interpreting financial statements that are prepared in accordance with generally accepted accounting principles. Upon completion of this course the student should be able to prepare and interpret a basic set of financial statements. Extensive importance of the role of accounting information in decision making is emphasized while concurrently emphasizing the limitations of current measurement and reporting requirements.

Even though some of the material in the course can be quite specific my goal is not to make you masters of these specific rules. Our coverage in this course is aimed at discussing important topics that will give you feeling for the uses and limitations of financial accounting reports. We will not, because of time constraints and the inevitable clouding of the substantive concepts that underlie the financial statement items, cover every financial topic that you will encounter in your professional and personal careers.

A working knowledge of accounting is an understanding of how accounting functions at its most basic levels, of what are goals are, and the limitations it encounters in trying to achieve those goals. A working knowledge of accounting is not a memorization of its rules and conventions. This

broader understanding is what helps a decision maker understand what information you want and what information you have. Using the information you have to get the information you want is the correct application of accounting understanding.

A study of financial accounting will not only enhance your professional decision making abilities, but it will enhance your understanding of your personal financial life and provide you with the background to make better personal financial decisions.

My Philosophy as Your Instructor

As your instructor I will continuously emphasize the relationship between market value and accounting value. I do not want you to get lost in the details. I want you to see the big picture of what financial position and financial performance are. Most of what we will do in this course will come back to the big picture.

Memorization will not give you success in this course, although a certain degree of memorization is required. Ultimately, the course is about problem solving, decision making, and financial number interpretation.

My philosophy is that every educated individual should take a course in financial accounting. It is so pervasive in modern day, free market economies. Financial accounting involves structured and unstructured problem solving and decision-making.

Course Objectives

This course will provide you with an understanding of the uses and limitations of accounting information in economic decision-making in a variety of personal, business, and other organizational contexts. The course will also build skills in problem solving, interpersonal communications, and use of computers. The specific course and learning objectives are discussed in each chapter of the text.

Fundamentally the course is about assets, liabilities, revenues, expenses, and cash flows of business entities and the reporting requirements that follow from these items.

The following are the key broad objectives of the course.

- 1) To introduce students to a broad range of decision-making problems that arises in various organizational settings.
- 2) To help students become accounting literate – students are introduced to the role of accounting in the economy and to fundamental accounting concepts that underlie the development and communication of information that supports economic decision-making.
- 3) To help students become business organization literate – students should gain a basic understanding of business/organizational concepts in which economic decision-making occurs.
- 4) To help students understand the basic concepts underlying a set of financial statements
- 5) To help students understand the uses and limitations of accounting measurements for external reporting purposes
- 6) To help students use judgment in determining the appropriate accounting information for particular decisions.

Skills in three key areas related to decision making are developed.

- 1) Structured and unstructured problem solving
- 2) Interpersonal skills
- 3) Computer skills

The problems are the primary means by which decision-making skills are developed. Interpersonal skills are developed through the integration of group work, participation in class discussion, and an

emphasis on active learning. Computer skills are enhanced by the requirement that students use electronic spreadsheets in the preparation of various problems.

Course Learning Activities

The course learning activities are progressive in nature. Most topics in this course rely upon a mastery of topics that must be mastered prior to mastering the current topic. As advanced topics are covered integration of all previous topics will be developed.

The text has an excellent website for students. The companion website offers a seamless integration of text and media which is designed for instructor flexibility and enhanced student learning.

Course activities will be undertaken to apply the material in the text.

Class Attendance

I do not take regular class attendance. I will take class attendance when we do group projects in class. Class discussion is a valuable use of your time and attendance is highly suggested on a regular basis. Your class input is a valuable resource to the rest of your classmates.

Assignments

Development of course assignments and activities are governed by the following general objectives:

Understand the theoretical basis of financial reporting
Beware of the environment which affects the financial reporting process and the accounting function
Develop an understanding of the requirements of General Accepted Accounting Principles
Understand the uses and limitations of accounting measurements
Critically assess alternative measures of valuation
Use judgment in determining the appropriate accounting procedure to be used to report transactions
Evaluate the appropriateness of accounting procedures used to report the economic activities of an entity
Develop an appropriate accounting procedure to report a newly developed or unique transaction
The specific issues that this course addresses are the specialized procedures used to report assets, liabilities and stockholders equity on the balance sheet and revenues and expenses on the income statement.

1) Text) Reading Assignments:

Chapters in the textbook should be read by the first day that the chapters are discussed in class so that you can participate in the class discussion.

2) Chapter Problem Assignments using Connect

We will be using Connect, an electronic computer assignment and scoring website. Your textbook purchase (if purchased in the College bookstore) includes access to Connect.

Approximately 60 assignments will be assigned utilizing Connect throughout the semester. Of the 60 assignments 55 will be counted towards the final point total. You have access to Connect anywhere that you have Internet access. Each Connect assignment will have a point total of 10 points. Connect will electronically score and record your assignment. Each assignment will have a certain period of time within which to complete the assignment. No assignments will be allowed to be completed after the due date for each assignment. You will have electronic access to your Connect assignments and the score you received on each of them. I will eliminate the scores on the lowest 5 Connect assignments in your final grade determination.

I would suggest you print out the assignments in Connect for future reference.

4) **Internet Assignments**

Additional information concerning all assignments.

Any assignment involving multiple pages of paper must have the pages stapled together. Paper clips do not suffice. Use the front side of paper only. One piece of paper for each assignment. Any assignment violating these rules will not be accepted for credit or considered late.

No assignments will be accepted via e-mail. All assignments must be hand delivered in class or posted to the board outside of my office per instructions.

All assignments other than Connect assignments must be completed using either a word processing program or electronic spreadsheet program.

The Economics and Management Department has student tutors available to assist accounting students. The tutors are upper level accounting majors. Please feel free to partake of this valuable student learning resource.

Class Participation

You should expect to be called upon very frequently during class discussions to express your views on assigned readings and homework assignments. The quality of your participation may be a factor in your final grade, either to the upside or the downside.

Class participation is defined as asking questions about course topics, answering questions about course topics, and presenting or describing problem solutions in class. Participation is difficult to measure and hence it becomes a subjective factor. Participation is important and you will find you retain more as you participate. Learning to think and express yourself “on the fly” and “on your feet” is a valuable skill that can only be refined through practice..

I try to make class fun, interactive, relevant, and challenging. These motives drive everything that we do in class and everything you can expect from me.

Exams

1) Quizzes

A quiz will be given for each chapter at the conclusion of each chapter. Each quiz will consist of ten multiple-choice questions. No make-up quizzes will be given. The two lowest quiz scores will be dropped. A total of twelve quizzes will be administered.

2) Periodic Examinations

There will be four exams and a final cumulative comprehensive exam. You are expected to take exams at the scheduled times. No make-up exams will be given for unexcused absences. If you must miss an exam, you must contact the instructor before the exam is given to obtain permission to sit for the makeup exam. Failure to do this, as well as the lack of a valid and written documented reason for your absence, will result in a score of zero for the missed exam. The graded exams will be returned to you.

I do not believe in “trick questions.” A question may appear to you to be “tricky”, but to me it reveals a depth of understanding and the ability to discriminate based upon a thorough understanding of the topic or issue. Again, my intent is not to “trick” you but to determine your depth of understanding.

Exam No. 1 Chapters 1,2,3	85 Points
Exam No. 2 Chapters 4,5,6	90 Points
Exam No. 2 Chapters 7,8,9	95 Points
Exam No. 3 Chapters 10,11,12	100 Points

The periodic examinations have progressively higher point totals which embodies the trend of your examination performance. Hence the trend in your performance automatically becomes a factor in your final point total for the periodic exams.

The periodic examinations will be problem orientated and will involve computations and the organizing and presenting of those computations. The periodic examinations will include no multiple choice questions.

3) Final Examination

The final examination will be cumulative in nature. The exam will involve a discussion of accounting issues and calculations. The exam will attempt to measure your ability to draw all of the topics covered in the course together to determine your ability to synthesize the relevant accounting issues.

The final exam will be worth 180 points.

Course Grade

These approximate point totals and approximate percentages shown below are preliminary and may be adjusted during the semester. Both sections of financial accounting that I teach will be combined into one class distribution.

	Points
Chapter Quizzes (10 X30)	300
Connect assignments	550
Periodic Exams	370
Final exam	180
Other Projects	100
Total	1500

I employ a relative grading system versus an absolute grading system. An absolute grading system establishes various cutoff points ahead of time and a student's grade is determined by the location of their total points between the cutoff points. A relative grading system establishes the cutoff points after all the points for all students have been computed. The difference is that in an absolute grading system if you get so many points you get a certain pre-established reward. In a relative grading system, your reward is based upon relative performance, how well you performed relative to the performance of your peers. There is no curve in this class, a curve being defined as the normal distribution of student point totals.

I feel a relative grading system is better preparation for life, because in real life you are evaluated and rewarded based upon your performance relative to others. An absolute grading system reinforces an artificial reward system. In life, there are few absolute reward systems. Most reward systems are relative. The only advantage of an absolute reward system is that it provides a higher level of certainty for the user, because at all times you know your reward. After each major assignment or test I will pass around a sheet showing everyone's relative ranking and grade at that point to increase the level of certainty as to your current grade.

Formula for course percentage: Total points earned/ Total possible points = rank

Rank determines grade – students are ranked in descending order (highest total points to lowest total Points)

Honor Code

Academic Honesty: At the November, 2006, Faculty Meeting, the faculty approved changes to Handbook Section 2.2.9: “Through information provided in syllabi and/or other means, faculty members will explain to students how the Honor Code will operate in their respective courses. The following statement is suggested as pledge for students to sign on all graded assignments and projects.

“On my honor, I pledge that I have not given, received, or tolerated others use of unauthorized aid in completing this work.

A similar statement may be signed by students at the beginning of a course indicating that their work for that course will comply with the academic honest policy and the Honor Code.”

Working together on class assignments can be very beneficial, and is encouraged. Graded class activities, except those specifically designated as group activities, are designed to develop your skills and abilities and to measure your mastery and comprehension of the knowledge area. The line between collaboration and cheating sometimes gets blurred. Using another’s works as your own is cheating.

Gustavus has an honor code and honor code policy in effect. Every Gustavus student now agrees to abide by the academic honesty policy and honor code as a condition for enrollment. The honor policy stipulates:

“In all academic exercises, examinations, presentations, speeches, papers, and reports, students shall submit their own work. Footnotes or some other acceptable form of citation must accompany any use of another’s words or ideas. Students are especially cautioned that quoting from or paraphrasing from electronic sources without proper citation is as serious a violation as copying from a book or other printed source.

In this course, any violation of the academic honesty policy will carry a penalty at the discretion of me depending on the conditions, facts, and circumstances surrounding the incident. Penalties may vary from nothing to a failing grade in the course. Students who dispute an allegation of academic dishonesty may request a hearing before a joint student/faculty honor board.

In addition, the following code will be written in full and signed on every examination and graded paper. “On my honor, I pledge that I have not given, received, or tolerated other’s use of unauthorized aid in completing this work.” As your instructor I will attempt to clearly define the level of authorized aid appropriate to a particular assignment. However, you are responsible to ask questions about any reasonable doubt you have regarding my definition of authorized aid.

An integral part of the honor code is non-tolerance of violations. Under the Gustavus code students are not expected to police other’s actions. Rather, you are to report violations of which you become aware. Failure to do so will constitute an honor code violation in this class.

Daily assignments that are not collected will not be subject to this honor code. Chapter assignments that are collected are subject to this honor code. Group project members can collaborate with members of their group, but not with members of other groups.

Disability Services

Last year the Academic Operations Committee recommended that faculty incorporate current catalogue language about Disability Accommodations into their course syllabi.

“Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990 work together to ensure ‘reasonable accommodation’ and non-discrimination for students with disabilities in higher education. A student who has a physical, psychiatric/emotional, medical, learning or attentive disability that may have an effect on the student’s ability to complete assigned course work should contact the Disability Services Coordinator in the Advising Center, who will review the concerns and decide with the student what accommodations are necessary.”

Disability Services Coordinator Laurie Bickett(x6286) can provide further assistance.

How to Succeed in This Course

To do well in this course, you must commit to becoming an "active learner" at each class session. This requires that you come to class regularly and be well prepared to discuss assigned readings and individual homework assignments. You must actively contribute to group and class discussions of assigned materials. A strong effort at individual and group assignments and discussions will provide you with a solid foundation of knowledge for taking the periodic examinations.

Class Procedures and Student Responsibilities: Class time is for clarifying facts, reinforcing skills, participating in group activities, and expounding upon concepts. However, most learning takes place outside of the classroom. You are responsible for your performance. It is your responsibility to ask questions about the material you do not understand. I have no method of knowing your lack of understanding if you do not ask. Ask questions until you understand to your satisfaction. In order to achieve success in this course, the following procedures are recommended:

- Read assigned material and attempt assigned problems prior to class time. Review your problems in informal study groups
- Study your assigned problems and class notes after class
- Stay current in all activities of the class
- Pay close attention to accounting vocabulary

NOTE: The information contained in this document is subject to change. Any changes will be announced in class or communicated via e-mail.

Class Participation

Class discussion and exchange of ideas is greatly encouraged in this class. This is a “risk free” environment to platform your thoughts and opinions.

You should expect to be called upon very frequently during class discussions to express your views on assigned readings and homework assignments. The quality of your participation may be a factor in your final grade, either to the upside or the downside.

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