

UNIVERSITY OF ALBERTA SCHOOL OF BUSINESS
DEPARTMENT OF ACCOUNTING, OPERATIONS AND INFORMATION SYSTEMS
ACCOUNTING 501 - INTRODUCTION TO FINANCIAL REPORTING AND ANALYSIS

SYLLABUS
WINTER 2019

Instructor:	Jeffrey Herzog, CPA	Office:	BUS 2-33
Class:	T 6:30 pm-9:30 pm	Office hours:	By appointment
Room:	BUS 2 6	Email:	jherzog@ualberta.ca

1. Course Description and Objectives

The goal of this course is to promote informed interpretation and analysis of the financial information disseminated by business enterprises. The course provides a framework for understanding contemporary financial reporting practices in Canada, the United States and other developed economies, the diverse forces that shape those practices, and how those practices influence the usefulness of financial information in applied decision settings.

Coverage is organized around two distinct components:

1. Accounting Fundamentals – provides a basic introduction to the accounting framework and “the language of business.”
2. Financial Reporting and Financial Statement Analysis – an evaluation of ASPE, IFRS and financial disclosures for purposes of performance analysis. Class assignments and discussions emphasize the use of financial information in developing an accurate profile of the firm's economic performance.

Specific skills developed in this course include the ability to:

- Describe both the role and relationship of the major financial reporting statements
- Describe the accounting principles and regulations that frame financial statements
- Appropriately classify and journalize transactions and identify their impact on financial statements
- Use financial statement ratios to evaluate organizational performance
- Obtain and interpret information from an annual report

2. Academic Integrity

Because we regard this class as we would any job responsibility, it seems prudent to clarify, in advance, the policy on academic integrity. Given the professional nature of the MBA program, it is unlikely that a student in this class would turn in work which is not his or her own. However, if we determine that the work is not entirely that of the student(s) whose name(s) appear on the work, the student(s) involved may not pass this course and be further subject to program-level discipline. Specifically, in order to protect the integrity of the MBA degree, the University may expel, suspend, reprimand, or reduce a course mark of any student who breaches the Code of Student Behavior in one of the following ways:

- (1) Assisting another student in the commission of an academic offence;
- (2) Plagiarism;
- (3) Cheating;
- (4) Distributing confidential academic material;
- (5) Misrepresenting facts for the purpose of obtaining academic advantage.

The following web site provides a summary of what constitutes an academic offense and the possible penalties. <http://www.ualberta.ca/~unisecr/chtsheet.html>

Please note that as defined above, it is an academic offence for group members to include the name of a group member on an assignment when that member has not contributed to assigned group work.

The University requires the following statement be included with the course syllabus:

The University of Alberta is committed to the highest standards of academic integrity and honesty. Students are expected to be familiar with these standards regarding academic honesty and to uphold the policies of the University in this respect. Students are particularly urged to familiarize themselves with the provisions of the Code of Student Behaviour (online at www.uofaweb.ualberta.ca/secretariat/studentappeals.cfm) and avoid any behaviour which could potentially result in suspicions of cheating, plagiarism, misrepresentation of facts and/or participation in an offence. Academic dishonesty is a serious offence and can result in suspension or expulsion from the University.

3. Evaluation

Your grade in this course will be based on the following components:

Class Participation	10%
Assignments	20%
Midterm Examination	30%
Final Examination	40%
Total	100%

These grades represent the only marks available to students. No additional work or extra credit is available.

At the end of the term marks will be converted to the letter grade system using guidelines established by the Faculty of Graduate Studies and Research. Grade assignment will be based on the marks you obtain on both the individual and group components.

3.1 Participation

Participation for this course involves three components; attendance, frequency of participation, and quality of participation. All students are expected to join in class discussion and participate in in-class activities. This is an opportunity for students to demonstrate their understanding of the material. Students should note that pre-class preparation has a significant impact on the quality of participation.

3.2 Assignments

The assignments can be submitted individually or in groups of your choosing. The course schedule indicates the dates of the assignments. Four assignments will be assigned and submitted after completing the exercises in-class or outside of class. Your mark for this component will be based on your performance on all four assignments.

3.3 Examinations

You will be allowed to bring ONE **single sided** 8x10 sheet of paper for the midterm and ONE additional single sided 8x10 sheet of paper for the final exam (2 pages total for the final exam). These can be typed or handwritten. You will also be allowed a non-programable calculator to assist you with basic computations. All other electronic devices (including but not limited to cell phones, MP3 players, tablets, and electronic foreign language dictionaries) are prohibited. Foreign language dictionaries in print form are allowed; however, they must be checked by the proctor prior to the exam. No sharing of books, notes or other materials is allowed during the exam (this includes talking and discussions with your teammate or neighbor).

The Midterm Exam will be three hours and will be held in class on March 5th. The Final Exam will be held according to the schedule provided by the Registrar and will be three hours in length. The tentative date for the final exam is April 16TH AT 6:30PM.

3.4 Remarking Policy for Assignments and Midterm Exams

Solutions to the assignments will be posted on eClass after the marked assignments have been returned. Assignments will only be remarked in the case of a marking error or other extenuating circumstance. Solutions to the midterm exams will be posted on eClass after marked midterm exam papers have been returned. Students should review the marking carefully and bring to my attention

any questions about their marks as soon as possible. No remarking requests will be accepted more than one week after the results have been made available.

All appeals for remarking must be in writing and the original copy (unless available on-line) must be attached. Exams submitted for appeal may be subject to an entire review. This may result in your grade being lower.

3.5 Absence from Term Work or Term Examinations

Occasionally life events occur that require a student to miss term work, term examinations, or final examinations. However, excused absences are not granted automatically and will be considered only for acceptable reasons such as incapacitating illness, severe domestic affliction, or religious convictions.

Unacceptable reasons include, but are not limited to, personal events such as vacations, weddings, or travel arrangements. When a student is absent without an acceptable excuse, a final grade will be computed using a raw score of zero for the work missed. Any student who applies for or obtains an excused absence by making false statements will be liable under the Code of Student Behaviour.

If a student is absent and is unable to complete the assignment/exam within the given guidelines due to illness, the following procedures shall apply.

3.5.1. Missed Assignment

If you miss an in-class assignment you **MUST** obtain permission prior to the class and then the 5 % for the missed assignment will be added to your final exam grade. Again, to receive credit for missed assignments you MUST inform the instructor of your absence at a minimum the day before or the day of the assignment (but before the assignment takes place or is due). Make up assignments are not granted and if you contact the instructor after the assignment date has passed, a mark of zero will be assigned.

3.5.2. Absence from Midterm examination

If you are absent from the midterm exam for a legitimate reason, please email me **within two (2) days** (or as soon as possible). If a midterm is missed for an acceptable reason, the weight of the midterm will be reallocated to the final exam and your final exam will be an additional hour. The additional hour will be a separate paper focusing on material covered on the missed midterm. There will be no deferred midterm exam in this course.

3.5.3. Absence from Final examination

If you are absent from the final exam, then you must apply to the Faculty of Graduate Studies and Research for permission to write the deferred exam. Permission to write the exam is not automatic – the FGSR policy is to consult with the instructor to obtain information regarding the student when making a determination. If a deferred examination is granted, the deferred examination will be written on April 30th, 2019 at 9:00 am. If permission is not granted or the deferred examination is not written on the appointed date, then a mark of 0 shall be entered for the final exam.

3.6 Final Exam Viewing and Reappraisals

If you wish to view your final exam, a time will be set (an announcement will be posted on eClass) after final grade distributions have been made. Please note that **no** answer key will be provided. This is not a time to ask questions about how a question should have been answered but to review for any addition errors and any marking issues.

Once final grades have been assigned, I will not change the course grade except in the case of a recording or calculation error.

For information regarding applying for a reappraisal of your final exam please see Section 23.5.4 (2) of the Calendar.

4. **Course Materials and Activities**

4.1 Textbook

Understanding Financial Accounting, Second Canadian Edition by Christopher D. Burnley.

Lecture notes are placed on the course web site prior to topics being discussed in class. It is the student's responsibility to bring copies of the lecture notes to class, either as hard copy or accessible from the student's laptop or tablet. Note that the lecture notes are **not** an adequate substitute for class attendance.

4.2 Calculator

You are only permitted to use a non-programmable calculator in the exams. Please ensure you have a non-programmable calculator that you are comfortable with (note: there is only a requirement for basic calculations – adding, subtracting, multiplication & division).

4.3 eClass

The address of the web site is <https://eclass.srv.ualberta.ca>

You can access the course web site with your CCID and password. Please contact AICT (780-492-9400) or the helpdesk@ualberta.ca for assistance if you do not have your CCID or password.

Most files on the web site are PowerPoint, Word or PDF files. To access those files, you will need at a minimum Office 2010 and Adobe Acrobat XI Reader. Acrobat Reader is free and can be downloaded from the internet. You are eligible to purchase Office 2010 at a significantly discounted price through the University of Alberta.

The course website is organized into various sections. Lectures are organized by topic. I endeavor to post everything we discuss in class to the website, but if something is missing please let me know asap.

4.4 In-class Activities

Classes will be a combination of lecture and discussion of problems. Most of the concepts and techniques taught in this course are best illustrated and learned through problem solving, therefore, we will analyze many problems in class. You do not need to bring your textbook to the lectures, but please bring the relevant notes.

4.5 Out-of-class Activities

Following the lectures on a particular topic, you should review/read applicable sections of the textbook and work on the recommended questions from the textbook. The recommended questions for each chapter are identified in the attached tentative class schedule. You can check your answers against the solutions posted on eClass.

4.6 Class attendance

Presence at lectures, participation in classroom discussions, and the completion of recommended questions are important components of this course. Students will serve their interests best by regular attendance in class. Those who choose not to attend must assume whatever risks are involved.

Students are responsible for all information provided in class (e.g., announcements, lectures etc.). If you are absent from a class, it is your responsibility to arrange for someone else in the class to provide you with the information you may have missed.

5. **Other**

5.1 Taking Pictures, Recording Audio or Video

Taking pictures, recording audio, or recording video of lectures, labs, seminars or any other teaching environment by students is allowed only with the prior written consent of the instructor or as a part of an approved accommodation plan. Pictures and recorded materials are to be used solely for personal study and are not to be used or distributed for any other purpose without prior written consent from the instructor.

If you are caught taking pictures, recording audio, or recording video, without prior written consent, you may be asked to leave the class.

5.2 Accommodating Disabilities

Please contact me as soon as possible if you have a disability or condition that may require some modification of seating, testing, or any other class requirement, so that we can make appropriate arrangements. If you need special arrangements in the event the classroom must be evacuated, please let me know.

5.3 Course Outlines

Policy about course outlines can be found in Section 23.4(2) of the University Calendar.

ACCTG 501 TENTATIVE CLASS SCHEDULE

Note: This is a general guideline for the semester. Topics will be covered in sequence; however, it may be necessary to go faster or slower than indicated. Also note that the textbook is a guide. There will be strong emphasis on the notes provided in class, which may have material not covered in the text.

Note: We will be looking at financial statements during class and will be doing several activities where you would benefit from a computer or tablet. You will often get more out of class if you bring a laptop or other portable device (other than a phone)

Note: There is information on the statement of cash flows and ratio analysis in each chapter – we will cover these topics in the second part of the course.

Cl#	Dates	IC	Topics	Readings	Recommended Questions
1	T Jan 8		Introduction to the Course Overview of Corporate Financial Reporting	Chapter 1	Chapter End Review 1-2, DQ1-8, DQ1-18, DQ1-20, DQ1-21, AP1-12A, AP1-14A, UP1-2, RI1-6
2	T Jan 15		Analyzing Transactions and Their Effects on Financial Statements	Chapter 2	Chapter End Review 2-2, 2-3, AP2-2A, AP2-5A, AP2-13A, AP2-10B, RI2-2
3	T Jan 22	A#1	Double Entry Accounting and the Accounting Cycle	Chapter 3	Chapter End Review 3-1, AP3-4A, AP3-5A, AP3-15B
4	T Jan 29				
5	T Feb 5		Revenue Recognition and the Statement of Income *	Chapter 4 Pg 4-1 to 4-5 (stop at contract-based approach) Pg 4-12 (the conceptual framework)	AP4-1B, AP4-12B
6	T Feb 12	A#2	Cash and Accounts Receivable	Chapter 6 Pg. 6-3, 6-4, 6-12 to 6-25	Chapter End Review 6-2(a&b), DQ6-14, DQ6-19, AP6-5A, AP6-13A, AP6-10B
			Inventory	Chapter 7 Pg 7-1 to 7-7, 7-13, 7-19 to 7-23	DQ7-19, DQ7-21, AP7-11A
Feb 18-22		No Classes – Reading Week			

Cl#	Dates	IC	Topics	Readings	Recommended Questions
			Long-Term Assets	Chapter 8	Chapter End Review 8-4, DQ8-1, DQ8-2, DQ8-17, DQ8-25, AP8-9A, AP8-10B, UP8-12
			Current Liabilities	Chapter 9	Chapter End Review 9-4, DQ9-6, DQ9-13, AP9-1A, AP9-6B
7	T Feb 26	A#3	Long-Term Liabilities	Chapter 10 Pg 10-14, 10-16, 10-22 (commitments and guarantees) to 10-24	DQ10-16, RI10-10, RI10-11
			Shareholders' Equity	Chapter 11 Pg 11-3 to 11-19, 11-23 to 11-24, 11-28	
			T Mar 5	Midterm exam	
8	T Mar 12	Guest Speaker – Jason Ding			
9	T Mar 19		The Statement of Cash Flows **	Chapter 5 Pg 5-1 to 5-22 (stop at direct method), 5-25 to 5-28	Chapter End Review 5-4, DQ5-8, DQ5-27, AP5-1A, AP5-3A, AP5-8A (if you want to see how to prepare / if this helps you learn – part a only), AP5-13A, RI5-1, RI5-4
10	T Mar 26				
11	T Apr 2	A#4	Financial Statement Analysis	Chapter 12 Pg 2-30 to 2-33, 4-21 to 4-23, 5-29 to 5-30, 6-26 to 6-29, 7-25 to 7-26, 8-31 to 8-32, 10-25 to 10-28, 11-25 to 11-28	Chapter End Review 12-1, DQ12-12, DQ12-13, RI12-1, RI12-3, RI12-4
12	T Apr 9				
			T Apr 16	Final exam date – 6:30 PM	

* for Chapter 4, we will only be using revenue recognition under ASPE.

** for Chapter 5, we will only be using the indirect method.