



THE UNIVERSITY OF TEXAS AT AUSTIN  
McCOMBS SCHOOL OF BUSINESS

## ACCOUNTING 380K.1 – FALL 2018

# Financial Accounting Standards and Analysis I for MPA's

**Unique 02585      09:30 am – 11:00 a.m. MW in GSB2.120**

**Unique 02595      12:30 pm – 02:00 p.m. MW in GSB2.120**

**Unique 02605      02:00 pm – 03:30 p.m. MW in GSB2.120**

<b><u>Course Objectives</u></b>	The course examines issues in financial reporting from both preparer and user perspectives. The basic objectives of the course are:
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- (1) to learn about current GAAP financial reporting.
- (2) to consider the economics of transactions and events, and understand whether and how financial reporting captures those economics. This way of thinking lays the foundation for understanding how equity and credit analysts use financial reports. This way of thinking also allows you to learn about business (i.e., broadens your thinking beyond just debits and credits).
- (3) to learn how to reason about financial reporting problems in a forward direction, similar to what preparers normally do (i.e., work forward from the data to journal entry to financial statement) **and** to learn how to reason about financial reporting problems in a backward direction, similar to what financial report users do (i.e., work backward from financial statement and footnote data to journal entry).

**Professor:** Shuping Chen  
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**Web page:** <http://www.mcombs.utexas.edu/Directory/Profiles/Chen-Shuping.aspx>  
**Office:** CBA 4M.242 Tel: 512- 471-5328  
**Office Hours:** Mondays 3:30-5:00 p.m.  
 Wednesdays 3:30-5:00 p.m.  
 Any time on Canvas discussion groups

**FOR HOMEWORK AND EXAM CONSULTATIONS**

<b>Assistants:</b>	Rachel Simon	Tiffany Zhang
<b>Email:</b>	rsimon1812@utexas.edu	tiffany.zhang96@gmail.com
<b>Office:</b>	CBA 4.304A	CBA 4.304A
<b>Office Hours:</b>	Tuesdays 2:00pm-4:00pm	Thursdays 1:00pm-3:00pm

## FOR CASE CONSULTATIONS

**Assistant:** Justin Gooch  
**Email:** justinrgooch@gmail.com  
**Office:** CBA 4.304A  
**Office Hours:** Fridays 10:00am-12:00pm

Justin, Rachel, and Tiffany will each be attending one of my classes. You can always catch one of them before or after class.

**PLEASE BRING YOUR NAME PLATES TO CLASS**

## **COURSE MATERIALS**

**TEXT:** **INTERMEDIATE ACCOUNTING**, by Kieso, Weygandt, and Warfield, 2016, 16<sup>th</sup> edition, with 2017 FASB update on Chapter 21 Accounting for Leases. Available for purchase at Co-Op. Available for hard copy rental on Amazon.com or Chegg.com. Available for e-purchase in several places, including Kindle. A digital version of the updated Chapter 21, provided by the textbook publisher, is already posted on the Canvas course website.

**CLASS NOTES & OLD EXAM QUESTIONS:** These are essential, cannot-do-without class notes. Bring the relevant parts to class each day. The class notes will be available for purchase at Jenn's Copy & Binding (<http://www.jennscopies.com/>), 2518 Guadalupe. These notes contain three components (1) my class notes, (2) the "Additional Problems in Class Notes" indicated on the assignment sheet, and (3) my old exams at the end of the packet. The class notes will be your **PRIMARY** source of studying the topics covered in this course.

**SOLUTIONS TO ADDITIONAL PROBLEMS:** This packet contains the solutions to the unassigned additional homework problems. It does not include those to be turned in for course credit. (Solutions to the latter problems will be available on Canvas.)

Available for purchase at Jenn's Copy & Binding, 2518 Guadalupe (Dean Keaton & Guadalupe).

The above two packets (Class Notes and Solution Manual) cost **approximately \$42 total**.

The three primary sources of studying topics in this course are: class notes, solution packet to (unassigned) homework problems (see above), and the textbook. Previous students have indicated that they rely very heavily on the class notes and the additional HW problem solution packet to study for exams. You are encouraged to use the textbook as a reference tool or a starting point; read excerpts from the textbook as necessary. However, spending time reading every word in the textbook would not be productive for several reasons: (1) we cover the topics very quickly in class and there is not much to spend reading the textbook, (2) the textbook contains many accounting details that are not that important (and will not show up on exams), (3) the textbook forces students to think only about current GAAP; many aspects of this course involve thinking about alternative perspectives, some of which are not GAAP, and (4) some important topics are not discussed in the textbook. For topics you've never been exposed to before (such as derivatives), reading the notes and related sections in the textbook before class can prove very valuable. Reading the textbook on an as-needed basis can save you valuable time and maximize efficiency. **DO WHAT WORKS BEST FOR YOU.**

**ACCOUNTING STANDARDS:** Your course fees allow us to purchase a site license to the FASB standards. The internet address is: <http://aaahq.org/FASB/Access.cfm>

Login Information: Before September 1, 2018: USER ID: AAA51055 PW: 6fJHf2Z  
After September 4, 2018: USER ID: AAA51055 PW: I WILL ANNOUNCE ON CANVAS

## COURSE REQUIREMENTS

**EXAMS:** There will be two mid-term exams and one final exam. With the exception of the final exam, each exam will only cover the materials in that portion of the course, with the following important exception: statement of cash flows and deferred taxes will be covered in all three exams.

For each of the three exams, you can bring a 4 x 6 inch index card “cheat sheet.” Writing/typing on both sides is acceptable.

**HOMEWORK:** There will be 12 homework assignments. These homework assignments help you stay up to date on the material (it's easy to let things slide and somewhat disastrous in this class if you do). Solutions to these assigned homework problems will be made available on 5:00pm on the **Canvas course website**.

Homework is to be turned in using course the Assignment Link on course Canvas site. All homework is due by 5:00pm on Canvas site on due date. Since I release the solution to assigned homework problems by 5:00pm on the due date, no late homework will be accepted.

**CASES:** There will be two case assignments – they are done in four person groups. These cases are based on real world situations and are designed to help you solve unstructured problems that require searching accounting standards. While textbook and exam questions have one ‘right’ answer, the real world cases usually do not have one right answer and are therefore more challenging. Part of your training in this class is to help you tackle unstructured, no-single-right-answer situations that are more reflective of the real world.

I will post the cases assigned about two weeks before they are due in the “Course Documents” link on **Canvas class website**. Your case write-up should describe alternative solutions, cite references to relevant accounting standards, precedents, etc., and recommend a course of actions. Solutions to group cases are limited to **three single-spaced typed** pages. You can attach your supporting documents to your group reports, such as Excel worksheet, in an Appendix attached to your reports.

On the 2nd day of class (Wednesday 9/5), my case TA Justin Gooch ([justinrgooch@gmail.com](mailto:justinrgooch@gmail.com)) will assign you to project groups consisting of 4 students to work on the projects. Justin may assign you to work with students in the other two sections that I am teaching.

## COURSE GRADES

Course grades are determined by the following weighting scheme:

Exam 1	220 points	22%
Exam 2	260 points	26%
Final Exam	270 points	27%
Homework	110 points	11%
Team cases	140 points	14%
TOTAL POINTS	<u>1,000 points</u>	<u>100%</u>

## **DETAILS ON GRADING**

**EXAMS:** Exams are problem based and so we do assign partial credits. To the extent we can tell that you made a pure math mistake (i.e., you wrote  $\$10 \times 5000$  units = \$5,000), we do not take points off. Hence, **showing your work is important!**

I grade on a curve based on all three sessions I am teaching.

**No** make-up exams will be given. Medical emergencies and family emergencies are the only valid reasons that will be accepted for missing an exam. You must provide supporting documentation (e.g., signed note from a physician) if you do miss an exam. If you are excused from an exam, the other two exams will be re-weighted (e.g., if you miss the first exam, the second and final exams will be re-weighted). If you miss two exams, you automatically fail this course and no re-weighting will be granted. If you do not have a valid reason for missing an exam, you will receive a zero on the exam, which usually implies failing the course.

**HOMEWORK:** Unless otherwise noted, the homework will be graded on an effort, and not accuracy, basis. Homework is scored on a 0, 1, 2, 3 basis. You will receive full credit for a problem if the grader concludes that you made a reasonable effort.

I will drop the two lowest homework scores in calculating your final grade. Homework solutions are made available on the course Canvas website at 5:00 p.m. on the homework due date. Homework is considered late (score of 0) if received after 5:00 p.m. on the due date (**no exceptions**).

To turn in your homework, please save your work into PDF files or WORD files, and upload them onto the course Canvas page. Go to the home page, click on the link "Assignments", you will be taken to a platform where you can upload your files.

We do not accept paper copies of turned in homework anymore – this allows faster response from TAs after grading and makes redistribution of your HW instantaneous.

**CASE:** Because there is no single "right" answer to these cases, case will be graded on a relative basis (i.e., your case relative to other teams' cases). When grading, we are looking for coherent and logical arguments that can support your proposed solution.

How do I deal with the free-rider problem on these cases? At the end of each case, each group member will provide a **confidential** evaluation of him/herself and the other group members. The peer evaluation forms are already posted on Canvas site – click the "Course Documents" link to download. Email your forms directly to me to the following email address set up specifically for this purpose:

**HWCHEN380K.1**

I encourage you to write your notes down immediately after each case instead of waiting till the last minute. I will consider this information and make any necessary adjustments to the case grade for specific individuals in the team (e.g., a group member who provides little help on the cases will get a deduction from the grade on the cases). The maximum downward adjustment is the earned score on the cases.

**REGRADING POLICY:** My team of TAs and I will make every effort to ensure the accuracy of grading. Should grading discrepancies arise (e.g., not adding up your points correctly, etc.), you must submit a TYPED-UP, WRITTEN request for re-grading, on one page, and turn in your written request along with your exam **within 2 calendar days (48 hours)** after the exams are given back to you.

## **STRATEGIES FOR SUCCESS**

### **I. GETTING OFF TO A SOLID START:**

I would *highly* recommend that those of you who feel in any way nervous about your skills at making journal entries to read carefully through Chapters 1, 2, and 3 of the textbook before or during the first week of the class and work on the problems assigned in HW #1 – see Page 10 for details on assignment.

### **II. CLASS ATTENDANCE AND HOMEWORK:**

In my opinion, class attendance and homework are the two most important components of this course. Why?

**Reason #1:** There is a lot of material in ACC 380K.1 and the course moves quickly. If you miss class, you will typically spend at least triple the class time to learn the materials on your own. ***Trying to figure out on your own some of the course material is just too tough. Maximizing in-class learning is the most efficient way to learn the materials.***

**Reason #2:** Much of what I cover in class is not in the textbook.

If, for some reason, you have to miss class, I recommend that you obtain the class notes from someone else and, if possible, also have them audio record the class. It's an easy way to ensure that you can get up to speed on the material you missed.

**Reason #3:** Since the content of ACC380k.1 is largely problem oriented, doing the homework problems on a **timely** basis is a must for good performance. Exam performance is directly related to systematic preparation, which includes timely completion of the homework assignments.

There are homework problems from the textbook and in my class notes. What is the difference? Problems in the class notes supplement the textbook when the textbook is deficient in a particular type of problem. So you should view the two as complements and not substitutes. If you don't do all of the problems for a particular topic, be sure to scan all problems and make sure you get coverage on all types of problems/subtopics within a particular topic.

### **III. USE THE RESOURCES PROVIDED:**

**CANVAS:** The course Canvas site will be an integral part of my teaching tool and your learning tool.

**Solutions to homework** that is turned in for credit will be available on Canvas on due date by due time.

**Discussion index** is available on Canvas. The TA's and I will monitor these discussion groups to provide timely answers to questions. The only kind of question you should not post on Canvas are case-related questions as those need to be privately communicated to me or the case TA via email (you don't want to give away your case insights on Canvas!).

**Corrections to homework solutions** will be posted on the announcement portion of Canvas for the course. I'll label them as MAJOR and MINOR depending on their severity.

Privacy in Canvas: Information in Canvas is protected by your UTEID login. Please be aware that I will use a merged Canvas site for all sections of the course that I am teaching this semester. This will allow students in other sections to see that you are enrolled in the course and send you email from within Canvas. However, they will not actually learn your email address and no other personal data will be revealed through Canvas. If you have any concerns, please contact the ITS Help Desk at 475-9400 for help removing your name from view of other students.

**TA'S:** I have hand-picked the TA's because (1) they have taken the class previously, (2) they are bloody smart, and (3) they are eager to help you too.

## IV. THINKING LIKE A BUSINESS PERSON:

Your in-class understanding of the accounting issues will be much enhanced if you train yourself at the same time to think like a business person. In a lot of topics we cover, such as derivatives transactions, a solid understanding of the underlying business transactions is a must before you tackle the accounting issues. Understanding the business transactions and the business environment are also important for fulfilling our class objectives, i.e., understanding the economics of the transactions and reasoning backward from the financial statements to infer firms' performance.

Where do you start? One great starting point is to acquire knowledge about what is going on in the business world. Thus, I encourage you to get access to a business publication and to read it on a regular basis. I realize that time is a scarce commodity but even a little bit of reading here and there is much better than no reading. I recommend:

1. The Wall Street Journal. It's THE newspaper of business.
2. Financial Times. It's equivalent to the international version of Wall Street Journal.
3. Fortune. It comes out every couple of weeks and has longer and more in-depth articles.
4. Forbes.
5. The Economist.
6. Business Week.
7. Barron's

## OTHER

*Academic accommodation for students with disabilities:* The University of Texas at Austin provides upon request appropriate academic accommodations for qualified students with disabilities. For more information, contact the Office of the Dean of Students at 471-6259, 471-4641 TTY, <http://www.utexas.edu/diversity/ddce/ssd>.

*Religious holy Days:* Per university policy, you must notify me of an absence related to a religious holy day observance no later than 14 days prior to the observance of that holy day. If your religious holy day falls on one of the exam dates, I will reschedule you to take a 'make-up' exam before the class exam date.

## **PROFESSIONAL CONDUCT**

The Department of Accounting is making a concerted effort to focus students' attention on their professional conduct. Why? We are the #1 program in the country, but this ranking can easily be undermined by a lack of professional conduct.

Developing and protecting the value of a McCombs MPA degree influences everything I do and should influence your behavior as well. The McCombs MPA brand will open doors for you, but it does not provide you with entitlements. You will still have to earn the benefits of being branded as a McCombs MPA. This of course will also ensure that your degree reflects well on you and your fellow graduates throughout your careers.

What does it mean to be professional? ***Behaving with the highest level of integrity, respect for others, and ethics.*** Stand by your word, make good decisions, and take responsibility for your actions. Show courtesy and respect for the views and times of your fellow students and to faculty, TA's, program directors, and staff. **In turn, we will show you the same.**

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### **For this class**

Professional behavior is not only required when interacting with someone outside of the university environment, but it also is expected in your classes and in situations related to this class. Therefore:

- 1. I expect you to attend the section in which you are enrolled.** If there is a particular reason that you must miss class (e.g., only time you could get for a doctor's appointment), please let me know of your need to attend the other section before that class meeting. If there is a last-minute emergency, call me in my office and let me know.
- 2. I expect students to arrive to class on time.** It is very disruptive to the class when a student enter the classroom after class has begun, as it interrupts the flow of the lecture/discussion and distracts the other students.
- 3. I expect that all electronic devices will be turned off once class begins.** Laptops, cell phones, pagers, Blackberries, and other communication devices are to be turned completely off (including turning off "cell phone vibrate mode" during class time.) I expect that reading of non-class materials will stop once class starts.
- 4. I expect students to not take personal breaks during class.** Of course from time to time a student must leave class for one important reason or another, but students leaving and returning during class is very disruptive, so please keep these disturbances to an absolute minimum.
- 5. I expect that you will not have conversations or write notes back and forth** with other students during class.
- 6. I expect that you will be respectful of me, my team of TA's, and of the other students in class and in office hours.**
- 7. I expect you to be diligent in working with your teams** for the case assignments and to be a team player, not a problem member.
- 8. I expect you to be responsible for getting the course notes and in-class handouts** on any day that you must miss class. It is not my responsibility to secure missed material for you.

**In return, you can expect me and my team of TA's to:**

- 1. Be in class and office hours on time.**
- 2. Be respectful of your need to learn the material in this class.** Thus, we will provide timely and enthusiastic responses to questions made in person or on Canvas and keep you up to date on changes in the syllabus or homework solutions, again on a timely basis. You can expect us to return homework, cases, and exams in a timely fashion to enhance your learning experience.
- 3. Be courteous to you in our interactions with you in and outside of class.**
- 4. Provide you with an education** that will prepare you well for the long-term.

**Departmental Policy on Scholastic Dishonesty**

The Department of Accounting 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 department's Policy Statement on Scholastic Dishonesty in the MPA Program. By teaching this course, I have agreed to observe all of the faculty responsibilities described in that document. By enrolling in this class, you have agreed to observe all of the student responsibilities described in that document. If the application of that Policy Statement to this class and its assignments is unclear in any way, it is your responsibility to ask me for clarification.

**Application of Departmental Policy to Writing Assignments in this Course****CASES**

Each team's case solution should be independently prepared. Each team should not refer to other students, other team's solutions, or to solutions prepared in previous semesters. All questions on cases are to be directed to me or the case TA for my sections. Violation of this policy will be treated as an act of "scholastic dishonesty." Evidence of non-independent work will be forwarded to the Dean of Students with a recommendation that a grade of "F" be assigned in the course.

**GRADED HOMEWORK**

Working on the homework assignments with other students who are currently enrolled in ACC 380K.1 is permitted (and encouraged). However, merely copying the work of another student who has previously completed the homework assignment is not permitted. Copying homework solutions from the solutions manual, another instructors' solution packet, a previous semesters' solution packet, or any other source also is not permitted. Violation of this policy will be treated as an act of "scholastic dishonesty." Evidence of violation of this policy will be forwarded to the Dean of Students with a recommendation that a grade of "F" be assigned in the course.

**EXAMS**

Each student is expected to independently complete the exams during the designated exam period. Each student should not refer to other students' exam solutions or discuss the exam with other students during the exam period. Violation of this policy will be treated as an act of "scholastic dishonesty." Evidence of non-independent work will be forwarded to the Dean of Students with a recommendation that a grade of "F" be assigned in the course.



**CLASS SCHEDULE ON ONE PAGE (Details on the following pages, pages 10-14)**

Class #	Date	Topic/Task		Class #	Date	Topic/Task
1	8/29 W	Introduction, syllabus		16	10/24 W	Compound financial instruments
	9/3 M	Labor day. No Class.				
2	9/5 W	Risk + Uncertainties		17	10/29 M	Compound financial instruments
3	9/10 M	Statement of Cash Flows		18	10/31 W	Stock based compensation
4	9/12 W	Deferred Taxes		19	11/5 M	EPS
5	9/17 M	Deferred Taxes		20	11/7 W	No Class. Exam prep.
6	9/19 W	Deferred Taxes				
					<b>11/8 TH</b>	<b>Second Exam</b>
7	9/24 M	Acc $\Delta$ , Restatements			<b>11/9 F</b>	<b>Case #2 Due</b>
8	9/26 W	Acc $\Delta$ , Restatements				
				21	11/12 M	Leases
	<b>9/28 F</b>	<b>Case #1 Due</b>		22	11/14 W	Leases
				23	11/19 M	Leases
9	10/1 M	Equity				
10	10/3 W	No Class. Exam prep.			11/21 W	<b>Thanksgiving. No Class.</b>
	<b>10/4 TH</b>	<b>First Exam</b>				
				24	11/26 M	Pension
11	10/08 M	LT Liabilities		25	11/28 W	Pension
12	10/10 W	LT Liabilities				
				26	12/3 M	Pension
13	10/15 M	Preview/Review <i>OPTIONS</i>		27	12/5 W	Inventory
14	10/17 W	Derivatives				
				28	12/10 M	No class. Catch up.
15	10/22 M	Derivatives			<b>12/TBD***</b>	<b>Final Exam*** (see note)</b>

\*\*\*Final exam date TBD: I will attempt to schedule a common exam in December. The university's scheduling for final common exam does not start till mid-November. I will announce final exam date in class and also post the date on Canvas class website once I am informed of the final exam schedule. Since this year's exam interval starts later than previous years', make sure you make travel plans accordingly, i.e., depart AFTER you have attended your final exam, which can be as late as December 20. **REQUESTs FOR TAKING THE FINAL EXAM EARLIER THAN SCHEDULED WILL NOT BE ACCOMMODATED.**

**CLASS SCHEDULE ON ONE PAGE (Details on the following pages, pages 10-14)**

Date	Chapter	Topic	Assignment (both homework to turn in and homework not to turn in) CA=case; E=exercise; P=problem from textbook	Due date for homework (indicated by those that are underlined)
<b>PART I OF CLASS: ESSENTIALS FOR CFOs</b>				
W 8/29	3, 8, 11	Hand out syllabus: introduction of class	<u>P3-10, P3-11, E8-17, E11-4, Review Problems A and B</u> (Review Problems A and B are located in your class notes)	Wednesday 9/5
	Canvas (to download The Bigger Picture & Accounting Search Booklets)	Review of basic accounting concepts (no class coverage)	(NOTE: If you are delayed in obtaining the textbook and/or class notes, go to my Canvas course page and download relevant materials for these homework assignments.)	HW 1a – review problems (collected and graded)
		The Bigger Picture (in course packet – if you did not get a course packet yet, see Canvas)		
Week of 9/3	→	Searching FASB Codification, EDGAR, etc. and Analyzing/Writing Cases (no class coverage)	<u>Additional Problems in Class Notes A-E</u> (This assignment relates to the Search topic. Justin Gooch, the case TA, will be helping with this homework assignment. His office hours for this first assignment are F 8/31: 10:00am -12:00pm and F 9/7:10:00am-12:00pm.  (NOTE: the database search homework problems A-E are not graded. I collect these HW to help you achieve maximum efficiency for your later group cases.)	Friday 9/7 by 5:00pm  HW 1b - Accounting Research Problems (collected but not graded)
AFTER CLASS: READ OVER THE BIGGER PICTURE CLASS NOTES.				
M 9/3	LABOR DAY. NO CLASS.			
W 9/5	5, 13, 24	Risks and Uncertainties	CA13-4, CA13-5, CA13-6, E13-13, <u>P13-10</u> ,  P13-11, E24-1, E24-2	Monday 9/10 (note other homework due on Monday 9/10 -- see below)
		Start Statement of Cash Flows with leftover time so bring those notes.	Additional Problems in Class Notes A Additional Problems in Class Notes B	HW 2
PREPARATION: READ PAGES 224-225, 673-676, 683-684, AND 1409-1413 FROM TEXTBOOK.				
M 9/10	5 + 23	Statement of Cash Flows	<u>E23-3, E23-4, E23-5, E23-6, E23-15, E23-16, P23-3, P23-7, P23-8, Financial Reporting Problem – Procter &amp; Gamble, Financial Statement Analysis Case – Vermont Teddy Bear Co. (part a only).</u>  <u>Additional Problem in Class Notes E</u>  Additional Problems in Class Notes A-D.  NOTES: Problems A through D have deferred taxes in them, so do these after we have gone through that topic.	Monday 9/10 (note other homework due on Monday 9/10 see above)
				HW 3
<p>PREPARATION: YOU'VE HAD THE SCF TOPIC BEFORE IN YOUR ACCOUNTING CLASSES. THUS, THE ASSIGNED HOMEWORK FOR THIS TOPIC IS DUE AS WE ARE DISCUSSING THE TOPIC RATHER THAN THE USUAL PROCEDURE OF AFTER WE DISCUSS THE TOPIC. READ PAGES 113-118, 216-221, AND 1330-1360 FROM TEXTBOOK.</p> <p>THERE ARE A LOT OF PROBLEMS HERE TO PRACTICE, PERHAPS MORE THAN SOME OF YOU NEED (YOU BE THE JUDGE). THE TEXTBOOK PROBLEMS ARE THE PLACE TO START, TO BE SURE YOU'VE GOT BASICS DOWN. THEN MOVE TO THE ADDITIONAL PROBLEMS IN CLASS NOTES, WHICH FOR THIS TOPIC, ARE OLD EXAM PROBLEMS.</p>				

Date	Chapter	Topic	Assignment (both homework to turn in and homework not to turn in) CA=case; E=exercise; P=problem from textbook	Due date for homework (indicated by those that are underlined)
W 9/12	19	Deferred Taxes	<u>E19-2</u> , <u>E19-4</u> (use 20% tax rate: <u>pollution fines are not tax deductible</u> ), <u>E19-10</u> , E19-12, E19-13, E19-15 (use 40%, 20% and 20% as tax rates for 2019, 2020, and 2021), <u>E19-22</u> , <u>P19-1</u> (municipal interest not taxable), P19-2, P19-4, P19-5, P19-6 (use 30% rate for 2021-2023, and then 20% thereafter)  Additional Problem in Class Notes A - C	Monday 9/24 <div>HW 4</div>
PREPARATION: READ PAGES P19.1 TO P19.30 FROM UPDATED CH19 HANDED OUT AT BEG OF SEMESTER. DEFERRED TAXES TYPICALLY ARE QUITE HARD FOR STUDENTS, SO READ THE TEXT <u>BEFORE</u> CLASS FOR THIS TOPIC. Note: the updated Chapter 19 is very light on NOL carryforward. We will discuss more details in class.				
M 9/17	19	Deferred Taxes	See above.	
W 9/19	19	Deferred Taxes	See above.	
M 9/24	22	Accounting Changes and Restatements	E22-1, E22-6, E22-7, <u>E22-12</u> (the double declining balance depreciation is \$148,395 total up to 1/1/2018), E22-13, E22-14, E22-15, P22-2, P22-3, P22-6  Additional Problems in Class Notes <u>A</u> and <u>F</u>  Additional Problems in Class Notes B – E	Monday 10/1 <div>HW 5</div>
PREPARATION: READ PAGES 170-173 AND 1266-1291 FROM TEXTBOOK. NOTE THAT FOR THE 1270-1274 PAGES, THERE IS DISCUSSION OF REVENUE RECOGNITION METHODS THAT WE MAY NOT BE EASILY REMEMBERED BY YOU FROM PREVIOUS CLASSES, SO KEEP THAT IN MIND WHEN READING THOSE PAGES.				
W 9/26	22	Accounting Changes and Restatements	See above.	
F 9/28	<b>Case #1 Due. Upload to Canvas site (PDF or WORD format) by 5:00PM. Note you MUST submit the case cover page with signatures.</b>			
M 10/1	15	Equity	E15-7, E15-14 (Add: Assume the 3 transactions happen during 2018, what are the December 31, 2018 balances in Common Stock and APIC?), P15-2, P15-9, Additional Problems in Class Notes A-D	No Assigned HW in preparation for your first exam
PREPARATION: READ PAGES 173-174 (ON COMPREHENSIVE INCOME), AND 776-802 FROM TEXTBOOK.				
W 10/3	<b>No CLASS – TIME OFF FOR FIRST EXAM PREPARATION</b>			
Th 10/4	<b>FIRST EXAM to be held from 6:00pm – 8:30pm. Location assignment below:</b> 09:30am section: UTC3.112 12:30pm section: UTC3.132 02:00pm section: UTC3.134			

Date	Chapter	Topic	Assignment (both homework to turn in and homework not to turn in) CA=case; E=exercise; P=problem from textbook	Due date for homework (indicated by those that are underlined)
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## PART II OF CLASS: FINANCIAL INSTRUMENTS / EPS

M 10/8	14	Long-Term Liabilities (and the fair-value option)	Use effective-interest method on all problems throughout the course. E14-9, E14-10, E14-16, E14-19, E14-20, <u>P14-1</u> (assume interest is paid on December 31, not January 1; also indicate how the balance sheet, income statement, and SCF would look for 2011 and 2018), P14-10 (skip part d), Additional Problems in Class Notes A-B, D, and G-I <u>Additional Problems in Class Notes C, E, and F</u>	Monday 10/15 <div>HW 6</div>
PREPARATION: READ PAGES 719-734, 737-742, AND 941-944 FROM TEXTBOOK.				
W 10/10	14	Long-Term Liabilities (and the fair-value option)	See above	
M 10/15	17A	Preview/Review of PUTS, CALLS, FUTURES, etc.	Bring class notes on Options (PUTS, CALLS, FUTURES, etc.) to class. These notes are at the end of the class notes for Derivatives topic.	
W 10/17	17A	Derivatives	E17-28, P17-12, P17-13, <u>P17-16</u> (show comprehensive income rather than just income statement), <u>P17-17</u> Additional Problems in Class Notes A-C, E, H-K <u>Additional Problems in Class Notes D, F, and G</u>	Wednesday 10/24 <div>HW 7</div>
PREPARATION: READ PAGES 923-940 FROM TEXTBOOK.				
M 10/22	17A	Derivatives	See above	
W 10/24	16	Compound Financial Instruments	CA16-1, <u>CA14-2</u> , E14-12, E14-13, E14-14, E14-15, E16-1, <u>E16-3</u> , E16-4, E16-7, E16-8, E16-9. Additional Problems in Class Notes C, D, and E <u>Additional Problems in Class Notes A, B and F</u>	Wednesday 10/31 <div>HW 8</div>
PREPARATION: READ PAGES 836-842 FROM TEXTBOOK. PAGES 891-894 OF THE TEXTBOOK TALK ABOUT HOW BIFURCATION OF CONVERTIBLE DEBT WORKS. THE TEXT TALKS ABOUT IT IN THE CONTEXT OF IFRS WHERE CONVERTIBLE DEBT IS ALWAYS BIFURCATED. BUT THE GENERAL DISCUSSION WILL BE HELPFUL FOR OUR DISCUSSION OF US GAAP IN THOSE CASES WHERE IT IS BIFURCATED. SO WHY DOESN'T THE TEXT JUST TALK ABOUT THIS BIFURCATION CONCEPT IN THE CASE OF US GAAP? THE TEXTBOOK IS NOT QUITE RIGHT WHEN IT SAYS US GAAP DOES NOT BIFURCATE CONVERTIBLE DEBT— UNDER SOME CIRCUMSTANCES (CASH SETTLEMENT OPTION), IT IS BIFURCATED.				

Date	Chapter	Topic	Assignment (both homework to turn in and homework not to turn in) CA=case; E=exercise; P=problem from textbook	Due date for homework (indicated by those that are underlined)
M 10/29	16	Compound Financial Instruments	See above.	
W 10/31	16	Stock-Based Compensation	E16-12, E16-13, E16-14, <u>E16-29</u> , <u>P16-3</u> , <u>P16-4</u> Additional Problems in Class Notes A, B, and E <u>Additional Problems in Class Notes C and D</u>	Monday 11/5 <div>HW 9</div>
<div>PREPARATION: READ PAGES 843-851 AND 863-866 FROM TEXTBOOK.</div>				
M 11/5	16	Earnings Per Share	E16-15, E16-18, E16-22, E16-23, E16-24 (use effective interest method here-do not use straight-line as the problem states), E16-25, E16-26 (assume options are not employee stock options), E16-28, P16-8  Additional Problems in Class Notes A-C	No Assigned HW in preparation for your second exam
<div>PREPARATION: READ PAGES 402-415 AND 444-447 FROM TEXTBOOK.</div>				
W 11/7	No CLASS – TIME OFF FOR SECOND EXAM PREPARATION			
TH 11/8	<b>SECOND EXAM to be held be held from 6:00pm – 8:30pm. Location assignment below:</b> 09:30am section: UTC3.102 12:30pm section: UTC3.104 02:00pm section: UTC4.134 <b>NOTE: THE LOCATIONS OF THIS SECOND EXAM ARE DIFFERENT FROM THE LOCATIONS FOR THE FIRST EXAM.</b>			
F 11/9	Case #2 Due. Upload to Canvas site (PDF or WORD format) by 5:00PM. Note you <b>MUST</b> submit the case cover page with signatures. Email you peer evaluation forms to the following email address: <b>HWCHEN380K.1@MCCOMBS.UTEXAS.EDU</b>			<b>PEER EVALUATION FORMS DUE TO ME DIRECTLY – SEND TO EMAIL ADDRESS</b> <b>←←</b>

### PART III OF CLASS: OPERATING THE BUSINESS

M 11/12	21	Leases	E21-10, E21-11, <u>E21-12</u> , <u>E21-13</u> , <u>E21-19</u> , <u>E21-20</u> , <u>E21-21</u> , P21-6 Additional Problems in Class Notes A-D, G - L <u>Additional Problems in Class Notes E, F</u>	Tuesday 11/20 <div>HW 10</div> Note HW due before Thxgiving.
<div>PREPARATION: READ THE 2017 FASB UPDATE - THE UPDATED CHAPTER 21: ACCOUNTING FOR LEASES.</div>				

Date	Chapter	Topic	Assignment (both homework to turn in and homework not to turn in) CA=case; E=exercise; P=problem from textbook	Due date for homework (indicated by those that are underlined)
W 11/14	21	Leases	See above.	
M 11/19	21	Leases	See above.	
<b>W 11/21</b>	<b>No Class – Day before Thanksgiving.</b>			
M 11/26	20	Pensions	E20-2, E20-6, E20-8, E20-10, E20-11, E20-12, E20-13, E20-17, <u>P20-3</u> , P20-4, P20-5, <u>P20-7</u> , <u>P20-11</u> , <u>P20-12</u> , Additional Problems in Class Notes A-D	Monday 12/3 <div>HW 11</div>
PREPARATION: READ PAGES 1116-1145 FROM TEXTBOOK.				
W 11/28	20	Pensions	See above.	
M 12/3	20	Pensions	See above.	
W 12/5	8 + 9	Inventory	CA 8-6, CA 8-9, E8-20, <u>E8-22</u> , E8-23, <u>P8-8</u> , <u>P8-9</u> , P8-10, E9-3, <u>E9-5</u> , <u>P9-2</u> (skip c), P9-5 (skip c) Additional Problem in Class Notes A <u>Additional Problem in Class Notes B</u>	Monday 12/10 <div>HW 12</div>
PREPARATION: READ PAGES 402-415 AND 444-447 FROM TEXTBOOK.				
M 12/10	16	No Class. Catch up.		

**FINAL EXAM: TBD. I WILL ANNOUNCE COMMON EXAM DATE/TIME IN CLASS, MID TO LATE NOVEMBER.**

**NOTE THIS YEAR'S FINAL EXAM DATES ARE VERY LATE. I WILL TRY TO SCHEDULE YOUR FINAL EXAM BETWEEN DECEMBER 14-16 BUT IT IS STILL POSSIBLE WE WILL BE SCHEDULED FOR FINALS DECEMBER 18-20. PLEASE DO NOT SCHEDULE TO START FAMILY VACATIONS BEFORE DEC. 20, 2018. REQUESTS TO TAKE THE FINAL EXAM EARLIER THAN THE SCHEDULED TIME WILL NOT BE ACCOMODATED.**