



## ACCT 410x – Foundations of Accounting

### Course Syllabus Spring Semester 2016

**Class Sessions:** T&TH: 2:00 – 3:50 pm (Section #14001R)  
T&TH: 4:00 – 5:50 pm (Section #14002R)

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**Office Hours:** TH 12:30 – 1:30 pm and by appointment

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### Course Description

This course provides an introduction to both financial and management accounting. Accounting, in general, is a system that provides quantitative information to people for decision-making purposes. Financial accounting systems summarize the events and transactions of businesses for external users, such as banks and investors. Management accounting systems summarize important phenomena for internal users, such as marketing managers. There is greater emphasis in this class on financial accounting because many of you will use financial accounting at some point in your lives, e.g., when making decisions about which stocks to buy. The presentation will consist of moderately technical expositions of concepts and material, but the primary focus will be that of the user (rather than the preparer) of accounting information.

This course is intended for those with limited or no prior business coursework. **The course is not open to students who have credit for other accounting courses, including BUAD 280 and 281 (or a similar course at another 4-year university).** This course satisfies the requirement for the business minor (and for other departments' majors); however, it cannot be used toward a degree in accounting or business. Students who successfully complete the course are eligible to apply to the Leventhal School of Accounting's Masters programs.

### Learning Objectives

The following are the specific learning objectives of this course:

- Gaining factual knowledge of important financial and management accounting terminology. For example, you should be able to define the term "asset" and provide an example.
- Gaining factual knowledge of the placement of various items in annual reports. For example, you should be able to identify a financial statement that contains information on dividends paid.

- Learning fundamental financial and management accounting principles. For example, you should be comfortable with the balance sheet equation and with identifying the effects of transactions and events on asset, liability, and equity accounts, etc.
- Applying the above knowledge to novel situations. For example, you should be able to use an item's description to classify it as an asset, liability (or neither). You should also be able to critically read media articles that use financial accounting and management accounting terms.
- Beginning to learn how to critically analyze financial statements using the above factual knowledge and principles. Specifically, using your understanding of important terms, the effects of transactions and events on accounts, and the definition and underpinnings of financial ratios, you should begin to be able to make assessments of firms' economic "well-being" based on their financial statements.

To achieve the above learning objectives, I will employ a combination of background reading, interactive lecture, practice problems with solutions covered in class, in-class quizzes, and prompt feedback on quizzes and exams. The course also includes a team project that allows students to apply their newly gained knowledge to analyzing financial statements of a public company. I expect questions from you during class, and you should expect questions from me. Research on learning indicates that it is very difficult to gain anything more than a superficial understanding of material without practice and feedback, so this class incorporates a substantial amount of both. Given that you cannot obtain this practice and feedback without attending class, attendance is very important. NOTE: The "Problems to Try" for each class period are optional; I do not collect or grade homework. Some students prefer to do these problems before class, then receive further reinforcement on the material when we cover them in class. Other students feel more comfortable working the problems after we have covered them in class, which we almost always do. You should choose the option that works best for you.

### **Required Materials**

The following texts are required for this course:

- Dyckman, T. R., Magee, R.P., and Pfeiffer, G.M. *Financial Accounting*, 4th Ed., Cambridge Business Publishers (978-1-61853-0448). The first two chapters are free at the publisher's website and can be accessed under TOC tab at: <http://www.cambridgepub.com/product/book/financial-accounting-4th>.
- SELECTED CHAPTERS from Garrison, R.H., Noreen, E.W., & Brewer, P.C., (2012). *Managerial Accounting, 14th Ed.* New York: McGraw-Hill (978-0-07-811100-6). A custom bundle can be purchased from McGraw-Hill website. Go to: [www.mcgrawhillcreate.com/shop](http://www.mcgrawhillcreate.com/shop). Search for the title using ISBN: 9781308053905. A detailed walkthrough on textbook credit card purchase process and steps on downloading the eText is posted on Blackboard under Course Materials link.

Feel free to purchase the books online as this can result in substantial cost savings. However, if you choose to do so, please be aware that you are responsible for making alternative arrangements for completing all readings and advance preparation until the books arrive.

There also will be readings from the business press, which I will hand out to you and also post on the course website. Additionally, you will find it helpful to bring a simple calculator to class each day as we often will work problems in class. No other readings or tools are necessary.

### **Prerequisites and Recommended Preparation**

The course has no prerequisites and requires no special skills. The quantitative aspects of the course require only elementary math skills, and you are allowed to use a calculator. I will provide you with calculators for quizzes and exams.

### **Course Notes**

I will be actively using Blackboard for posting lecture slides, solutions to homework problems, quizzes, and exams. There will also be occasional links to articles from financial press pertaining to the material covered in class. The course-related announcements are sent via Blackboard, which is connected to your USC email accounts. In order to receive all announcements, make sure that your USC emails are forwarded to the address that you are checking regularly.

### **Grading Policies**

Your grade in this class will be determined by your relative performance on three exams, the highest two scores from three quizzes, and a team presentation. The total class score will be weighted as follows:

Exam I	25%
Exam II	25%
Final Exam	30%
Highest Two (of Three) Quizzes	10%
Team Projects	10%

After each student's weighted total points are determined for the semester, letter grades will be assigned on a curve according to Marshall School of Business grading guidelines.

The grade of "W" is allowed only if a student withdraws after the third week but before the end of the twelfth week of the semester. The grade of incomplete (IN) can be assigned only if there is work not completed because of a documented illness or unforeseen emergency occurring after the 12th week of the semester (or the twelfth week equivalent courses scheduled for less than 15 weeks) that prevents the student from completing the semester. Arrangements for completing an IN must be initiated by the student and agreed to by the instructor prior to the final examination. All work required to replace the IN with a final grade must be completed within one calendar year from the date the IN was assigned. If the student does not complete the work within the year, the IN will automatically be converted to a grade of F.

### **Grading and Assignment Detail**

Expectations regarding your performance on exams, quizzes, and the team presentation are as follows:

#### **Quizzes and Exams**

Quizzes will include multiple-choice questions and short problems/spreadsheets. They will be given one 'class week' before each exam (including the final). Because there is little ambiguity as far as the correctness of answers in this course, the expectations are clear – you should answer as accurately as you can and as thoroughly as you can. Exams will include multiple-choice questions, brief essay questions, and longer problems/spreadsheets, so the expectations for performance are similar. You will be allowed to use simple calculators on quizzes and exams (you must use the calculators that I provide to you in accordance with Leventhal School policy). Preparing for these quizzes and exams is facilitated by keeping up with the work in class, reworking problems that we have done in class, trying other problems that I will suggest (for exams only), and practicing with the old quizzes and exams that I will post on Blackboard.

The exam dates are as follows:

<b>Midterm I</b>	<b>Thursday</b>	<b>February 18<sup>th</sup></b>
<b>Midterm II</b>	<b>Tuesday</b>	<b>March 29<sup>th</sup></b>
<b>Final exam:</b>		
<b>2 pm section</b>	<b>Thursday</b>	<b>May 5, 2-4 p.m.</b>
<b>4 pm section</b>	<b>Thursday</b>	<b>May 5, 4:30-6:30 p.m.</b>

During the semester, each exam will be returned no more than one week after it has been given. After each test is returned there is a one-week reflection period and then you will have one week to discuss your grade. After this time, grades on tests become final. All other grades are final once given.

The Leventhal School of Accounting policy is that exams should not be missed unless there is a very serious emergency AND it can be properly documented. Also, to the extent possible, you must inform the instructor of the emergency prior to the exam (it is understood this is not always possible). If you miss an exam for something other than a serious emergency and / or you cannot provide documentation, you will receive a zero grade for the exam. If there is a serious emergency that is properly documented and (when possible) I have been notified before the exam, a substitute grade will be calculated based on the normalized average of your remaining exams.

The final exam must be taken at the scheduled time unless an incomplete contract has previously been approved according to Leventhal School of Accounting guidelines.

#### **Homework Assignments**

There are no collected homework assignments. In class, we will go over most textbook problems indicated on the schedule of classes. Depending on your learning style, you may want to work through them prior to class session and/or attempt to solve them independently after they were discussed in class.

**In-class Performance**

It is to your advantage to attend class every day, be well prepared, and act professionally (including being on time). This is true for at least four reasons. First, and most significant, the material we cover in class is what is considered most important for the course and, therefore, will be the material tested on quizzes and exams. Second, quizzes and exams start promptly at the beginning of class; late arrivers will not be given extra time to complete them. Third, I will make note of participation during class and, obviously, you cannot participate if you are not there. The top contributors in each section (defined as the top 15%-20%, depending on how close the final participation scores are) will be eligible to receive a 1/3 letter grade increase in their final letter grade. So, for example, if your total points from quizzes and exams would earn you a B-, you would receive a B if you qualify as one of the top contributors. I will determine the top contributors based on contribution scores that I record each day. Those scores reflect the quality of your contribution to class. “Quality” reflects many factors – for example, occasional thoughtful comments and questions that reflect effort are far more important in determining “quality” than are continual comments and questions that do not reflect thoughtfulness. At the end of the term, the top contributors will receive an email from me. Fourth, it is in your best interest to act professionally because I reserve the right to decrease your final letter grade by 1/3 for continued unprofessional conduct. Unprofessional conduct includes, but is not limited to, coming to class late; interrupting class with talking, texting, emailing; engaging in activities related to other classes; and so forth. If I have a concern about unprofessional conduct, I will talk with you individually first. If the conduct continues, I will lower your grade. So, for example, if your total points from quizzes and exams would earn you a B-, I reserve the right to lower your grade to a C+.

**Team Project**

The Team Assignment will be handed out during the semester. It is a research-based assignment that will require your team to produce a report by answering specific questions about a public company. You will document your results by: 1) delivering a professional / high quality copy of the report as indicated in the class schedule; and 2) formally presenting key findings to the class.

**MARSHALL/LEVENTHAL GUIDELINES****Add/Drop Process**

If you miss the first two weeks of the course, I will ask an administrator to drop you from the course. This is so that everyone who wants the chance to take the course will have that chance. Web registration will be open during the first week of class. After that, I will add people based on the wait list that I am maintaining.

**Retention of Graded Coursework**

I return all quizzes and exams to you after they are graded. If you are not present on the day a quiz or exam is returned, I will continue to bring the quiz or exam to class for one week after the initial return attempt. After that, I will maintain quizzes and exams in my

office for you to pick up during office hours. Any quizzes or exams not picked up will be shredded at the end of the 2016 fall semester.

### **Technology Policy**

Laptop and Internet usage is not permitted during academic or professional sessions. Use of other personal communication devices, such as cell phones, is considered unprofessional and is not permitted during academic or professional sessions. ANY e-devices (cell phones, PDAs, I-Phones, Blackberries, other texting devices, laptops, I-pods) must be completely turned off during class time. There will be plenty of time for using these devices during class breaks. Videotaping faculty lectures is not permitted due to copyright infringement regulations. Audiotaping may be permitted if approved by me. **Use of any recorded or distributed material is reserved exclusively for the USC students registered in this class.**

### **Statement for Students with Disabilities**

Any student requesting academic accommodations based on a disability is required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP. Please be sure the letter is delivered to me (or to your TA) as early in the semester as possible. DSP is located in STU 301 and is open 8:30 a.m.–5:00 p.m., Monday through Friday. The phone number for DSP is (213) 740-0776. For more information visit [www.usc.edu/disability](http://www.usc.edu/disability).

### **Statement on Academic Integrity**

USC seeks to maintain an optimal learning environment. General principles of academic honesty include the concept of respect for the intellectual property of others, the expectation that individual work will be submitted unless otherwise allowed by an instructor, and the obligations both to protect one's own academic work from misuse by others as well as to avoid using another's work as one's own. All students are expected to understand and abide by these principles. *SCampus*, the Student Guidebook, ([www.usc.edu/scampus](http://www.usc.edu/scampus) or <http://scampus.usc.edu>) contains the University Student Conduct Code (see University Governance, Section 11.00), while the recommended sanctions are located in Appendix A.

Students will be referred to the Office of Student Judicial Affairs and Community Standards for further review, should there be any suspicion of academic dishonesty. The Review process can be found at: <http://www.usc.edu/student-affairs/SJACS/>. Failure to adhere to the academic conduct standards set forth by these guidelines and our programs will not be tolerated by the USC Marshall community and can lead to dismissal.

Students enrolled in any class offered by the Leventhal School of Accounting are expected to uphold and adhere to the standards of academic integrity established by the Leventhal School of Accounting Student Honor Code. Students are responsible for obtaining, reading, and understanding the Honor Code System handbook. Students who are found to have violated the Code will be subject to disciplinary action as described in the handbook. For more specific information, please refer to the Student Honor Code System handbook, available from the receptionist in ACC 101.

## **Class Notes and Recording Policy**

**Notes or recordings made by students based on a university class or lecture may only be made for purposes of individual or group study, or for other non-commercial purposes that reasonably arise from the student's membership in the class or attendance at the university.** This restriction also applies to any information distributed, disseminated or in any way displayed for use in relationship to the class, whether obtained in class, via email or otherwise on the Internet, or via any other medium. Actions in violation of this policy constitute a violation of the Student Conduct Code, and may subject an individual or entity to university discipline and/or legal proceedings.

**No recording and copyright notice.** No student may record any lecture, class discussion or meeting with me without my prior express written permission. The word "record" or the act of recording includes, but is not limited to, any and all means by which sound or visual images can be stored, duplicated or retransmitted whether by an electro-mechanical, analog, digital, wire, electronic or other device or any other means of signal encoding. I reserve all rights, including copyright, to my lectures, course syllabi and related materials, including summaries, PowerPoints, prior exams, answer keys, and all supplementary course materials available to the students enrolled in my class whether posted on Blackboard or otherwise. They may not be reproduced, distributed, copied, or disseminated in any media or in any form, including but not limited to all course note-sharing websites. Exceptions are made for students who have made prior arrangements with DSP and me.

## **Emergency Preparedness/Course Continuity**

In case of a declared emergency if travel to campus is not feasible, USC executive leadership will announce an electronic way for instructors to teach students in their residence halls or homes using a combination of Blackboard, teleconferencing, and other technologies.

## SCHEDULE OF CLASSES

Session	Date	Topic	Reading Assignments	Practice Problems
<b>Financial Accounting (Dyckman, Magee &amp; Pfeiffer)</b>				
1	1/12	Introduction to Course / Purposes of Accounting		
2	1/14	Introduction to Financial Accounting	DMP – Ch 1	
	1/19	Martin Luther King Jr. Birthday (no class)		
3	1/21	Reporting Financial Condition (Balance Sheet)	DMP – Ch 2 (pp. 41-51)	M1-24, P1-36(a)
4	1/26	Reporting Financial Performance (Income Statement) I	DMP – Ch 2 (pp. 51-71) Bring P.S. Corp. handout to class	M2-25, E2-32 (a,b), E2-33, E2-35
5	1/28	Reporting Financial Performance (Income Statement) II		E2-45, E2-46
6	2/2	End-of-year Adjustments and Preparation of Financial Statements	DMP – Ch 3 Bring Radiation Shields handout to class	E3-32, E3-43
7	2/4	Revenue and Receivables (I)	DMP – Ch 6 (pp. 267-284)	M6-18
8	2/9	<b>QUIZ 1 (Sessions 1 – 6)</b> Revenue and Receivables (II)		M6-23, E6-26, E6-34, E6-37
9	2/11	Inventory & Cost of Goods Sold	DMP – Ch 7 (pp. 317-324)	M7-17
	2/16	Presidents' Day (no class)		
<b>10</b>	<b>2/18</b>	<b>MIDTERM I (Sessions 1 – 8)</b>		
11	2/23	Inventory & Cost of Goods Sold	DMP – Ch 7 (pp. 325-336)	M7-20, E7-26, E7-27, E7-29
12	2/25	Property, Plant, and Equipment (I)	DMP – Ch 8 (pp. 365-380)	E8-22, E8-24, P8-36
13	3/1	Property, Plant, and Equipment (II) / Intangibles (I)	DMP – Ch 8 (pp. 380-387) Ch 12 (pp. 576-580)	E8-31, E12-34
14	3/3	Intangibles (II) / Liabilities	DMP – Ch 9 (pp. 405-416) Appendix A	EA-1, EA-15, EA-17
15	3/8	Bonds (I)	DMP – Ch 9 (pp. 418-429)	M9-31, M9-32, E9-41, E9-45, E9-52, P9-53
16	3/10	Bonds (II) / Stockholders' Equity	DMP – Ch 11	M11-36, M11-37, E11-40, P11-57
	3/15	Spring Break (no class)		
	3/17	Spring Break (no class)		
	<b>3/21</b>	<b>Group Lists and Company Selection Due</b>		
17	3/22	<b>QUIZ 2 (Sessions 9, 11 – 16. Stockholders' Equity not included)</b> Financial Investments	DMP – Ch 12 (pp. 555-575)	M12-11, E12-24, E12-25
18	3/24	Statement of Cash Flows (I)	DMP – Ch 4	
<b>19</b>	<b>3/29</b>	<b>MIDTERM II (Sessions 9, 11 – 17)</b>		

20	3/31	Statement of Cash Flows (II) / Financial Ratios	DMP – Ch 5	M4-22, E4-34, E4-35(a), E4-42
<b>Management Accounting (Garrison, Noreen &amp; Brewer)</b>				
21	4/5	Managerial Accounting: An Overview Managerial Accounting and Cost Concepts (I)	GNB – Ch 2 (pp. 25-31, 44-46)	
22	4/7	Managerial Accounting and Cost Concepts (II)	GNB – Ch 2 (pp. 31-43)	P2-14, P2-18
23	4/12	Job-Order Costing (I)	GNB – Ch 3 (pp. 84-106)	E3-5, E3-6, E3-7
24	4/14	Job-Order Costing (II) / Activity-Based Costing (I)		
25	4/19	Activity-Based Costing (II) / Cost-Volume-Profit Relationships (I)	GNB – Ch 5 (pp. 184-196)	E5-5
26	4/21	<b>QUIZ 3 (Sessions 18, 20 – 25)</b> Cost-Volume-Profit Relationships (II)	GNB – Ch 5 (pp. 196-203)	E5-20
	4/22	<b>Group project reports are due by midnight</b>		
27	4/26	Catch Up / Team Presentations		
28	4/28	Team Presentations		
<b>Final</b>		<b>FINAL EXAM (Sessions 18, 20 – 29).</b> <b>2 pm section: Thursday May 5, 2-4 p.m.</b> <b>4 pm section: Thursday May 5, 4:30-6:30 p.m.</b> <b>Location TBA</b>		

*DMP – Dyckman, Magee & Pfeiffer*  
*GNB – Garrison, Noreen & Brewer*