



## **Accounting 326 - Financial Reporting and Analysis - Fall 2018**

**Professor:** Lale Guler

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**Office Hours:** M&W 9:45-10:45 or by appointment

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### **Overview**

The course examines financial reporting issues, mainly from a user perspective. The objectives are:

- (1) To learn about current U.S. financial reporting;
- (2) To understand whether and how financial reporting captures the economics of transactions and events, and
- (3) To learn how to reason about financial reporting problems as users do (i.e., to understand the relations between financial statements, including footnotes, and journal entries).

### **Required Text**

Financial Reporting and Analysis by Revsine et al. (7<sup>th</sup> Edition) **with Connect access**

### **Prerequisites**

ACC 311(H), ACC 312(H), FIN 357(H)

### **Communication Channels**

The class webpage is Canvas. Please check Canvas weekly for announcements, presentation materials, articles, assignments, solutions to practice problems and other relevant information.

### **Course Format and Policies**

#### ***Course Format***

Class sessions will be a combination of lecture and discussion. Students should bring to each class session a printed copy of that day's PowerPoint slides (available on Canvas prior to each class). The material covered in-class will follow the PowerPoint slides, which are designed to clarify and complement the text material. I suggest that you work all of the recommended questions for each chapter which will be posted on Canvas. While there will be no points allocated to solving recommended questions, there is a direct relation between working problems and performing successfully on examinations.

#### ***Professionalism & Participation***

I expect that you will at all times exhibit high standards of professionalism in this course. In the context of this course, professionalism consists of:

- attending class,
- being on time for class,
- participating in class discussions in a professional and constructive way,
- being present (and not using any electronic devices),
- being respectful to others,
- communicating professionally in terms of content and appearance when composing e-mails,
- acting as a business professional.

You are expected to attend every class; scheduling other appointments during class sessions is unacceptable. Please arrange your personal schedules so that late arrivals and early departures are avoided. Repeated walking in and out of class is distracting to your classmates and me and such behavior will not be tolerated. It is critical to your success that you attend each class and take notes during the lectures. You should come to class prepared, which means that you should have read the material. **Students are not permitted to use laptops, ipads, smart-phones, dumb-**

**phones, and other devices with screens in class.** Video or audio recording during class is not permitted without prior approval.

Class attendance is important, but I do not track attendance. You do not need to notify me unless your absence will be for an extended time. Office hours are not a substitute for coming to class; accordingly, I will not go over material covered in class with you if you have missed class.

Below are the examples of behaviors that are not in accordance with professionalism:

- Being disruptive to the learning environment;
- Being disrespectful to the diversity in the classroom;
- Attempting to negotiate your grade near or at the end of the semester rather than spending effort to learn the material during the semester.

### ***Exams***

There will be three closed book exams in this course. Exams are 100% independent work. You are not permitted to use any electronic communications devices during the exam. This explicitly includes cell phones, pagers, computers, laptops, iPads, and other advanced electronic devices. I will consider it cheating if a cell phone or other electronic communication device is used and/or visible during the exam. You are not permitted to copy or otherwise reproduce the exams at any time. This includes taking pictures of the exam with your cell phone or other device while taking the exam or when reviewing graded exams. All students are required to present proof of identification at the time of the exam. As per school policy, exam papers will be retained for one year and then destroyed.

### ***Grading Policy***

Your overall course grade will be comprised of the following:

Exam 1	25%
Exam 2	30%
Exam 3	30%
Homework assignments	15%
Total points	100%

Final grades will be assigned on the basis of the following rubric:

Total Points	Letter
94-100	A
90-93	A-
87-89	B+
84-86	B
80-83	B-
77-79	C+
74-76	C
70-73	C-
67-69	D+
64-66	D
60-63	D-
Less than 60	F

While the grading scale above will be used as a guideline, translation of the total points into a letter grade will ultimately be based on the professor's judgment. The letter grade will reflect each student's performance relative to the class and standards expected of UT students. I will impose a substantial grade penalty (one course grade per incident) for those who distract other students through cell phone or laptop use during class.

Exams may include multiple-choice, short answer and computational questions. You may have 1-page (8.5" x 11", front/back, your own handwriting) of notes for use during the exam, which must be turned in with your exam. Electronically prepared exam notes will not be accepted. Any request for a re-grade must be made in writing no less than two days and no more than seven days after the exam grades are available. The request must state, in detail, the reason you believe the grade is in error. Requests that do not conform to this policy will not be honored.

### ***Make-up Exams***

Students must take all exams. Any missed exam must be approved through Student Emergency Services and makeups will be given only in truly extraordinary circumstances (at my discretion). Makeup exams are given **only** for excused absences, which must be determined **prior to the exam**. Excused absences **may** be given for verifiable medical or family emergencies. Written documentation must be provided to qualify for an "excused absence". The medical documentation must specifically state that you could not complete the exam on the day of the exam due to your illness and must be signed by a licensed physician. Students who miss an exam without making arrangements with me **prior** to the exam will receive a zero. All documentation evidencing your absence from an exam is due within five business days of the missed exam and you must make up the missed exam within five business days. If the documentation is not received within the five days and the exam is not completed within the five day window, you will receive a grade of zero. The determination of an "acceptable" excuse is solely up to the instructor's discretion. It is solely the student's responsibility to communicate with the instructor regarding these issues and it is solely the student's responsibility to ensure that the instructor is receiving the communication and any documentation. The student should use UT e-mail as the main form of communication. Also, the student **must** verify that the instructor has received the appropriate documentation within the five day window. I do not guarantee that the level of difficulty of the make-up exam will be comparable to the exam given at the scheduled time. I will determine the date and time of the make-up exam, and you must make arrangements to take it at that time.

### ***Submission of Homework Assignments through Connect***

To gain access to your class, please register at the following class section URL:

<http://connect.mheducation.com/class/acc326-f18-lale-guler>

**You must use the registration code that comes with your book to register here.** You must include your official UT e-mail address, **your registered section number**, and **your name using only the English characters** as part of your registration to *Connect*.

Online homework assignments will be available at Connect every week on Thursday. The homework will be due on the following Sunday. Given the fixed schedule of homework assignments, no e-mail announcement will be sent regarding the homework assignments. It is your responsibility to check Connect website regularly.

Online homework assignments will be automatically graded by Connect Software. It is your responsibility to successfully submit your homework assignment online. It is unlikely that Connect questions / grading schemes are wrong. If you have questions regarding the grading of homework assignments through Connect, please state the question in an e-mail to me within one week from the time that the homework assignment is due. Questions regarding the grading of homework assignments through Connect that are submitted beyond one week from the time the homework assignments is due will not be answered.

Having your homework assignments done by someone else is cheating, and any suspicious case will be forwarded to the Dean of Students.

No make-up homework assignments will be offered for the missed homework assignments. If you miss the deadline for an online homework submission, then your grade for that homework assignment is zero.

### ***Important Student Tips for Using Connect***

<https://mhedu.force.com/CXG/s/>

Support line: 1-800-331-5094

### ***Extra Credit & Late Work***

There are no extra credit opportunities in this class. Late work is not accepted without an approved excuse as verified by the instructor.

### ***Instructor's Policy on Academic Integrity***

Business professionals have important legal and ethical duties to investors, creditors and to non-investor stakeholders who rely on their comments, analyses, forecasts and representations. Students in this course are expected to act with personal integrity at all times. Academic dishonesty is incompatible with preparation for a career as a responsible business professional. As such, academic dishonesty will not be tolerated in this course. Any offenders will be subject to appropriate sanctions and discipline, a process which begins with a referral to Dean of Students. For purposes of this course, the instructor will always seek a score of zero for any exam or assignment in which the student has engaged in academic dishonesty. Information about the University's policy on academic integrity can be found on page 5.

### ***Other Important Notes***

This is a very demanding course. To succeed in this course you have to:

- 1) Read the chapters in the book. This is critical; there are a lot of concepts covered in this course that you can only really grasp if you read the chapters of the book we cover. Just doing the homework is not enough.
- 2) Work the recommended assignments listed at Canvas.
- 3) Keep up with the course. This is a comprehensive course, and the material builds upon itself. In addition, much of the material is highly detailed. As a result, it is highly difficult to cram this material at the end. You should expect to study a minimum of 6 hours (outside of class) per week to pass the course.

**You are expected to exert a high level of effort for learning the material.  
Get ready to be challenged.**

## ***University Policies***

### ***Students with Disabilities***

Students with disabilities may request appropriate academic accommodations from the Division of Diversity and Community Engagement, Services for Students with Disabilities, 512-471-6259, <http://diversity.utexas.edu/disability/>.

### ***Diversity and Inclusion***

It is my intent that students from all diverse backgrounds and perspectives be well served by this course, that students' learning needs be addressed and that the diversity that students bring to this class can be comfortably expressed and be viewed as a resource, strength and benefit to all students.

### ***Religious Holy Days***

By UT Austin policy, you must notify me of your pending absence at least fourteen days prior to the date of observance of a religious holy day. If you must miss a class, an examination, a work assignment, or a project in order to observe a religious holy day, you will be given an opportunity to complete the missed work within a reasonable time after the absence.

### ***Policy on Scholastic Dishonesty***

The McCombs School of Business has no tolerance for acts of scholastic dishonesty. The responsibilities of both students and faculty with regard to scholastic dishonesty are described in detail in the BBA Program's Statement on Scholastic Dishonesty at <http://my.mcombs.utexas.edu/BBA/Code-of-Ethics>. By teaching this course, I have agreed to observe all faculty responsibilities described there. By enrolling in this class, you have agreed to observe all student responsibilities described there. If the application of the Statement on Scholastic Dishonesty to this class or its assignments is unclear in any way, it is your responsibility to ask me for clarification. Students who violate University rules on scholastic dishonesty are subject to disciplinary penalties, including the possibility of failure in the course and/or dismissal from the University. Since dishonesty harms the individual, all students, the integrity of the University, and the value of our academic brand, policies on scholastic dishonesty will be strictly enforced. You should refer to the Student Conduct and Academic Integrity website at <http://deanofstudents.utexas.edu/conduct/> to access the official University policies and procedures on scholastic dishonesty as well as further elaboration on what constitutes scholastic dishonesty.

### ***Campus Safety***

Please note the following key recommendations regarding emergency evacuation, provided by the Office of Campus Safety and Security. More info at: <https://preparedness.utexas.edu/>.

- Occupants of buildings on The University of Texas at Austin campus are required to evacuate buildings and assemble outside when a fire alarm is activated.
- Familiarize yourself with all exit doors of each classroom and building you may occupy.
- If you need evacuation assistance, inform the instructor in writing asap.
- In the event of an evacuation, follow the instruction of faculty or class instructors.
- Do not re-enter a building unless given instructions by Austin or UT police or fire authorities.

Behavior Concerns Advice Line (BCAL): 512-232-5050 or [on-line](#).

In case of emergency, further information will be available at: <http://www.utexas.edu/emergency>.

### *Tentative Schedule*

<b>Class Day</b>	<b>Reading -- Chapter (page no)</b>	<b>Topic</b>	<b>Assignment</b>
8/29		Introduction and Syllabus	
9/5	Chapter 1	Financial Reporting Overview	Syllabus quiz; Hw 1 due 9/9
9/10 9/12	Chapter 2	Accrual Accounting, Income Determination, Earnings Management	Hw 2 due 9/18
9/17 9/19	Chapter 4 Chapter 17 (1005-1019)	Structure of the Balance Sheet and Statement of Cash Flows	Hw 3 due 9/23
9/24	Catch up / Review		
<b>9/26</b>	<b>First Exam</b>		
10/1 10/3	Chapter 11 (561-587)	Debt	Hw 4 due 10/7
10/8 10/10	Chapter 11 (587-606) Chapter 11 (607-611)	Derivatives Disclosure and Risk	Hw 5 due 10/14
10/15 10/17	Chapter 15 (863-884)	Equity; Earnings Per Share (EPS)	Hw 6 due 10/21
10/22 10/24	Chapter 13 (715-762)	Deferred Taxes	Hw 7 due 10/28
10/29	Catch up / Review		
<b>10/31</b>	<b>Second Exam</b>		
11/5 11/7	Chapter 15 (884-902)	Stock-Based Compensation	Hw 8 due 11/11
11/12 11/14	Chapter 15 (903-908)	Compound Financial Instruments	Hw 9 due 11/18
11/26 11/28	Chapter 12 (645-668; 671-688)	Leases	Hw 10 due 12/2
12/3 12/5	Chapter 16 (937-964; 972-978)	Intercompany Equity Investments	Hw 11 due 12/7 (Fri)
<b>12/10</b>	<b>Third Exam</b>		

*The descriptions and timelines (including assignment due dates and exam dates) contained in this syllabus are subject to change at the discretion of the Professor. Any change will be announced at the course homepage at Canvas.*