

ACCT 5000
Intermediate Accounting I
Spring 2008

Professor

Stephen P. Baginski
Herbert E. Miller Chair in Financial Accounting
PricewaterhouseCoopers Teaching Fellow

Contact Information

Office: 228 Brooks Hall
Office Phone: 706-542-3608
Office Hours: 11 a.m. – 1 p.m. TR
Email: baginski@terry.uga.edu

I wish to thank the alumni and friends of the J. M. Tull School of Accounting for their contributions to establish both the Herbert E. Miller Chair in Financial Accounting and the PricewaterhouseCoopers Teaching Fellowship. The Herbert E. Miller Chair funds my teaching, research, and personal development as a scholar. The PricewaterhouseCoopers Teaching Fellowship, targeted at enhancing the learning experience of juniors in the accounting program, provides support for the entire School of Accounting. Our obligation is to match PWC's contribution to our success with maximum effort and integrity in both the study and practice of accounting.

Class meeting times and location

Call #12-747 8:00 a.m. – 9:15 a.m. TR in Caldwell 102
Call #72-784 9:30 a.m. – 10:45 a.m. TR in Caldwell 102
Please attend the section in which you are enrolled.

Course Materials

Required text: Kieso, Weygandt, and Warfield, Intermediate Accounting (Twelfth Edition). No other materials are required or recommended.

Course Objective

The course objectives are to develop 1) professionalism, 2) technical accounting knowledge, 3) analytical ability, 4) communication skills as related to technical accounting analysis, and 5) the familiarity with real-world financial statements. This course is the first of a series of three courses. The content of the course focuses on 1) the economic and regulatory environment's effect on financial accounting, 2) the conceptual framework underlying financial accounting, 3) the accounting information system, 4) the primary financial statements, 5) time value of money tools, and 6) the measurement and reporting of the working capital assets: cash, receivables, and inventory.

Resources to Aid Your Study of Accounting

Textbook. Read the assigned material. The ability to read accounting-related documents is one of the most important skills to develop during your time in school. Timely reading will also lead to better performance on homework, class discussion, and exams. Read to understand, not list and memorize. Homework and class discussion will identify material on which you can focus your study.

Class time. Most class time is spent listening to lectures, working through examples, and asking questions. We will learn a great deal about accounting and business during our class discussions, much more than we could learn by reading or homework alone. Because **learning is our primary objective**, class attendance is **required**.

Homework. I will assign reading and homework for you to do outside of class. I don't collect this homework or go over it in class. I will post solutions to the homework on WebCT. You should complete an assigned exercise or problem before checking the solution.

WebSite. We use WebCT in this course. I will post solutions to all assigned problems on WebCT. I will also post other materials to the site such as lecture notes, additional readings, and homework problems. You will also be able to check WebCT for your exam grades.

Office Hours. You do not need an appointment to see me during the office hours I have indicated on this syllabus. If you have class or work during these office hours, don't hesitate to request an appointment at another time. I am very willing to help you in these one-on-one meetings. Your questions are important.

Grading

Maximum points that can be earned:

Professionalism	50 points
Take-home cases	50 points
Midterm Exam I (Chapters 1-3)	150 points
Midterm Exam II (Chapters 4-6)	150 points
Final Exam (Chapters 7-9)	<u>200 points</u>
Total	600 points

The following rules will be applied to the total points earned in the class to determine your course grade:

- 1) $\geq 90\%$ receives an "A"
 $\geq 80\%$ receives at least a "B"
 $\geq 70\%$ receives at least a "C"
 $\geq 60\%$ receives at least a "D"
 $< 60\%$ receives at least an "F"

- 2) The University of Georgia recently changed to a "plus/minus" system in which the following grades are also available for assignment: A-, B+, B-, C+, and C-. I will use these additional grades to differentiate performance. The +/- grades will be assigned below the cutoffs indicated above. Examples: a student with an 88% could receive a B+, and A-, or even an A, depending on the rigor of the examinations; a student with a 91% can only receive an A.

Professionalism

Accounting is a profession. Our goal in this class is to mirror the kinds of behavior in which professionals engage. Professionals arrive at all meetings (i.e., don't miss class) in a timely fashion (i.e., are not late for class). They treat clients, superiors, subordinates, and other

colleagues (i.e., the professor, teaching assistants, classmates, and accounting department staff) with great respect. They help others (i.e., fellow students) achieve success and take ownership in the success of the business (i.e., assist the professor in using class time to the benefit of all). They understand that all systems are flawed, all people are human, and the randomness of life causes unhappiness at times, but they do not complain (i.e., they do not whine, but instead craft intellectually-based, well-timed, and professionally-delivered arguments to support their positions). They do not engage in activities that disrupt the speaker or audience (i.e., they don't surf the web or text message during class).

You are not expected to be perfect, timid, stoic, or boring; you are expected to be professional. Feel free to ask questions, answer questions, give your opinions about the issue, challenge my answers and thinking, and challenge the answers and thinking of your classmates.

My experience is that nearly all undergraduate students in the J. M. Tull School of Accounting possess most if not all of these professional characteristics, which is one reason why I like to teach here. Because I am assuming that you are professional, you begin the class with the full 50 points to your credit. The large majority of students will end the class with the full 50 points.

However, **two unprofessional behaviors** are present in some individuals. The first is **missing class. Regular attendance is a course requirement. I will deduct 10 points from your professionalism grade for each unexcused absence beyond two.** The two classes are intended to cover situations in which you are sick, have family emergencies, or have some sort of transportation breakdown. The following excused absences will not count as a missed class: 1) absences required by a university official (must have letter from coach, athletic department, department chair, dean, or central administrator specifying dates of absence); 2) interviews for internships (must arrange with me before date of absence); and 3) absences (except for incarceration) required by federal, state, or local authorities (documentation required; example: subpoenas for jury duty, testimony, court appearance).

The second (**equally serious**) unprofessional behavior is **coming to class late**. Walking in the door while class is in session is disruptive. **I treat lateness as an unexcused absence.**

You will be held accountable for the other professional behaviors described above as well. I reserve the right to charge an unexcused absence for failing to engage in these other types of professional behaviors.

Remember, you are not expected to be perfect, and the two free passes exist because of this fact.

Take-home cases

I will assign two (graded) take home cases during the semester. Feel free to discuss the cases with fellow students. If you work closely with one or two other colleagues, please turn in just one solution as a group. If you choose this route, please limit the group size to no more than three. The kinds of analyses learned in the cases will be tested on exams.

Exams

The two midterm exams will be held during three-hour evening sessions. The date, time, and location are noted on the schedule which appears at the end of this document. The final exam

will be held during the normal final exam period determined by the University. If a midterm exam conflicts with one of your classes, please contact me as soon as possible so that I can arrange an alternative time for you to take it.

Exams include multiple choice, short answer, short essays, short computational problems, journal entry preparation, financial statement preparation, and longer problems to test analytical ability and presentation skills.

All accounting exams are, by nature, cumulative and comprehensive. However, the primary focus of each midterm exam is on the material covered since the last exam.

Midterm exams will be reviewed in class and then retained in my office. During the review sessions, you must put away all cell phones and other recording devices, and you may not take notes of any kind. You will be provided with a grading key. I will not go over the exam or answer any questions. You are free to talk amongst yourselves about any part of the exam. If you believe that the grading key is in error or has been incorrectly applied to the grading of your exam, you will be allowed to write a note on the answer key, telling me where to look and why you believe your answer is correct. You should not attempt to challenge an answer unless you believe you are correct, and you can make an argument to support your position. I will read your appeal to ascertain its merit and inform you of my decision.

All exams are mandatory. Under a limited set of legitimate circumstances, a make-up exam can be given, but only if you request the make-up and I approve the request before the exam time. Examinations which are missed without prior consent will be assigned a grade of 0.

Calculators are allowed when taking an exam, but may not be shared with another student.

Students with final exam conflicts should visit the office of the Vice President for Academic Affairs.

Other Policies

The withdrawal policy for the course is the same as the University-wide withdrawal policy. The last day to drop and still possibly receive a WP is Tuesday, March 4, 2008. A student must earn a "C" in this course to continue to Intermediate II. A C- is not sufficient. **It is very important that you inform me of your decision to drop the class so that I will stop penalizing you for absences.**

Students are responsible for adhering to the strictest standards of honesty. Specific regulations governing student academic conduct are contained in the Student Handbook, and these should be read to avoid any misunderstanding.

The course syllabus provides a general plan for the course. Under certain circumstances, it may be necessary to modify the plan somewhat. For example, an outside speaker is likely. I will do my best to give you ample warning of any major modification. If for some reason, a testing date is changed (this is doubtful), you will be notified in a timely fashion.

TENTATIVE CLASS SCHEDULE

Date	Topic	Assignment
Jan 8 (T)	Course Introduction	<u>First day activities:</u> Distribute syllabus Introduce course Discuss class procedure Take pictures
Jan 10 (R)	Conceptual Framework	<u>Before Class:</u> Read Chapters 1 and 2; Do Handout Problem (we will discuss the handout problem in class) <u>Either before or after class:</u> Ch 1 HW: Q1-2, 3, 8, 12, 14, 15, 17, 20, 24, 27, 28, 30; CA1-2, CA1-10, CA1-11, CA1-12 Ch 2 HW: Q2-2, 4, 6, 8, 9, 10, 16, 19, 20, 23, 24, 25; E2-1, 2, 3, 4, 5
Jan 15 (T)	Conceptual Framework (cont.)	Continue to discuss handout problem
Jan 17 (R)	Accounting Information System Review	<u>Before Class:</u> Read Chapter 3 (including Appendix B) <u>Either before or after class:</u> Ch 3 HW (review of transaction analysis, financial statement preparation, and closing entries): E3-1, 19, 12, 18
Jan 22 (T)	Adjusting and Reversing Entries	<u>After class:</u> Ch 3 HW (adjusting and reversing entries): E3-6, 7, 8, 10, 17, 22; P3-2, 3, 7
Jan 24 (R)	Cash versus Accrual Accounting	<u>Before class:</u> Read Chapter 3 Appendix A <u>After class:</u> Ch 3 HW (cash versus accrual accounting): E3-20, 21; P3-10
Jan 29 (T)	EXAM I (Chapters 1-3) 5:30 - 8:30 in Room TBA <i>(Regular class session does not meet today.)</i>	
Jan 31 (R)	Income Statement	<u>Before class:</u> Read Chapter 4 <u>After class:</u> Ch 4 HW (capital maintenance approach to computing net income): E4-1, 2 Ch 4 HW (income statement preparation): E4-5, 8, 9, 10, 11, 12

Feb 5 (T)	Irregular items Comprehensive Income	After class: Ch 4 HW (irregular items): E4-13; P4-1, 3, 5, 6, 7 Ch 4 HW (comprehensive income): E4-14, 15
Feb 7 (R)	Exam I returned in class	No assignment
Feb 12 (T)	Balance Sheet	Before class: Read Chapter 5 After class: Ch 5 HW (Balance sheet): E5-1, 3; P5-1, 2
Feb 14 (R)	Statement of Cash Flows (SCF)	After class: Ch 5 HW (SCF): E5-13, 14; P5-6
Feb 19 (T)	Financial Statement Analysis	After class: Do Handout Problem
Feb 21 (R)	Accounting Choice, Earnings Management, and Fraud	After class: Do Handout Problem
Feb 26 (T)	Time Value of Money Concepts	Before class: Read Chapter 6 After class: Ch 6 HW: E6-3, 4, 5, 6, 7, 8, 10, 12, 15, 16, 18, 21, 22, 23, 24
Feb 28 (R)	Time Value (continued)	After class: Ch 6 HW: P6-2, 4, 5, 6, 7, 8, 11, 14, 15, 16, 17
Mar 4 (T)	Slack	TBA
Mar 4 (T)	Midpoint Withdrawal Deadline	
Mar 6 (R)	EXAM II (Chapters 4-6) 5:30 - 8:30 in Room TBA <i>(Regular class session does not meet today.)</i>	
Mar 8 - 15	Spring Break (rest brain)	
Mar 18 (T)	Exam II returned in class	No assignment
Mar 20 (R)	Cash	Before class: Read Chapter 7 Section 1 and Appendix A After class: Ch 7 HW: E7-1, 22, 24; P7-1, 12, 13
Mar 25 (T)	Receivables	Before class: Read Chapter 7 Section 2 to page 326 After class: Ch 7 HW: E7-4, 5, 7, 9; P7-2, 5
Mar 27 (R)	Notes Receivable	Before class: Read Chapter 7 pp. 326-331 After class: Ch 7 HW: P7-9, 10; CA7-8

Apr 1 (T)	Disposition of Receivables	<p><u>Before class:</u> Read Chapter 7 pp. 332-338</p> <p><u>After class:</u> Ch 7 HW: E7-13, 15, 17; P7-7</p>
Apr 3 (R)	Inventory (ownership and cost)	<p><u>Before class:</u> Read Chapter 8</p> <p><u>After class:</u> Ch 8 HW (inventory ownership, cost, and effects of errors): E8-1, 2; P8-3; E8-10, 12</p>
Apr 8 (T)	Inventory (costing methods including dollar value LIFO)	<p><u>After class:</u> Ch 8 HW (costing methods): P8-4, 5; E8-25, 26; P8-8, 10</p>
Apr 10 (R)	Inventory valuation (LCM, NRV, Basket purchases, Purchase commitments, Gross profit method)	<p><u>Before class:</u> Read Chapter 9 to p. 436</p> <p><u>After class:</u> E9-1, 2, 4, 9, 10, 12, 13, 15; P9-2, 3, 4, 5</p>
Apr 15 (T)	Inventory valuation (retail inventory methods)	<p><u>Before class:</u> Read Chapter 9 pp. 436-441 and Appendix A</p> <p><u>After class:</u> E9-18, 19, 22, 24, 26, 27, 28; P9-6, 7, 11, 13</p>
Apr 17 (R)	Retail inventory methods (continued)	<p><u>After class:</u> Complete Apr. 10 assignments</p>
Apr 22 (T)	Slack	TBA
Apr 24 (R)	Slack	TBA
<p align="center"><u>FINAL EXAM (CHAPTERS 7-9)</u></p> <p>8:00 a.m. section: FINAL EXAM is Thursday, May 1, 2007, from 8:00 to 11:00 a.m. in our regular classroom (102 Caldwell Hall)</p> <p>9:30 a.m. section: FINAL EXAM is Tuesday, May 6, 2007, from 8:00 to 11:00 a.m. in our regular classroom (102 Caldwell Hall)</p>		