



ACCT 410x – Foundations of Accounting

Course Syllabus Spring Semester 2016

Class Sessions: **Mon & Wed: 12:00 – 1:50 pm (Section #14003)**
 Mon & Wed: 2:00 – 3:50 pm (Section #14004)

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Office Hours: **Wed: 10:30 – 11:30 am and by appointment**

Course Description

This course provides an introduction to both financial and management accounting. Accounting, generally speaking, is a system that provides people with quantitative information 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 classes will consist of moderately technical expositions of the concepts and material, but the primary focus will be on 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 the course:

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

- To learn fundamental financial and management accounting principles. For example, you should be comfortable with a balance sheet equation and with identifying the effects of transactions and events on asset, liability, and equity accounts, etc.
- To apply the above knowledge to novel situations. For example, you should be able to use an item's description to classify it as an asset or liability (or neither). You should also be able to critically read media articles that use financial accounting and management accounting terms.
- To begin 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 about a firm's economic well-being based on its financial statements.

To achieve the above objectives, I will employ a combination of background reading, interactive lectures, practice problems with the solutions covered in class, and in-class quizzes.

The course also includes a team project that will allow students to apply their newly gained knowledge to analyzing economic events.

I expect you to ask questions during class, and you should expect to get 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 will incorporate a substantial amount of both. Given that you cannot obtain such practice and feedback without attending class, attendance is **very important** (though not required).

Required Materials

The following texts are required for this course:

- Libby, R., Libby, P.A., & Short, D.G. (2014). *Financial Accounting, 8th Ed.* New York: McGraw-Hill/Irwin ISBN: 9780077517069, Print ISBN: 9780078025556. Also available at USC bookstore.
- SELECTED CHAPTERS from Garrison, R.H., Noreen, E.W., & Brewer, P.C., (2015). *Managerial Accounting, 15th Ed.* New York: McGraw-Hill (978-0-07-811100-6). A custom bundle can be purchased from McGraw-Hill website.

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 your books arrive.

There will also be readings from the business press, which I will post on the course website. Additionally, you will find it helpful to bring a simple calculator to class, as we often will work on problems during class time. 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 the final exam.

Course Notes

I will be actively using Blackboard for posting lecture slides, solutions to homework problems, and quizzes. There will also be occasional links to articles from the 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 check regularly.

Grading Policies

Your grade in this class will be determined by your relative performance on homework assignments, the highest five scores from seven quizzes, a team project and a final exam. The total class score will be weighted as follows:

Final Exam	30%
Highest Five (of Seven) Quizzes	50%
Homework assignments	10%
Team Project	10%

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

A 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 for 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 homework assignments, exams, quizzes, and the team presentation are as follows:

Homework Assignments

As listed in the schedule below, I have assigned weekly homework sets from the textbook.

Homework is due at the beginning of each class.

You may skip **five** of the graded homework assignments (there are 21 graded assignments and your grade will be based on 16 of the 21). Homework assignments will be graded based

on effort – as long as you try your best to thoroughly address the questions, you will receive the maximum grade.

In class, we will go over many of the homework problems indicated on the schedule.

Quizzes

Quizzes will include multiple-choice questions and short problems/spreadsheets. They will be given every few classes (see schedule below). Because there is little ambiguity as far as the correctness of answers in the quizzes, the expectations are clear – you should answer as accurately and as thoroughly as you can.

Because your grade is based on the highest five out of seven possible quizzes, no make-up quizzes will be provided if you miss one or two quizzes. If you miss more than two quizzes for something other than a serious emergency and / or you cannot provide documentation, you will receive a grade of zero for those quizzes. If there is a serious emergency that is properly documented and I have been notified before the quiz (when possible), a substitute grade will be calculated based on the average of your remaining quizzes.

Each quiz will be returned no more than one week after it has been given. Because quizzes include multiple-choice questions and short problems/spreadsheets, no partial credit is provided for quiz questions.

The Final Exam

The final exam will include multiple-choice questions, brief essay questions, and longer problems/spreadsheets, so the expectations for performance are similar.

The final exam must be taken at the scheduled time unless there is a serious emergency that is properly documented. In this case, you can take the final exam on a different date.

The **final exam** will be two hours in duration and will cover all course topics. The final exam schedule is as follows:

Section 14003 (12:00 – 1:50 pm):	Friday, May 6th	11:00 a.m. – 1:00 p.m.
Section 14004 (2:00 – 3:50 pm):	Monday, May 9th	2:00 p.m. – 4:00 p.m.

You will be allowed to use simple calculators on quizzes and the final exam (you must use the calculators that I provide you with, in accordance with Leventhal School policy). Preparing for these quizzes and the final exam is facilitated by keeping up with the work in class, reworking problems that we have done in class and homework assignments.

In-class Performance

It is to your advantage to attend class every day, to be well prepared, and to act professionally (**including being on time**). This is true for at least four reasons. The first and most significant reason is that the material we cover in class is what I consider to be most important to the course; therefore, it will be the material tested on quizzes and the final exam. Second, quizzes and the final exam start promptly at the beginning of class; latecomers 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, homework assignments, team project and the final exam 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 for each class. 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. You will choose your own teams (min 4 - max 6 students per group). The project is a research-based assignment that will require your team to search for articles in the business press (*The Wall Street Journal*, for example) that are related to the topics covered in class. You will be also required to conduct additional research to supplement information in the article. You will document your results by: 1) delivering a short (5 to 7 pages) professional / high quality report about your findings and 2) formally presenting key findings to the class during a 10-15 min presentation. The dates for the submission of the reports and presentations are indicated in the class schedule below.

Note that if 2 or more members in your group express material and frequent problems with your behavior or contribution to the group project, your overall grade for the group project will be zero.

MARSHALL/LEVENTHAL GUIDELINES

Add/Drop Process

If you miss the first two weeks of class, I will ask an administrator to drop you from the course. This is so that everyone who wants to take the course will have the chance.

Retention of Graded Coursework

I return all quizzes to you after they are graded. If you are not present on the day a quiz is returned, I will continue to bring the quiz to class for one week after the initial return attempt. After that, I will keep quizzes in my office for you to pick up during office hours. Any quizzes not picked up will be shredded at the end of the 2016 spring 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, iPhones, Blackberries, other texting devices, laptops, iPods, tablets) 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 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.

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, independent work will be submitted unless otherwise allowed by an instructor, and the obligation both to protect your own academic work from misuse by others and to avoid using another's work as your own. All students are expected to understand and abide by these principles. *SCampus*, the Student Guidebook, (www.usc.edu/scampus or <http://scampus.usc.edu>) contains the University Student Conduct Code (see University Governance, Section 11.00). The recommended sanctions are located in Appendix A.

Should there be any suspicion of academic dishonesty, students will be referred to the Office of Student Judicial Affairs and Community Standards for further review. 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 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

If, in the case of a declared emergency, travel to campus is not feasible, USC executive leadership will announce an electronic means 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
Financial Accounting (Libby, Libby & Short)				
1	1/11	Introduction to Course / Purposes of Accounting		
2	1/13	Introduction to Financial Accounting	LLS – Ch 1	
	1/18	Martin Luther King Jr. Birthday (no class)		
3	1/20	QUIZ 1: Chapter 1 + related notes and assignments Balance Sheet	LLS – Ch 2 (pp. 40-62)	M1-1, M1-2, E1-2, E1-3
4	1/25	Income Statement I	LLS – Ch 3 (pp. 99-119)	M2-5, M2-8, E2-5, E2-8
5	1/27	Income Statement II Adjusting Entries Preparation of Financial Statements	LLS – Ch 4	M3-3, M3-4, E3-7, E3-8
6	2/1	QUIZ 2: Chapters 2/3 + related notes and assignments Adjusting Entries Preparation of Financial Statements		E4-6, E4-7
7	2/3	Revenue and Receivables (I)	LLS – Ch 6 (pp. 276-292) 4 articles posted on BB	
8	2/8	QUIZ 3: Chapter 4 + related notes and assignments Revenue and Receivables (II)		E6-6, E6-7, E6-13, E6-18
9	2/10	Revenue and Receivables (III) Cost of Goods Sold and Inventory (I)	LLS – Ch 7 (pp. 327-341)	
	2/15	Presidents' Day (no class)		
10	2/17	Cost of Goods Sold and Inventory (II) -FIFO/LIFO	LLS – Ch 7 (pp. 342-347)	E7-5, E7-6
11	2/22	Cost of Goods Sold and Inventory (III) Property, Plant, and Equipment (I)	LLS – Ch 8 (pp. 380-390)	E7-7, E7-8
12	2/24	QUIZ 4: Chapters 6/7 + related notes and assignments Property, Plant, and Equipment (I)	LLS – Ch 8 (pp. 391-409)	
13	2/29	Property, Plant, and Equipment (II)		E8-5, E8-7
14	3/2	Liabilities and Bonds	LLS – Ch 9 (pp. 451-453, 458-461, 464-473)	M8-8, M8-9
15	3/7	Bonds	LLS – Ch 10 3 articles posted on BB	E9-15, E9-17, E9-21
16	3/9	QUIZ 5: Chapters 8/9/10 + related notes and assignments Leases and Contingent Liabilities Group Project Instructions	LLS – MBA Companion (pp. M-4 – M-14)	E10-4, E10-8, P10-7

	3/14	Spring Break (no class)		
	3/16	Spring Break (no class)		
	3/21	Group Lists and Article Selection Due (submit at the beginning of class)		
17	3/21	Investments in Other Corporations	LLS: Appendix E (pp. E1-E17)	S M-1, S E-3, S P-1
18	3/23	Investments in Other Corporations Owners' Equity	LLS – Ch 11	EF-5, EE-6, EE-7
19	3/28	Statement of Cash Flows I	LLS – Ch 12	M11-3, E11-12, E11-16
20	3/30	QUIZ 6: Chapters: MBA Companion, Appendix E, Chapter 13 + related notes and assignments Statement of Cash Flows (II)/ Financial Ratios		E12-7, E12-15
Management Accounting (Garrison, Noreen & Brewer)				
21	4/4	Managerial Accounting: An Overview Managerial Accounting and Cost Concepts (I)	GNB – Ch 2 (pp. 27-44)	E12-3, P12-1
22	4/6	Cost Concepts (II) and Job-Order Costing (I)	GNB – Ch 2 (pp. 45-48) GNB – Ch 3 (pp. 83-93)	Problem 2-18
23	4/11	Job-Order Costing (II)	GNB – Ch 3 (pp. 94-109)	Exercise 2-14
24	4/13	Activity-Based Costing	GNB – Ch 3 (pp. 131-133, Appendix A)	Exercise 3-5, Exercise 3-7
25	4/18	QUIZ 7: Chapters 2/3 + related notes and assignments Cost-Volume-Profit Relationships	GNB – Ch 5 (pp. 187-205)	Exercise 3A-3
26	4/20	Team Presentations		E5-5, E5-6 (1-3)
27	4/25	Team Presentations		
28	4/27	Review		

LLS – Libby, Libby & Short
GNB – Garrison, Noreen & Brewer