

University of Pennsylvania
The Wharton School
Intermediate Financial Accounting — ACCT 201

Instructor

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Office hours

Thursday 10 - 12 a.m. or by appointment

Course website

<http://accounting.wharton.upenn.edu/acct201/>

Course objectives

This course revisits topics covered in Introductory Financial Accounting (Accounting 101) related to the general presentation of the financial statements and accounting practices for assets. Some sections of the course examine the application of a concept you have already learned to a transaction you have not yet seen. Other sections introduce a new concept about the financial statements, in general, or about particular assets.

Understanding the concepts/rules related to financial statement preparation is obviously important if you are going to be a corporate accountant or auditor. Improving your *preparation* principles will also enhance your *interpretation* skills and make you a more sophisticated reader of financial statements.

Course materials

Textbook: *Intermediate Accounting* by Donald E. Kieso, Jerry J. Weygandt, and Terry D. Warfield (John Wiley & Sons, Inc., 2007, twelfth edition). The textbook is required and is available at the bookstore. Solutions to Kieso, Weygandt, and Warfield problems are available on the course website.

Class notes, homework assignments, and additional reading material: Will be made available on the course website. Class notes will generally be available 2-3 days before the class.

Grading

Your course grade will be determined as follows:

| | |
|------------------------|-----|
| Homework (4) | 20% |
| Midterm exam | 30% |
| Final exam | 40% |
| Final project – BABbLe | 10% |

Assignments/Exams:

The syllabus specifies topics to be covered in each class session. You should complete the assigned reading and problems before class. The problems will help you gauge your understanding of the material. You should do the assigned problems, but they will not be graded.

Homework: Your homework grade is the sum of your scores on the four required homework assignments. A fifth optional homework assignment is available (due date = December 3). If you submit this assignment, I will use the best four of your five homework scores.

The homework assignments are due at the beginning of class on the date noted on the syllabus. Please bring an extra copy of your solution to class for discussion. You do not have to type the homework assignments. However, to get credit on an assignment, we must be able to decipher your solution.

For the homework assignments, you may work in groups of no more than three students. Groups are not permitted to share information with other groups prior to the due date of the assignments. *Please note the following:* Relying on the work of your groupmates is not advisable as a learning technique. Relying on the work of other groups is not only unadvisable, but is also unethical.

The BaBble project will be described in greater detail as the due date nears. It is a computer-based “game” in which you will act as a corporate controller and prepare financial statements. BaBble is a group project. You may work in groups of no more than three students.

Exams: The exams are not cumulative. The exams are closed-book, but you will be allowed one note sheet. You must get my authorization to be excused from an exam prior to the exam (or as soon after the exam as possible in the case of an unexpected medical emergency). An unauthorized absence from an exam will result in a grade of zero for the exam. The make-up exam date for *both* exams is the make-up date that the University schedules for final exams. It typically occurs in the first week of classes in January 2008.

**THE FINAL EXAM IS: DECEMBER 14, 2007 (FRIDAY)
 3-5 pm**

Grading disputes: To request a regrade on an assignment or exam, please submit the original assignment or exam (without modification) and a description of your disagreement with the grading. All grading disputes must be appealed within one calendar week following the return of the assignment or exam. I reserve the right to review the entire assignment or exam.

Students experiencing difficulty in this course can seek assistance from the Penn Tutoring Resource Center. Refer to the Wharton Undergraduate homepage for the schedule of walk-in tutoring hours. A professional advisor in the Undergraduate Division Private can recommend tutors from the Tutoring Center (no cost). A database of private peer tutors (for cost) is also available. Students who wish to inquire more about tutoring, study skills, learning disabilities, test-taking strategies, time management, or reading/writing coaching should call 215-573-9235 or email Angie Corbo (Wharton Undergraduate Division) at acorbo@wharton.upenn.edu after the second week of the semester.

Accounting 201 Topic and Assignment Schedule Fall 2007

| Date | Day | Topic | Kieso et al. reading | Other preparation | Graded HW due |
|-------------|------------|--|---|--|-------------------------------------|
| 9/5 | W | Introduction | Ch. 1, 2 | E2-7, E2-8 | |
| 9/10 | M | Review/concepts ⁱ | Ch. 3 | BE3-9, E3-7, E3-18, P3-9, Thumbs-Up Video case ⁱⁱ (to be discussed in class) | |
| 9/12 | W | The financial statements: Income statement | Ch. 4 | Q4-4, E4-6, E4-12, E4-14, P4-3 | HW1: Special items |
| 9/17 | M | The financial statements: Balance sheet | Ch. 5, p. 169-190; Ch. 24, (exclude Appendices) | Q5-7, Q5-8, E5-11, CA5-4, BE24-3, E24-2, P24-2, C24-4 | |
| 9/19 | W | Revenue recognition (Miscellaneous/SAB 101) | Ch. 18, 905-911 | Revenue recognition examples on website (to be discussed in class); Q18-2, BE18-1, C18-5 | |
| 9/24 | M | The financial statements: Statement of cash flows | Ch. 5, 190-199, Ch. 23 | E5-17, E23-11, E23-15, E5-18, P5-7, C5-6 | |
| 9/26 | W | Statement of cash flows, continued | | | |
| 10/1 | M | Revenue recognition (Long term contracting) | Ch. 18, 912-930 | E18-5, E18-8, P18-4, P18-6 | HW2: Crystal Meadows ⁱⁱⁱ |

ⁱ The material in Chapter 3 should be a review of Accounting 101. The concepts and mechanical procedures in these chapters form the foundation for the rest of the course. Do not fall behind. If you are struggling with this material, try the following additional problems: BE3-1, E3-1, E3-5, P3-1, P3-5, and P3-6.

ⁱⁱ Thumbs Up Video is a Harvard case. It will be distributed in class on Sept 5.

ⁱⁱⁱ Crystal Meadows is a Harvard case. It will be distributed in class on Sept 24.

| Date | Day | Topic | Kieso et al. reading | Other preparation | Graded HW due |
|-------------|------------|---|--|---|-------------------------------------|
| 10/3 | W | Finish L-T contracting; Review | | | |
| 10/8 | M | Exam 1 (in class) | | | |
| 10/10 | W | Cash and receivables | Ch. 7, p. 313- 326; p. 337-345 | E7-2, E7-9, E7-20, P7-3 | |
| 10/15 | M | No class-fall break | | | |
| 10/17 | W | Fair value measurement | | SFAS 157 examples on website (will be discussed in class) | |
| 10/22 | M | Notes receivable, factoring | Ch. 7, p. 326- 337 | BE7-6, BE7-7, E7-16, E7-17, E7- 18 | |
| 10/24 | W | Notes receivable, factoring, continued | | SFAS140/156 examples on website (will be discussed in class) | |
| 10/29 | M | Inventory | Ch. 8, 367-379; Ch. 9, 421-429 | E8-1, E8-3, E9-1, E9-21, P9-2 | |
| 10/31 | W | Inventory | Ch. 8, 379-399; Ch. 9, 429-445 | E8-16, E8-21, E8- 25, P8-1, P8-7, BE9-5, BE9-6, E9- 10 | |
| 11/5 | M | Long-lived assets: Self-constructed assets and depreciation | Ch. 10, p. 474- 481; Ch. 11, p. 521-534, 537- 547, App. 11A | E10-8, E11-2, E11- 5, E11-23, P10-7 | |
| 11/7 | W | Long-lived assets: Acquisitions and dispositions, including exchanges; impairments | Ch. 10, Ch. 11, p. 534-537 | E10-2, E10-24, P10-10, E11-18 | HW 3: Depreciation ^{iv} |
| 11/12 | M | Catch up; start intangibles | | | |

^{iv} Delta Airlines is a Harvard case. It will be distributed in class on Oct 29.

| Date | Day | Topic | Kieso et al. reading | Other preparation | Graded HW due |
|-------------|------------|-------------------------------------|--------------------------------------|--|--------------------------|
| 11/14 | W | Intangible assets | Ch. 12, including Appendix 12A | E12-4, E12-11, E12-17, P12-5; SFAS 142 examples on website (to be discussed in class) | |
| 11/19 | M | Accounting changes and errors | Ch. 22 | E22-2, E22-8, E22-12, P22-1 | HW4 due: Krispy Kreme |
| 11/21 | W | Happy T-Day | No class | | |
| 11/26 | M | Marketable securities | Ch. 17, 837- 850, 853-859 | E17-3, E17-4, E17-6, E17-9 | |
| 11/28 | W | Marketable securities, continued | | E17-10, P17-9, P17-10, P17-12 | |
| 12/3 | M | Equity investments/VIEs | Ch. 17, 850- 853; Appendix 17B | E17-11, E17-12, E17-17, C17-5 | Optional HW due |
| 12/5 | W | Capstone: BaBble | | | BaBble project due |

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