**Accountancy I – Spring 2011**

**Department of Accountancy**

**University of Notre Dame**

**I.** **Instructor Contact Information**

**Instructor:**

**Instructor's Office Location:**

**Instructor's Office Hours:**

**Instructor's Phone #:**

**Instructor's E-mail Address:**

**II.** **Required Course Materials**

Text: Financial Accounting by Libby, Libby and Short, Sixth Edition, (McGraw-Hill), 2009. The Notre Dame Customized Version is available at the Notre Dame Bookstore.

E-Reserves: Link to course packet articles will be provided via Concourse or Courseware Server.

Calculator**:** Calculators are necessary at times during the course. Calculators may be used during exams for calculations only.

**III. Course Goals and Objectives**

The overall goal for the two-semester Accountancy sequence is to develop the ability of students to use accounting information in various economic decision-making contexts, as well as to understand the scope of services provided by accounting professionals.

Upon completion of Accountancy I and II, students will understand:

Business entities and the activities they undertake:

Readings provide broad exposure to the forces acting on businesses; the assignments and the use of cases will require the student to simulate business activities.

Accounting as a broad information discipline:

The information perspective of accounting is emphasized throughout the sequence. Most major functional areas of accounting are covered.

The decision-usefulness of accounting information:

The primary objective of accounting is to provide useful information for decision-making. Accounting information usefulness is examined for operating, investing, and financing decisions.

The nature of contractual relations among business parties as a means for determining accounting information requirements:

Accounting information is frequently used to ensure that parties are keeping their business promises.

The integrity required of accountants:

The ethical components of contract performance and the accountants role in contract enforcement will be considered in cases and assignments. Accountants must not only be ethical, but often must attest that others are as well.

Upon the completion of Accountancy I, the student will be expected to understand:

* How to record transactions that measure a business economic activity.
* How to process and summarize transactions into financial statements that communicate the results of an entity’s activities to its users.
* How to prepare and interpret the four basic financial statements:

Statement of Financial Position (Balance Sheet)

Statement of Operations (Income Statement)

Statement of Stockholders’ Equity

Cash Flow Statement

In the process of learning to use accounting information in decision-making, students will:

Improve oral and written communication skills through daily participation and assignments that require analysis and written feedback.

Improve group interaction and team-building skills by completing the assigned group projects.

Enhance critical thinking skills in the learning process by actively participating in group and classroom activities.

Apply major concepts, ideas and tools to problem solving situations.

**IV. Grading**

Students’ grades will be determined based on the total points earned on the following items:

Three Group Assignments: 100 pts.

Instructor Points: 100 pts.

Midterm Exam 1: 125 pts.

Midterm Exam 2: 125 pts.

Final Examination: 150 pts.

Total: 600 pts.

The course instructors collaborate to assure consistency in grading across sections. However, each instructor will determine the grades for his or her sections.

**V. Course Organization & Administration**

**Attendance & Participation:** The course is organized around three 50-minute sessions per week. The instructors expect active student involvement in the learning process. Regular attendance and class participation are included in the final grade at the discretion of each instructor. In addition to attendance and participation, individual instructors will announce the activities they will use to determine the awarding of instructor points for their sections.

**Cellular Devices:** Cellular phones must be set to “off” or “silent” during examinations and class.

Text messaging during class is not permitted. Laptops are not to be used during class.

These devices must not be used as calculators or clocks and must be stowed out of sight during examinations.

**Group Assignments:** Groups of students will be organized by the instructor early in the semester. Projects will be distributed in class; due dates are listed in the Syllabus. Each group is to work independently of all other course groups.

**Late Work:** Work submitted to the instructor after the day and time indicated by the instructor without official Notre Dame Approval will be assigned a penalty by the instructor.

**Peer Evaluations:**The instructors will announce their policy regarding peer evaluations of group work.

**Exams:** Common exams will be given. The instructors evaluate their sections’ exams. It is course policy that students must document sufficient official Notre Dame Approval before taking an exam at an alternative time for full credit. If a student arrives late to an exam and is unable to finish by the exam’s conclusion, the student may be allowed additional time at the instructor’s discretion. Work completed after the exam’s conclusion will be assessed a ? consider reducing to 10% penalty. If a student misses an entire exam without the aforementioned approval, the instructor will use his or her discretion to decide whether or not to give the exam at a later time on the exam date. In this case, there will be an automatic penalty of 20% (should be consistent with above) of total exam points.

1. **The Academic Code of Honor:**

**“As a member of the Notre Dame community,**

**I will not participate in or tolerate academic dishonesty”.**

Expectations with regard to Academic Integrity follow:

Students will not give or receive aid on **exams**. This includes, but is not limited to, viewing the exams of others, sharing answers with others, using books or notes while taking the exam, and use of cell phones or programmable calculators in unauthorized usage. It also includes discussing the exam in order to help those who are taking it later.

For **case assignments involving groups**, groups must work **completely independently** of other individuals, or groups. Each member of a group has an obligation to ensure that the workload is shared by all members for each assignment. Students are expected to avoid **plagiarism, including the use of material from previous semesters**. See [**http://www.nd.edu/~writing/resources/AvoidingPlagarism.html**](http://www.nd.edu/~writing/resources/AvoidingPlagarism.html)for rules on appropriate citations. Notre Dame’s Writing Center is an excellent resource for researching and structuring written assignments.

**The honor code requires that a student, with knowledge of the above violations, report such occurrences. If a perceived honor code violation occurs, the procedures outlined in the Student Guide to the Academic Codes of Honor,** [**www.nd.edu/~hnrcode**](http://www.nd.edu/~hnrcode)**, will be followed.**

**VII. Instructor Points (Completed by each individual instructor)**

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**To the extent possible, the instructors will follow the daily class schedule of assignments.**

**The schedule may be altered (add, delete, change timing, etc.) in order to enhance student learning opportunity or for other reasons.**

(CP) identifies readings from the electronic course packet.

| In-Class Activities | Reading Assignments (To be completed prior to beginning of session)  Prepare Questions, Exercises and Problems as Assigned by your Instructor |
| --- | --- |
| Session 1 (W 1/19)  Introduction - Instructor, course structure, textbook, Concourse or courseware server Textbook’s website: ([www.mhhe.com/libby6e](http://www.mhhe.com/libby6e))  Syllabus: Course policies, Instructor Points & Daily Schedule |  |
| Session 2 (F 1/21) *Chapter 1: Financial Statements and Business Decisions*  **Turn In: Student Information Sheet**  Understanding the Business  The Four Basic Financial Statements: An Overview | **Complete Student Information Sheet**  READ Chapter 1, pp. 2-18  Q3, Q4  E1-3, E1-5, E1-11, P1-1*(eXcel)* |
| Session 3 (M 1/24) *Chapter 1: Financial Statements and Business Decisions*      Responsibilities for the Accounting Communication Process  Global Convergence of Accounting Standards  Types of Business Entities  Employment in the Accounting Profession Today | READ Chapter 1, pp. 18-24; Supplement A&B, pp. 26-27; Opportunities in the Accounting Profession (handout); SEC Moves to Pull Plug on U.S. Accounting Standards (CP)  CP1-5, CP1-6  SEC Moves article discussion questions  Q19  Q20 |
| Session 4 (W 1/26) *Chapter 2: Investing and Financing Decisions and the Balance Sheet*  Overview of Accounting Concepts  What Business Activities Cause Changes in Financial Statement Amounts?  How Do Transactions Affect Accounts?  How Do Companies Keep Track of Account Balances? | READ Chapter 2, pp. 46-68  Q1  P2-1  E2-2, E2-4, E2-5  E2-6, E2-7, E2-8, E2-16, E2-17 |
| Session 5 (F 1/28) *Chapter 2: Investing and Financing Decisions and the Balance Sheet*  How is the Balance Sheet Prepared and Analyzed? | READ Chapter 2, pp. 68-73  E2-10, E2-15, P2-5 *(eXcel)* |
| Session 6 (M 1/31) *Chapter 3: Operating Decisions and the Income Statement*  Explain requirements for Accounting Cycle Case **(Group Assignment #1, due 2/9)**  How Do Business Activities Affect the Income Statement?  How Are Operating Activities Recognized and Measured? | READ Chapter 3, pp 102-116  Q1, Q2  E3-3 c, d, e, g, h, i, k, m; E3-4 a, c, d, e, f, g, h, k, l |
| Session 7 (W 2/2) *Chapter 3: Operating Decisions and the Income Statement*  How Are Operating Activities Recognized and Measured: Cash Basis vs. Accrual Basis  The Expanded Transaction Analysis Model | READ Chapter 3, pp. 116-121  E3-2, E3-10  E3-5, E3-8, E3-18 |
| Session 8 (F 2/4) *Chapter 3: Operating Decisions and the Income Statement*  How Are Financial Statements Prepared and Analyzed | READ Chapter 3, pp. 122-127  E3-13, E3-14, P3-4 *(eXcel)* |
| Session 9 (M 2/7) *Chapter 4: Adjustments, Financial Statements, and the Quality of Earnings*    Adjusting Revenues and Expenses | READ Chapter 4, pp. 162-175  Q1, M4-3, #E4-18, P4-1 |
| Session 10 (W 2/9) *Chapter 4: Adjustments, Financial Statements, and the Quality of Earnings*  Adjusting Revenues and Expenses  **TURN IN: GROUP ASSIGNMENT #1** | **Complete Financial Statement Case (Group Assignment #1)**  E4-3, E4-4, E4-5, E4-12, E4-14, P4-2, P4-4 *(eXcel)* |
| Session 11 (F 2/11) *Chapter 4: Adjustments, Financial Statements, and the Quality of Earnings*  Preparing Financial Statements  Closing the Books | READ Chapter 4, pp. 175-186  P4-7  E4-2, P4-9 |
| Session 12 (M 2/14) *Chapters 1-4*  Unscheduled day for catch up and review for exam. |  |
| **Exam 1 (T 9-15) 7:45 – 9:15 AMLocation:** |  |
| Session 13 (W 2/16) *Chapter 5: Communicating and Interpreting Accounting Information*  Players in the Accounting Communication Process  The Disclosure Process | READ Chapter 5, pp. 230-243  P5-1  E5-3 |
| Session 14 (F 2/18) *Chapter 5: Communicating and Interpreting Accounting Information*  **Explain requirements for Accounting Cycle Case (GP #2, due 2/25**)  A Closer Look at Financial Statements Formats and Notes  Return on Equity Analysis: A Framework for Evaluating Company Performance | READ Chapter 5, pp. 243-256  P5-6 *(eXcel)*  E5-17, P5-7 |
| Session 15 (M 2/21) *Chapter 6: Reporting and Interpreting Sales Revenue, Receivables and Cash*  Accounting for Sales Revenue  Measuring and Reporting Receivables | READ Chapter 6, pp. 282-296  E6-4, E6-6, P6-1  Q7, Q8, E6-11, E6-13 |
| Session 16 (W 2/23) *Chapter 6: Reporting and Interpreting Sales Revenue, Receivables and Cash*  Measuring and Reporting Receivables | E6-15, E6-16, E6-18, P6-5 |
| Session 17 (F 2/25) *Chapter 6: Reporting and Interpreting Sales Revenue, Receivables and Cash*  **Turn In: Accounting Cycle Case (Group Assignment #2)**  Measuring and Reporting Receivables  Reporting and Safeguarding Cash | **Complete Accounting Cycle Case (Group Assignment #2)**  READ Chapter 6, pp. 297-301; 305-306; Better Credit-Card Statistics?  E6-20, AP6-2, Better Credit-Card Statistics discussion questions  Q11, Q12, Q13 |
| Session 18 (M 2/28) *Chapter 7: Reporting and Interpreting Cost of Goods Sold and Inventory*  Nature of Inventory & Cost of Goods Sold  Inventory Costing Methods | READ Chapter 7, pp. 336-352  E7-2, E7-4  M7-5, E7-5, E7-6 |
| Session 19 (W 3/2) *Chapter 7: Reporting and Interpreting Cost of Goods Sold and Inventory*  Inventory Costing Methods  Valuation at Lower of Cost or Market  Evaluating Inventory Management | READ Chapter 7, pp. 353-357  E7-9, P7-3 *(eXcel)*  E7-12  E7-13 |
| Session 20 (F 3/4) *Chapter 7: Reporting and Interpreting Cost of Goods Sold and Inventory*  Inventory Methods and Financial Statement Analysis | READ Chapter 7, pp. 358-360  E7-16, P7-8 |
| Session 21 (M 3/7) *Chapter 7: Reporting and Interpreting Cost of Goods Sold and Inventory*  Control of Inventory | READ Chapter 7, pp. 361-363  Q12, E7-19, P7-9 *(eXcel)* |
| Session 22 (W 3/9) *Chapter 8: Reporting and Interpreting Property, Plant, and Equipment; Natural Resources; and Intangibles*  Acquisition and Maintenance of Plant and Equipment  Use, Impairment and Disposal of Plant and Equipment | READ Chapter 8, pp. 396-419  M8-3, E8-2  E8-4, E8-8, E8-11, P8-3 *(excel)* |
| Session 23 (F 3/11)  Unscheduled day for catch up |  |
| 3/12 to 3/20 **Spring Break** |  |
| Session 24 (M 3/21) *Chapter 8: Reporting and Interpreting Property, Plant, and Equipment; Natural Resources; and Intangibles*  Use, Impairment and Disposal of Plant and Equipment | E8-12, E8-13, E8-15, P8-7 |
| Session 25 (W 3/23) *Chapter 8: Reporting and Interpreting Property, Plant, and Equipment; Natural Resources; and Intangibles*  Natural Resources and Intangible Assets | READ Chapter 8, pp. 419-425; Supplement A, pp. 428-429  E8-16, E8-17, P8-9, P8-10 |
| Session 26 (F 3/25) *Chapter 8: Reporting and Interpreting Property, Plant, and Equipment; Natural Resources; and Intangibles*  Changes in Depreciation Estimates  Chapter 8 Review Problem | READ Chapter 8 Supplement A pp. 428-429  E8-22  P8-8 |
| Session 27 (M 3/28) *Chapters 5 – 8*  Unscheduled day for catch up and review for exam. |  |
| **Exam 2 (T 3/29) 7:45 – 9:15 AM**  **Location:** | *Beta Alpha Psi Exam 2 Study Session* |
| Session 28 (W 3/30) *Chapter 9: Reporting and Interpreting Liabilities*  Liabilities Defined and Classified  Current Liabilities | READ Chapter 9, pp. 458-472  P9-2 Requirements 1-4; P9-3 Requirement 1  E9-4, E9-5, P9-4, P9-5, P9-6, P9-7 |
| Session 29 (F 4/1) *Chapter 9: Reporting and Interpreting Liabilities*  Long Term Liabilities  Present Value Concepts | READ Chapter 9, pp. 473-481  E9-18, E9-22, P9-11 *(eXcel)*, P9-12 *(eXcel)* |
| Session 30 (M 4/4) *Chapter 10: Reporting and Interpreting Bonds*  Characteristics of Bonds Payable  Reporting Bond Transactions | READ Chapter 10, pp. 512-528  E10-2  E10-4, E10-9, E10-11, P10-7 |
| Session 31 (W 4/6)  Reporting Bond Transactions |  |
| Session 32 (F 4/8) *Chapter 10: Reporting and Interpreting Bonds*  Reporting Bond Transactions | READ Chapter 10, pp. 528-531  E10-16, P10-12 *(eXcel),* E10-6 |
| Session 33 (M 4/11) *Chapter 10: Reporting and Interpreting Bonds*  Interpreting Bond Transactions  Early Retirement of Debt | READ Chapter 10, pp. 532-534; Borrowing for Dividends Raises Worries (CP)  Borrowing for Dividends discussion questions  E10-21 |
| Session 34 (W 4/13) *Chapter 11: Reporting and Interpreting Owners’ Equity*  Ownership of a Corporation  Common Stock Transactions | READ Chapter 11, pp. 556-566; Small Investor, Bigger Voice (CP)  E11-4, E11-6; Small Investor article discussion questions  E11-9, E11-11, E11-13, E11-15 |
| Session 35 (F 4/15) *Chapter 11: Reporting and Interpreting Owners’ Equity*  Dividends on Common Stock  Stock Dividends and Stock Splits | READ Chapter 11, pp. 566-571  E11-14, E11-27, P11-10  E11-22, E11-24, P11-7, P11-9 |
| Session 36 (M 4/18) *Chapter 11: Reporting and Interpreting Owners’ Equity*  Explain requirements for Equity Case**(Group Assignment #3, due 4/29)**  Preferred Stock | READ Chapter 11 pp. 571-574    E11-18 |
| Session 37 (W 4/20) *Chapter 13: Statement of Cash Flows*  Classifications of the Statement of Cash Flows | READ Chapter 13 pp. 652-661  E13-1, E13-3 |
| **March 22 – March 25 – EASTER BREAK** |  |
| Session 38 (W 4/27) *Chapter 13: Statement of Cash Flows*  Reporting and Interpreting Cash Flows from Operating Activities  Reporting and Interpreting Cash Flows from Investing Activities  Reporting and Interpreting Cash Flows from Financing Activities  Completing the Statement and Additional Disclosures | READ Chapter 13 pp. 661-675  E13-7, E13-13  E13-11, E13-12  E13-14, E13-16  E13-17 |
| Session 39 (F 4/29) *Chapter 13: Statement of Cash Flows*  **Turn in: Equity Case (Group Assignment #3)**  Preparing a Statement of Cash Flows, Indirect Method  Comparison of indirect method and direct method | READ Cash Flow Statements Offer the Juiciest Corporate Dirt; Review Exhibit 13.8, p. 680  P13-1 *(eXcel),* P13-2, CP13-4, Justin Inc. Indirect Method  Exhibit 13.8 |
| Session 40 (M 5/2)  Catch up Day |  |
| Session 41 (W 5/4) *Chapters 9, 10, 11, 13\* and selected material from Exams 1 & 2*  Review for Final Exam |  |
| **Final Exam (TH 5/12)** 7:30 – 9:30 PM  **Location:** |  |

*\* Cash Flow Statement Reading from prior chapters; pp. 72 – 73, 125 – 126, 179 - 181, 298 – 299, 355 - 357, 423 - 425, 471 - 472, 533 – 534, 573 – 574*