

Financial Accounting
ACG 5005 - Fall 2007

Instructor: Jennifer Wu Tucker, Ph.D., CPA

Communication: jenny.tucker@cba.ufl.edu (preferred). (352) 273-0214 (emergency).

Office Hours: 3-4 pm Wednesday in 310 Gerson Hall

Course Website: Vista (please use your gatorlink id to log in.)

TA and the TA Office Hours: Lola Causholli (erjola79@ufl.edu). Office hours: 12-1 Mondays in 125 Gerson Hall.

Class Schedule:

The meeting dates are Tuesdays and Thursdays between August 20 and October 5. The meeting time and classroom are as follows:

Section 4989: Period 3-4. 9:35 am – 11:30 pm. 121 Gerson Hall.

Section 4991: Period 5-6. 11:45 am – 1:40 pm. 121 Gerson Hall.

Section 4990: Period 7-8. 1:55 pm – 3:50 pm. 126 Gerson Hall.

Textbooks:

Required:

- (1) *Financial Accounting for MBAs*, by Easton, Wild, Halsey, and McAnally. Cambridge Business Publishers, 3rd Edition, 2008.
- (2) Access to the *Wall Street Journal* (WSJ) or its equivalent.

Course Objectives:

- (1) Provide an understanding of financial reporting and disclosures and their limitations.
- (2) Develop skills to critically analyze and interpret accounting data.
- (3) Instill an appreciation of the social factors that affect financial reporting and disclosure issues.

Emphases:

- Comprehension rather than memorization
- Understanding of economic events before considering the accounting treatment
- Discretionary nature of financial reporting and disclosures
- Business ethics

Course Requirements:

Attendance: There will be an attendance sheet for you to sign for each class after the first class. Each absence means a deduction of 0.5 point for class participation. A student who is absent but a signature appears for him or her on the sign-up sheet will receive a deduction of 5 points per occurrence.

Absence is excused only for the following reasons: (i) Your or your immediate family member's sickness that is supported by a physician's statement when you return to class, (ii) major religious holidays specified in the attendance policies by the University, and (iii) job fairs with a statement from your program advisor (unless the fair is on campus

and college-wide) and job interviews with a statement from your interviewing company when you return to class. It is your responsibility to notify me in an e-mail as soon as you know the situation will occur or has occurred.

Class Discussions: Half of your class participation points come from class discussions. You are required to read WSJ and/or other business articles and are encouraged to bring accounting-related issues for class discussions. Class discussions are evaluated more on quality than on quantity.

Readings and Reading Quizzes: Our textbook is an excellent source of knowledge and will prepare you to understand the lectures and class discussions. You are required to read the assigned chapter(s) before class. **Three** random reading quizzes will be given at the beginning of the class to test (i) whether you have done the reading and (ii) whether you have exerted a reasonable amount of effort to digest the material. The quizzes will be closed-book and closed notes with no access to your computer. Each quiz will have 5 questions with a 10-minute time limit and each quiz is worth 5 points.

Lecture Notes: About half of the class will be lecture format. The lecture notes will be posted on the course website at least the night before the class.

Mini Class Cases: We will have a few mini-cases in class. You are required to download the case materials and bring them for class discussions.

Mini Class Presentations: To make the class more interesting, starting from Week 3, student volunteers will present one accounting scandal in each class. The student volunteers will neither get paid nor receive extra points for so doing. Each presentation is about 5 to 10 minutes. I will be available to answer the volunteers' questions regarding their case outside the class. The list and sequence of mini-presentations will be posted after the first week of class.

Supplemental Readings: From time to time I will post interesting, easy readings on the course website. You are encouraged to share any interesting articles you have found with the class.

Homework: Homework problems will be assigned after each class and randomly collected at the beginning of the following Tuesday's class. Half of your homework grade is based on effort (please show all your work) and the other half is based on quality. Please remember to write your name and section number on each assignment. You are encouraged to work in groups, but should write up your own answers. Computer-written answers are discouraged and are subject to closer check for cheating. The solutions to each assignment will be posted on the course website after the following Tuesday's class. There will be **three** random collections. Each assignment collected is worth 5 points.

Group Project: Section 4989 will be working in the groups that have already been assigned by the MBA office. For Sections 4990 and 4991, I will randomly assign you into a group of four people. The group assignment will be posted on the website after the first week of class. The project is worth 10 points. Please see the last page of this syllabus for the details and deadline.

Final Exam: The exam is closed-book and closed-notes. You are allowed to bring one double-sided letter size sheet with any information you like (also called the "cheat

sheet”). You are required to present your official University of Florida all-in-one photo identification card at the exam. You are not allowed to use any electronic devices, such as cell phone, laptop, and palm pilot.

Grading:

Class Participation	10%
Homework Collection (3)	15%
Reading Quizzes (3)	15%
Group Project	10%
Final Exam	<u>50%</u>
Total	<u>100%</u>

For the final grade, the cutoffs for A, B+, B, C+, C, D+, D and E are as follows: "A" if $\text{score} \geq 89$, "B+" if $84 \leq \text{score} < 89$, "B" if $79 \leq \text{score} < 84$, "C+" if $74 \leq \text{score} < 79$, "C" if $69 \leq \text{score} < 74$, "D+" if $64 \leq \text{score} < 69$, "D" if $59 \leq \text{score} < 64$, and "E" if $\text{score} < 59$. I do not expect to use a curve for the final grade. In case a curve is necessary, I will apply the curve to all three sections.

Policy Issues:

- There is no make-up for missed reading quizzes. If your absence is excused, the missed quiz will be dropped and the other two quizzes will be each worth 7.5 points.
- If an emergency prevents you from taking the **final exam**, please send me an e-mail before the exam time. The qualifying events are your sickness or family emergencies that are supported by a physician’s statement (or equivalent). Traffic or weather are not qualified unless the school is closed. In case of such an emergency, a grade of “I” for “incomplete” will be recorded and you are required to take the regularly scheduled final exam for ACG5005 in spring 2008. Failure to so resolve will result in a failure grade for the course.
- Quizzes and exams are individual efforts. Cheating is not tolerated. The University’s Honor Code applies in all matters and will be enforced without limit or exception.

Class Outline - ACG5005 Fall 2007

No.	Date	Topic	After-Class Assignments
1	8/21 (Tues)	Syllabus	Get your name tag ready Obtain the most recent 10-K or annual report of any company you like (Read Appendix 1A of textbook). Describe and summarize what you see in the filing or report in one page, single-spaced and typed. Attach the copies of the four financial statements to your summary. Bring the financial statements to the next class.
2	8/23 (Thur)	Introduction Reading: Ch.1, pp. 1-16 and 23-30	P1-36 and P1-48
3	8/28 (Tues)	Financial statements and their articulation Reading: Ch.2, pp. 1-23 and Ch.5 In-class case: Panera Bread	E2-33 and E2-34
4	8/30 (Thur)	Accounting procedures Reading: Ch.2, pp. 23-32 and Ch.3, pp. 1-13	P2-45 and E3-26
5	9/4 (Tues)	Making financial statements and the notes. Reading: Ch.3, pp. 16-25 In-class case: General Mills	E3-43 and C3-53
6	9/6 (Thur)	Analyzing financial statements Reading: Ch.1, pp. 16-20 and Ch.4	P1-35, E4-24, and E4-32
7	9/11 (Tues)	Accounting Details – Accounts receivable Reading: Ch.6, pp. 1-13 In-class case: Cisco	E6-24 and P6-39. Additional assignment: For the company that you have chosen for HW1, please answer (i) gross accounts receivable? (ii) the percentage of the allowance for doubtful accounts to gross accounts receivable? and (iii) how does the company determine the bad debt expense?
8	9/13	Accounting Details – Inventory and PPE	E6-27 and P6-38

	(Thur)	Reading: Ch.6, pp. 14-36	
9	9/18 (Tues)	Accounting Details – Liabilities (1) Reading: Ch.8, pp. 1-17 and Appendix 8A	E8-25 and E8-29
10	9/20 (Thur)	Accounting Details – Liabilities (2) Reading: Ch.8, pp. 17-25 and Appendix 8B	E8-33 and P8-38
11	9/25 (Tues)	Accounting Details – Owners’ Equity (1) Reading: Ch.9, pp. 1-25 Special topic: stock repurchase	E9-35 and E9-48
12	9/27 (Thur)	Accounting Details – Owners’ Equity (2) Reading: Ch.9, pp. 1-25 Special topic: stock options	E9-46 and E9-55
13	10/2 (Tues)	International Accounting	Choose a non-US and non-Canada country and write a one-page summary about its current accounting practices and how they have involved in the past decade or two.
14	10/4 (Thur)	Self-review or class review	Group project is due noon, October 5.
15	10/10 (Wed)	Final Exam (7:15-9:45 pm)	Section 4989 Section 4990 Section 4991 STZ101 STZ102 STZ103

GROUP PROJECT
ACG5005 — Fall 2007
10 points

The purpose of the project is for you to apply the tools that you have learned from this course to analyze one company using publicly available data. Assume that you are the company manager, wisely choose a firm for benchmarking (hereinafter “peer”), analyze, and report along the following dimensions:

1. What is your company’s business model and how is it different from your peer’s?
2. Does your company report the financial data (including the notes to the financial statements) differently from your peer? If there are differences, what are they and why do you think they exist?
3. Evaluate your company’s performance in the past three years and compare it with your peer’s.
4. What about your company’s voluntary disclosure practices? How are your peer’s?
5. What do the financial analysts and major institutional investors think of your company and its performance?
6. Are there notable events in the media about your company? Are they related to the business aspects or financial reporting aspects of the firm? How about your peer?
7. Other

At the end of the report, please summarize what you think the company’s financial position, recent performance, future prospects, and any potential threats or problems.

Each section of the report should have a subtitle. The report should be limited to **5 pages of text** (single-spaced) and must be received electronically by the **TA** noon, October 5. Please feel free to attach tables and figures created by you, but not by others.