

MGMTFE 403 – FINANCIAL ACCOUNTING

Winter 2022 – 4 Units

Course Syllabus

Instructor Information

Faculty of Record: Professor Siew Hong Teoh
Email: steoh@anderson.ucla.edu
Office location: D-411
Office hours: After class & by appointment

Teaching Assistant Zitong Zeng
Email: zitong.zeng.phd@anderson.ucla.edu
Review sessions: Wednesdays, 6:00pm-7:00pm PT

Course meeting times and location

Course Day & Time: This class generally meets on Saturdays, 2:00pm – 5:15pm PT.
Please see schedule for specific dates.
Course Location: B-117
Course Site: <https://bruinlearn.ucla.edu/courses/77714>
Zoom Link: <https://ucla.zoom.us/j/91667594368>

Pre-requisites/ Co-requisites

None.

Course Description

This is a three-hour per week lecture course designed for graduate students. The course is an introduction to fundamental Financial Accounting methods and procedures, with emphasis on financial statements. It provides basis for a firm understanding of the language of business from accounting information.

Financial accounting is concerned with the preparation and public dissemination of financial reports designed to reflect corporate performance and financial condition. By providing timely, relevant, and reliable information, these reports facilitate the decision-making of investors, creditors, and other interested parties. Financial markets depend on the information contained in these reports to



evaluate executives, estimate future stock returns, assess firms' riskiness, and allocate society's resources to their most productive uses.

This course provides a base level of knowledge needed by corporate executives to understand and discuss corporate financial statements. The process of learning how various business activities impact financial statements will also give you opportunities to learn and think about the business activities themselves. In addition, accounting provides a foundation for courses in other areas.

Course Objectives

At the end of the course:

1. Students will be able to meet all seven curriculum goals as set out by UCLA Anderson MBA education program.
2. Specifically, on MBA Curriculum Goal 3 to use quantitative and analytical tools for problem solving, students in this course will learn how to read, analyze and interpret financial accounting data to make informed business decisions.
3. Students will learn the accrual accounting system using Generally Accepted Accounting Principles (GAAP) and why/how the financial accounting information provides a superior window into the economic activities and transactions of a firm than would a cash basis system of financial reporting.
4. Students will learn an appreciation and understanding of the limitations of the accrual accounting system and methods to identify earnings quality.
5. In sum, students will learn how to be sophisticated users of financial accounting information to make informed business decisions.

Course Materials

Required:

- *M403 Course BruinLearn website:* [22W-MGMTFE-403-LEC-1 Financial Accounting \(ucla.edu\)](https://www.bruinlearn.com/course/22W-MGMTFE-403-LEC-1-Financial-Accounting) The main course material is here: detailed schedule, lecture slides, problem sets, and additional material. If you have any trouble with any of the course technology, contact the TA ASAP.
- *HTR. How to read a financial report: Wringing vital signs out of the numbers* by Tracy and Tracy, 8th Edition, Wiley, 2014. This is a paperback book that gets to the point quickly and concisely.
- *Pre-term Accounting Prep CCLE website:* This is a prerequisite for M403 with online quizzes that will count toward your M403 grade. You should be able to score above 90% on each to be ready for M403. The quizzes in the Pre-term Accounting Prep should be completed by the first day of class and are 10% of overall course grade.
- We will cover five cases in class, and the materials are available on BruinLearn.

Optional:

- *Introductory workbook: The Accounting Game: Basic Accounting Fresh from the Lemonade Stand* by Orloff and Mullis, Sourcebooks, Inc., 2008. If you have little or no exposure to accounting, you should absolutely work through chapters 1 through 4 of The Accounting Game before class. This book is a must if you are unfamiliar with common business transactions and terminology, and strongly recommended for everyone else.

- Textbook: Financial Accounting, 5th edition, by Dyckman, Hanlon, Magee, and Pfeiffer, Cambridge Business Publishers. I am sensitive to the financial hardship that high textbook costs impose, and I also understand that reading a textbook takes considerable time. However, reading the textbook is very helpful for those without an accounting background and is the best way to learn accounting systematically and thoroughly. If you are financially and time-constrained, you do not have to buy the textbook. I will provide slides and course notes for the material we cover to help you with your learning.
- There is considerable technical material to cover in the first two weeks of class. If you've done the pre-term Accounting Prep course and chapters 1 through 4 from The Accounting Game, then this first two weeks of class would be more familiar.
- *Links and references to optional readings may be posted on the course site.*

Evaluation and Grading

Required Assignments and Weighted Percentages

This course will be graded using the following weighted percentages for each of the assignments in the course. My TA and I will aim to get you feedback on the quizzes and cases within one week of either their due dates or when all students have turned them in, whichever is later.

Assignments	% of Grade
Pre-Term Accounting Prep Course	10%
Group Cases (5 at 5% each)	25%
Quizzes (3 at 10% each)	30%
Final Exam	35%
Total	100%

Grades


Your overall course grade will be determined by how your performance on graded assignments ranks in comparison with other students in the class according to the grade distribution model at Anderson. If you are unfamiliar with the Anderson and UCLA grading scheme, please see the program office for information. Note that courses in which an overall grade of C is received must be offset by higher grades in the same term for students to remain in good academic standing at UCLA. A grade of C- or below in a core class must be retaken.

Assignment Descriptions

The following are descriptions of your required assignments for this course. Specific instructions, submission information, and any accompanying rubrics are detailed on the course site.

Unless otherwise noted, all work is to be yours and yours alone. Due dates for assignments are listed on the detailed schedule available on CCLE.

Pre-Term Accounting Preparation Course

You should be automatically enrolled in the pre-skilling course “Accounting Prep – Winter 2019-2020” on CCLE. The course is divided into ten days, each of which has an exercise or quiz marked with . You can retake the quizzes prior to the due date and the course will keep your highest score. The grading is on a 5-point scale (5/full credit – 80% or more correct, 4 – 60% to 79% correct, 3 – 40% to 59%

correct, 2 – 20% to 39% correct, 1 – less than 20% correct, 0 – not started), and will be worth 10% of your final score in the course. Each student must submit his or her answers individually.

Group Cases

There are 5 cases, each worth 5% (total 25%). They are to be completed in a group of your choice. You will be graded as a group, so only one answer should be uploaded to the course website by each group. Nevertheless, each student is expected to be involved with every part of every case. It would defeat the learning objective for the case if members of a group divide up the workload and not contribute to every part of every case. The deadline for uploading each case is the start of class on the day that the assignment is due. The deadlines for uploading are strict, so please make sure to meet them.

In each case, you will be asked to answer a set of questions, and often excerpts from the financial statements of a company will be provided. All case materials and questions will be available on the course canvas website.

Additional Cases

Additional *ungraded* problems will be provided to help you prepare for the quizzes and exams. Please do attempt them with your group and be sure that you can answer them by yourself before the quizzes and final exam. Suggested end of chapter problems to attempt are also optional.

Practice Problems and Sample Quizzes & Final

I will provide ungraded practice problems on each topic we cover, and sample quiz and final exam questions with solutions to help you learn the material and succeed in the course.

Quizzes

There are three quizzes instead of a single midterm exam to help you allocate steady effort throughout the quarter. This will help you build a strong foundation, layer by layer, with each new week's materials. If you fall behind in any one week, please try to make up for it as soon as you can so you can keep up with the class.

Each quiz will focus on the topics in the prior two weeks, though of course earlier week's materials may be needed as well. They will be given on campus, in-person, and usually will take 1 hour. Each quiz is worth 10%, for a total 30% of your final score. One (1) single-sided 8*11 page of notes will be permitted during the exam.

Final Exam

The final exam will be cumulative. It will be given on campus, in person. It will take 3 hours and worth 30% of your final score. Two (2) single-sided 8*11 pages of notes will be permitted during the exam.

Course Outline

Module/ Week	Date	Weekly Title & Key Topics	In-Class Activities	Pre-Class Reading/Media	Assignments Due
0	Pre-Term	<ul style="list-style-type: none"> Accounting Pre-Term Prep Course on CCLE 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> COMPLETE Pre-Term Course <i>Due by 11:59pm PT the day prior to Class Session 1 via CCLE to receive course credit.</i>
1	1/8/22	<ul style="list-style-type: none"> Introduction Balance Sheet Income Statement 	<ul style="list-style-type: none"> Lecture Discussion 	<ul style="list-style-type: none"> READ textbook: Chapters 1-3 PRACTICE Problems: M1-24, P1-37, E2-35, E2-36, E2-44, E2-47, E3-34 	<ul style="list-style-type: none">
2	1/15/22	<ul style="list-style-type: none"> Income Statement Transaction Analysis Ratio Analysis 	<ul style="list-style-type: none"> Lecture Discussion 	<ul style="list-style-type: none"> READ textbook: Chapters 1-3, 5 PRACTICE Problems: M3-21, M3-22, E3-32, E3-35 	<ul style="list-style-type: none">
3	1/22/22	<ul style="list-style-type: none"> Statement of Cash Flows Case #1 	<ul style="list-style-type: none"> Lecture Discussion: Case #1 Quiz #1 (Chapters 1-3) 	<ul style="list-style-type: none"> READ textbook: Chapter 4 PRACTICE Problems: E4-41, E4-44, M4-26 	<ul style="list-style-type: none"> SUBMIT Case #1 Write-Up <i>Due by the start of class via course site.</i>
4	1/29/22	<ul style="list-style-type: none"> Current Assets: A/R Case #2 	<ul style="list-style-type: none"> Lecture Discussion: Case #2 	<ul style="list-style-type: none"> READ textbook: Chapter 6 PRACTICE Problems: E6-38, P6-45, E6-35 	<ul style="list-style-type: none"> SUBMIT Case #2 Write-Up <i>Due by the start of class via course site.</i>
5	2/5/22	<ul style="list-style-type: none"> Current Assets: Inventories 	<ul style="list-style-type: none"> Lecture Discussion Quiz #2 (Chapters 1-5; focus on 4, 5) 	<ul style="list-style-type: none"> READ textbook: Chapter 7 PRACTICE Problems: E7-27, M7-18, E7-29 	<ul style="list-style-type: none">
6	2/12/22	<ul style="list-style-type: none"> Non-Current Assets Case #3 	<ul style="list-style-type: none"> Lecture Discussion: Case #3 	<ul style="list-style-type: none"> READ textbook: Chapter 8 PRACTICE Problems: E8-22, E8-24, E8-29, E8-31, M8-11, C8-43 	<ul style="list-style-type: none"> SUBMIT Case #3 Write-Up <i>Due by the start of class via course site.</i>
7	2/19/22	<ul style="list-style-type: none"> Case #4 	<ul style="list-style-type: none"> Lecture Discussion: Case #4 Quiz #3 (Chapters 1-8; focus on 6-8) 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> SUBMIT Case #4 Write-Up <i>Due by the start of class via course site.</i>
8	2/26/22	<ul style="list-style-type: none"> Liabilities 	<ul style="list-style-type: none"> Lecture Discussion 	<ul style="list-style-type: none"> READ textbook: Chapter 9 PRACTICE Problems: E9-40, M9-31, E9-45, M9-30, P9-55 	<ul style="list-style-type: none">
9	3/5/22	<ul style="list-style-type: none"> Shareholders' Equity 	<ul style="list-style-type: none"> Lecture Discussion 	<ul style="list-style-type: none"> READ textbook: Chapter 11 PRACTICE Problems: M11-29, M11-33, M11-37, E11-39, E11-41, E11-46, P11-55, P11-57 	<ul style="list-style-type: none">
10	3/12/22	<ul style="list-style-type: none"> Case #5 Data Sources & Accounting Research Relevance for the Capital Markets 	<ul style="list-style-type: none"> Lecture Discussion: Case #5 Practice Final (Chapters 1-11, not 10) 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> SUBMIT Case #5 Write-Up <i>Due by the start of class via course site.</i>
Finals (week)	3/19/22	<ul style="list-style-type: none"> Final Exam (Chapters 1-11, not 10) 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none">

Anderson and Course Policies

Absences

I will deal with absences from class on a case-by-case basis. If you anticipate an absence, please email me as soon as possible.

If you expect to be unable to take an exam, let me know as soon as possible. Accommodations will be made for students who are unable to take exams for reasons such as illness, religious observance, jury duty, military deployment, the birth of one's child, family emergencies, travel for work, or travel for an Anderson-sponsored event.

Regrade Requests

Regrade requests must be submitted in writing within one week of the assignment or exam being returned to students, unless this is physically impossible, in which case an accommodation will be made. Do NOT alter the assignment/exam document in any way. In a separate written document, describe your re-grade request, giving as much detail as you think is necessary. Hand in or email both your assignment/exam and the request document to me, and I will evaluate the request in a timely fashion. If I have the original assignment/exam already (e.g., if it was an electronic submission), you can just email or hand in the regrade request document. **With regrade requests, your whole assignment/exam is subject to a re-grade.**

Remote Sessions: Zoom Classroom Rules of Engagement

- You must log into Zoom using the email associated with your UCLA Zoom account.
- Your Zoom identity acts as your “name plate” and should correctly identify you by name. Feel free to add your preferred pronoun to your Zoom identity (she/her; he/him; they/them).
- Your video is on and, to as great an extent as possible, you are in an environment that is not distracting.
- You are muted unless asking a question or responding to one.
- You are “present” and paying attention during class time. This means that you are following the lecture and discussion, and are ready to respond to questions if asked.
- To ask a question, please use the ‘raise your hand’ feature on Zoom. The teaching assistant will take note and call on you as soon as possible.

Netiquette

The written language has many advantages: more opportunity for reasoned thought, more ability to go in-depth, and more time to think through an issue before posting a comment. However, written communication also has certain disadvantages, such a lack of the face-to-face signaling that occurs through body language, intonation, pausing, facial expressions, and gestures. As a result, please be aware of the possibility of miscommunication and compose your comments in a positive, supportive, and constructive manner.

UCLA Policies

Code of Conduct

All participants in the course are bound by the **UCLA Student Conduct Code**:
(<https://deanofstudents.ucla.edu/individual-student-code>)

Academic Integrity

UCLA is an institution of learning, research, and scholarship predicated on the existence of an environment of honesty and integrity. As members of the academic community, instructors, students,

and administrative officials are all responsible for maintaining this environment. It is essential that all members of the academic community practice academic honesty and integrity and accept individual responsibility for their work. Academic misconduct is unacceptable and will not be tolerated in this course. Cheating, forgery, dishonest conduct, plagiarism, and collusion in academic misconduct erode the University's educational, research, and social roles.

Students who knowingly or intentionally conduct or help another student engage in acts that violate UCLA's expectations of academic integrity will be subject to disciplinary action and referred to the Dean of Students' Office.

Please familiarize yourself with **UCLA's Academic Integrity Policy**:

<https://www.deanofstudents.ucla.edu/Academic-Integrity>. Speak to your instructor if you have any questions about what is and is not allowed in this course.

Integrity in Research

Integrity in research includes not just the avoidance of wrongdoing, but also the rigor, carefulness, and accountability that are hallmarks of good scholarship. All persons engaged in research at the University are responsible for adhering to the highest standards of intellectual honesty and integrity in research.

Please familiarize yourself with the **University of California Policy on Integrity in Research** (https://www.ucop.edu/academic-personnel-programs/_files/apm/apm-190-b.pdf)

Accessible Education & Inclusive Education

Disability Services

UCLA is committed to providing a barrier-free environment for persons with documented disabilities. If you are already registered with the Center for Accessible Education (CAE), please request your Letter of Accommodation in the Student Portal. If you are seeking registration with the CAE, please submit your request for accommodation via the CAE website. Students with disabilities requiring academic accommodations should submit their request for accommodations as soon as possible, as it may take up to two weeks to review the request. For more information, please visit the CAE website (www.cae.ucla.edu), visit the CAE at A255 Murphy Hall, contact CAE by phone at (310)825-1501, or by telecommunication device for the deaf at (310) 206-6083.

Equity, Diversity, and Inclusion

Please familiarize yourself with UCLA Anderson's commitment to maintaining an equitable, diverse, and inclusive community:

(<https://www.anderson.ucla.edu/about/equity-diversity-and-inclusion>)