



The University of Texas at Austin McCombs School of Business

Department of Accounting ACC 311 – Fundamentals of Financial Accounting Spring 2019 Syllabus

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Class times and locations: Unique #02275 T&TH 12:30 am - 1:45 am UTC 3.104

What is this class about?

We will cover accounting from the very basics through the creation and use of financial statements. Our primary goal is to understand how accounting communicates the underlying economic effects of certain business transactions. We will accomplish this goal if we develop an understanding of

- The nature and purpose of accounting for businesses, with emphasis on corporate business entities,
- Accounting methods and their use as an orderly means of recording, classifying, and presenting useful information from a mass of data derived from transactions and events affecting businesses,
- The basic language of business as represented by business and accounting terminology,
- The concepts and standards underlying the measurements used in accounting to prepare the financial statements of businesses, and
- The use and interpretation of financial reports (i.e., income statements, balance sheets, statements of retained earnings, statements of cash flows) prepared for users external to businesses (i.e., owners, creditors, government and investors).

Why take this class?

A solid knowledge of accounting will enhance your understanding of how businesses operate, why they engage in certain transactions and contracts, the implications of these transactions for various interested parties (especially, employees, owners, creditors, and taxing authorities). This class is a prerequisite for ACC 312 (Fundamentals of Managerial Accounting), which examines the use of accounting to solve various problems that managers face. Both of these courses are prerequisites to upper division courses in business.

What is the game plan to do well in this class?

- Attend class and be an active participant.
- Do all the homework, whether or not it is “required.”
- If you are struggling with a topic, review the class material in the 24 hours that follow those class sessions. Do this in a small group or on your own, then visit me or Carl (our TA) during office hours.
- Read the text before the class sessions on each topic. By reading the text in advance of class discussion, you will be prepared to ask questions.

Required Materials and Equipment

Textbook: *Financial Accounting*, 9th Edition, by Libby, Libby, and Hodge, (ISBN: 9781259947674, McGraw-Hill/Irwin, 2017). This is a customized version packaged with Connect access. Used versions of textbook should not be purchased as each student needs a new Connect On-Line access code for the homework manager.

On-Line Homework Manager: *McGraw Hill Connect*, packaged with the textbook.

Follow this link to register for the Connect content once you have purchased the textbook:

<http://connect.mheducation.com/class/g-charrier-spring-2019-acc-311-tth>

Accounting Cycle Supplement: Solid Footing: Building an Accounting Foundation, 11th edition, by Dan Wiegand, (ISBN: 9780997381252, Micro Solve Inc.). This is a textbook with accompanying software and files. Used editions should not be purchased as each student needs a new Solid Footing code.

Financial Calculator: A financial calculator is one that has dedicated keys for convenience in working problems involving the time-value of money. The keys typically are labeled N (number of periods), I/Yr (required interest rate per period), PV (present value), PMT (payment per period), and FV (single future payment amount). If you already have such a calculator, you do not need to buy a new one. However, if you do not already have such a calculator, you should buy an HP 10bII+. This calculator is recommended by both the accounting and finance faculty of the McCombs School of Business. **You may NOT use calculators that have text memory** (e.g. for programs) or cell-phone calculators on quizzes or examinations. Examples of PROHIBITED CALCULATORS are the TI-83, 84, 86 and 89. You may use simple 4-function calculators if an exam or quiz does not require TVM calculations.

Supplemental Materials

Certain Homework Solutions (will be made available on Canvas)

Instructor PowerPoint Slides and/or Notes (will be made available on Canvas)

Sample 311 Midterm Exams (will be made available on Canvas)

Prerequisite

The prerequisite for this course is twenty-four semester hours of (prior) college credit. If you do not satisfy this prerequisite, you should drop ACC 311, or the Office of the Dean of Undergraduate Programs will drop you from the course. Instructors may not waive prerequisites to their courses.

Quantitative Reasoning Flag

This course carries the Quantitative Reasoning flag. Quantitative Reasoning courses are designed to equip you with skills that are necessary for understanding the types of quantitative arguments you will regularly encounter in your adult and professional life. You should therefore expect a substantial portion of your grade to come from your use of quantitative skills to analyze real-world problems.

Course Routine

I will conduct the course by giving lectures, facilitating solutions to in-class exercises and conducting discussions in a manner that encourages class participation by students, consistent with the objectives of the course and the time available. **Students are expected to study the chapter readings before topics are introduced in class and do assigned homework questions, exercises and problems to reinforce what they learn (you can't effectively learn accounting without doing exercises and problems).** Students are encouraged to ask questions and to request that particular points be explained in more detail if they remain confused or uncertain about items discussed or if concepts remain unclear.

Homework

There are two types of homework in the course, *Solid Footing* homework and textbook homework (Libby, Libby, Hodge).

Solid Footing Homework

During the first four weeks of the course, you will be learning about the accounting cycle, the process with which companies capture transaction data, record them, summarize them and transform them into financial statements that conform to Generally Accepted Accounting Principles (GAAP). It is essential that every student develop a solid understanding and ability to do accounting cycle tasks because these accomplishments are the foundation for learning the remaining content of the course. Accordingly, the faculty adopted *Solid Footing*, a semi-interactive tool for learning the accounting cycle and statement of cash flows. It is meant to present, reinforce and test progress in the accounting cycle in a way that leads to more consistent and deeper understanding among our students, leading to less attrition and disappointing grades in ACC 311. To be sure that students keep up with the lessons during this phase of the course, we **have assigned *Solid Footing* homework assignments be completed and uploaded through Canvas to be graded.** See the homework column of the course schedule for the assignments and dates on which they **must be uploaded.** **All assignments are due by 10pm on the date assigned.**

Textbook Homework

Textbook homework is assigned from the chapters we cover. As the name implies, homework is meant to be completed outside of class. Textbook homework is further divided into problems to be submitted for grading and problems that are neither submitted nor graded. **Graded questions are listed in bold-faced text on the Course Schedule and are managed through the Connect system.** Graded homework must be completed individually, however you are permitted to collaborate with classmates on figuring out how to structure the solution to assigned questions. Graded homework is **due by 9am on the day of class,** and late homework will not be accepted. Connect changes the numbers in the problem for each student, so the data will differ from the textbook and your solution will not be the same as your classmates' solutions. Connect will grade these problems, provide solutions (after all sections of ACC 311 have submitted their homework), and indicate areas where you need to do additional study. If you have difficulty using Connect or encounter a problem with it please first try to resolve the problem with Connect Customer Support: 800-331-5094. If you have questions about how to solve the exercises or problems, please see your instructor or TA's (listed above).

The homework grade is the percent of all graded problems completed correctly. **No homework assignments can be dropped in computing the final homework grade.**

The problems that are not required to be submitted or graded (not bold-faced) are as critical to your success as those that are graded.

Instructor Discretion

Instructor discretion may include (but is not limited to) announced or unannounced quizzes (in or out of class), quizzes on Canvas, participation, extra homework, or group projects. If I choose to make such assignments their scores will be treated as part of the instructor discretion.

Quizzes

I plan to utilize in-class and take-home quizzes for the instructor discretion grade weighting. There will be approximately 5-8 quizzes during the semester. You will be able to drop your lowest quiz grade. If you miss a quiz you will receive a zero for that quiz. There are no make-up quizzes. Quizzes may not have the same point value. Graded quizzes will not be returned, but they will be available in my office. Complete solutions for each quiz will be discussed in class and posted on Canvas.

Class Protocol

If for some reason you are running late, do not feel you should skip class. Please come in quietly and take a seat at the side or in the rear of the classroom. If you must leave class early, please tell me before class starts. Such comings and goings during class should be rare—do not let them become a habit.

If you need to miss a class or other required activity, including an examination, for any reason, please inform me as far in advance of the absence as possible, so that I can approve the absence as excused and arrangements can be made to complete any missed work within a reasonable time after the absence. If you miss a class or other required activity, including an examination, for reasons beyond your control, precluding prior notice, inform me of the circumstances as soon as you are able.

Personal Electronic Equipment Policy

A 2017 study by McCombs marketing professor Adrian Ward showed that having your phone present (even when it's turned off!) takes up some of your brain power. Other recent studies have shown that using computers in class leads to worse performance. In addition, use of such equipment are distractions to students sitting near you. So, although you will use your computer extensively for class-related work (e.g., Canvas and Connect), **there will be no computer, e-tablet, cell phone, PDA, DVD player, MP3 (iPod) or other such equipment used during class time.** Your phone should be silenced and in your bag.

Other Class Policies

- Be prepared to use your financial calculator in class. Your phone calculator will not be allowed on exams so practice with your financial calculator when working class exercises, quizzes, and homework. The ACC 311 and 312 faculty recommend the HP 10bII+ financial calculator because it is relatively inexpensive (usually under \$30) and non-programmable (and therefore acceptable for exam use).
- No extraneous conversation or disruptive behavior.
- Please arrive on time. On the rare occasion when you are unable to arrive on time, please enter and set up quietly and engage with the class as quickly as possible.
- If you must leave early, please notify me in advance.

E-mail and Canvas

The use of email and Canvas are required for this course. I will frequently communicate with the class with announcements and guidance and I will answer questions via email. Nick and I will check e-mail each weekday and somewhat less regularly over weekends. I will use the email addresses on Canvas. They are the email addresses that you have given the University for directory purposes. If you need to update your email address with the University go to your UT Direct page and, under personal info/all my addresses, change your email address. Before each class, I will post on Canvas any PowerPoint slides I intend to use. You can print them in handout style to save paper – either six slides to a page or three slides accompanied by note-taking space. It is your responsibility to regularly check both your e-mail and the class website on Canvas.

Electronic Class Rosters & Privacy in Canvas

A recent opinion from the US Department of Education states that the University must inform students in advance if their name will be appearing on an electronic class roster: Web-based, password-protected class sites are available for all accredited courses taught at The University. Class e-mail rosters are a component of the sites. Students who do not want their names included in these electronic class rosters must restrict their directory information in the Office of the Registrar, Main Building, Room 1. For information on restricting directory information see: <http://www.utexas.edu/student/registrar/catalogs/gi00-01/app/appc09.html>.

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.

Academic Standards

A high academic level will be maintained with respect to (a) the quality of the course and (b) grading. Semester grades will be determined using the following factors and relative weights:

Graded homework (Connect & Solid Footing)	15%
Two (non-cumulative) Midterms:	
Lower Midterm	15%
Higher Midterm	25%
Final Exam (comprehensive)	35%
Quizzes (Instructor discretion)	<u>10%</u>
	<u>100%</u>

The ACC 311 faculty has adopted the University's plus/minus grading as the standard for all sections of the course.¹ The faculty believes that plus/minus grading permits us to better distinguish gradations in performance and provides better feedback to students on their performance.

Course grades will be such that the class average will be in the range of 3.0 – 3.2. Grades will be based on the total points earned in the course (as shown above). You may assess your performance based on the traditional grade cutoffs of 90% = A-, 80% = B-, 70% = C-, 60% = D-, and below 60% = F. It is possible, but not guaranteed, that we will curve grades at the end of the course. No grades will be associated with scores on exams or quizzes during the semester. In addition, no individual exam grades will be curved during the semester.

Incompletes will be given only in the RAREST of circumstances and only in accordance with university policy. There will be no opportunity to raise your course grade by doing "extra credit" work during or after the end of the semester—that would violate University policy.

¹ Under the traditional grading system an undergraduate student needs a D or better to receive credit for a course; under the plus/minus system an undergraduate student needs a D- or better to receive credit.

Examinations

There will be two midterm examinations and a comprehensive final examination.

Exams 1 & 2 will be uniform (all sections at the same time).

Exam 1: Wednesday February 27 7:00-9:00 PM UTC 3.124 and 3.132

Exam 2: Wednesday April 10 7:00-9:00 PM UTC 3.124 and 3.132

Make-ups will be the following day or evening.

The Final Exam will be uniform (all sections at the same time) and comprehensive (covering the entire course). It will NOT be given on the dates and times listed in the UT course schedule. The actual dates and times will be announced later in the semester. NO EXAMS WILL BE GIVEN EARLY. IF YOU MUST SCHEDULE AIRFARE BEFORE THE EXACT DATE OF THE FINAL IS KNOWN, DO NOT SCHEDULE TRAVEL UNTIL AFTER THE LAST DAY OF FINALS.

Examinations are individual work; no collaboration of any kind is allowed. All exams are also closed book/notes. Calculators that can store text are not allowed.

Only students with conflicts with other UT classes or UT exams, medical or other documented emergencies and special needs will be given exams at times other than the uniform exams. If you have a job or extra-curricular activities at the times of the exams, this is notice that you are responsible to be excused, miss or work around those other activities. Individual makeup exams must be taken within 72 hours of the original exam.

Unexcused absence from any examination will result in a score of zero. If you miss an exam due to an illness or other emergency reason, you should notify me as soon as possible and provide me with written documentation (e.g., a note from the attending physician) after you return. I have final authority to determine if your absence should be excused and if I can give you a make-up exam. If you have an excused absence from a mid-term exam and I cannot give you a make-up exam, you will receive extra weight on your final to compensate for the missed examination.

If you need to make early travel reservations for the end of the semester, you should make them for travel on May 22 or later—because we will not know until well into the semester exactly when our examination will be scheduled by the University. If you make non-refundable (or non-cancelable) arrangements for travel before May 22, that will not be an acceptable reason for taking the final exam early. No final exams will be given early.

Grading Questions or Appeals

Do not wait until the end of the semester to question or appeal grade components other than the final examination. If you feel there exists a grading error on any of the grade components, or if you feel you need to bring to the attention of our Teaching Assistant or me other facts or circumstances that might affect the grade for that item, you will have ONE WEEK from the date the grade is posted on Canvas to take such action and have the matter resolved.

Dropping the Course

Students must go through the official procedures to drop the course. A student who stops attending the class and fails to officially drop will receive a grade of F. Consult the Academic Calendar on the Registrar's website (<http://registrar.utexas.edu/calendars/>) for specific deadlines.

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/>.

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 recommendations regarding emergency evacuation, provided by the Office of Campus Safety and Security, 512-471-5767, <https://preparedness.utexas.edu/>:

- Occupants of buildings on The University of Texas at Austin campus are required to evacuate buildings when a fire alarm is activated. Alarm activation or announcement requires exiting and assembling outside.
- Familiarize yourself with all exit doors of each classroom and building you may occupy. Remember that the nearest exit door may not be the one you used when entering the building.
- Students requiring assistance in evacuation should inform the instructor in writing during the first week of class.
- In the event of an evacuation, follow the instruction of faculty or class instructors.
- Do not re-enter a building unless given instructions by the following: Austin Fire Department, The University of Texas at Austin Police Department, or Fire Prevention Services office.

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>.

Textbook Material Excluded from the Course

Excluded Material from chapters assigned prior to EXAM 1

Chapter 1

Chapter Supplement B: Employment in the Accounting Profession (p 23-24)

Excluded Material from chapters assigned prior to EXAM 2

Chapter 6

Report, control and safeguard cash (p 299-304)

Chapter 7

Inventory Methods and Financial Statement Analysis (p 350-353)

Chapter Supplement A: LIFO Liquidations (p 358-359)

Chapter Supplement B: FIFO and LIFO Cost of Goods (p 359-360)

Chapter Supplement C: Additional Issues in Measuring Purchases (p 360-361)

Chapter 9

Chapter Supplement A: Present Value Computations Using Excel (p 484)

Chapter Supplement B: Deferred Taxes (p 485)

Excluded Material from chapters assigned prior to the comprehensive FINAL EXAM

Chapter 10

DO NOT READ Chapter 10 in Libby, Libby & Hodge.

Read the supplemental Chapter 10 reading provided by the ACC 311 faculty on Canvas.

Chapter 11

Key Ratio Analysis: Dividend Yield (p 563)

Stock Dividends and Stock Splits: (p 566-568)

Preferred Stock: (p. 570-572)

Chapter Supplement: Accounting for Owner's Equity for Sole Proprietorships and Partnerships (p 574-578)

Chapter 12

Key Ratio Analysis: Quality of Income Ratio (p 615)

Key Ratio Analysis: Capital Acquisitions Ratio and Free Cash Flow (p 618-619)

Chapter Supplement A: Reporting Cash Flows from Operating Activities – Direct Method (p 625-628)

APPENDIX A

DO NOT READ Appendix A in Libby, Libby & Hodge.

Read the supplemental reading provided by the ACC 311 faculty on Canvas.

Anticipate slight differences in page number for the online textbook (E-book).