

UNIVERSITY OF ALBERTA SCHOOL OF BUSINESS
DEPARTMENT OF ACCOUNTING, OPERATIONS AND INFORMATION SYSTEMS
ACCOUNTING 501 - INTRODUCTION TO FINANCIAL REPORTING AND ANALYSIS
SYLLABUS – SECTION A1
FALL 2019

Instructor:	Jeffrey Herzog, CPA	Office:	BUS 2-33
Class:	R 2:00 pm - 4:50 pm	Office hours:	By appointment
Room:	BUS 3 5	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:

- a. Accounting Fundamentals – provides a basic introduction to the accounting framework and “the language of business.”
- b. 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

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 <https://www.ualberta.ca/governance/resources/policies-standards-and-codes-of-conduct/code-of-student-behaviour>) and avoid any behaviour that 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.

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 their 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.

3. Evaluation

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

Class Participation	10%
In-Class 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.

Letter grades will be assigned to percentage marks in accordance with the University Calendar¹. Grade assignment will be based on the marks you obtain on both the individual and group components. Allocation of grades will be similar to historical distributions.

3.1 Participation

Participation for this course involves three components: attendance, frequency of participation, and quality of participation. All students are expected to participate in class discussions and activities as these represent an opportunity for students to develop their understanding of the material. Students should note that pre-class preparation has a significant impact on the quality of participation.

Participation will be self-evaluated, with students submitting three self-reflections throughout the course (see due dates below). The templates for these self-reflections can be found in eClass and student responses must be submitted via eClass. Late submissions will not be accepted.

- 1. Self-Reflection #1 11:59 pm Friday, September 6, 2019**
- 2. Self-Reflection #2 11:59 pm Friday, October 18, 2019**
- 3. Self-Reflection #3 11:59 pm Friday, December 6, 2019**

I reserve the right to modify your grade if I believe your assessment is not an honest reflection of your participation in this course relative to other students.

3.2 In-Class 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. Your mark for this component will be based on your performance on all four assignments.

3.3 Examinations

All examinations in this course will be closed book. You will have three (3) hours to write the midterm exam and three (3) hours to write the final exam. The final exam will be comprehensive.

- Midterm Exam – Thursday, October 24, 2019 at 2:00 pm – BUS 3 5**
- Final Exam – Monday, December 16, 2019 at 9:00 am – location TBA**

¹ University Regulations – Academic Regulations – Evaluation Procedures and Grading System – Assigning Grades

Expectations for student conduct during exams are outlined in the University Calendar². As noted, “students writing exams must be able to present their student ID cards (ONEcard) or other acceptable photo identification.” Furthermore, “only those items specifically authorized by the instructor may be brought into the exam facility.” The following items are permitted at your seat during the exam:

- Non-programmable calculator
- Formula sheet(s) *
- Writing utensils (pens, pencils, highlighters, erasers, etc.)
- Feminine hygiene products
- Foreign language dictionaries in print form³
- Food and beverages
- Prescription glasses
- Keys and wallet
- Medication(s)
- Tissues

* You will be allowed to bring ONE (1) single-sided 8½” x 11” sheet of paper for the midterm and ONE additional single-sided 8½” x 11” sheet of paper for the final exam (TWO (2) pages total for the final exam). You are free to fill the paper(s) with whatever information you choose. Formula sheets can be typed or handwritten.

You will need to leave all other items, including **any personal electronic devices, backpacks, coats, course materials, etc., at the front of the exam location.** None of these materials are allowed at your seat.

Please note that additional scrap paper will be available upon request.

3.4 Remarking Policy for Assignments and Midterm Exam

Assignments will be returned in class and you will be allowed to keep the assignments. Solutions to the assignments will be posted on eClass after the marked assignments have been returned.

Midterm exams will be returned in class and you will be allowed to keep the exam. 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.

² University Regulations – Academic Regulations – Examinations (Exams) – Conduct of Exams

³ Must be checked by the exam proctor prior to commencing the exam

3.5.1. Missed Assignment

If you miss an assignment for a legitimate reason, please email me before the start of class on the date the assignment is due. If an assignment is missed for an acceptable reason, the weight of the assignment will be reallocated to the final exam. There will be no makeup assignments in this course.

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. Your final exam will be an additional hour and will include 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

Missed final exam procedures are outlined in the University Calendar⁴. If a deferred final exam is required for this course, it will **tentatively be held on Friday, January 10, 2020 at 9:00 am.**

3.6 Final Exam Viewing and Reappraisals

The final exam will not be returned. If you wish to view your final exam, please e-mail me after final grade distributions have been made to set up an appointment. 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 or 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 the University Calendar⁵.

4. **Course Materials and Activities**

4.1 Textbook

Understanding Financial Accounting, Second Canadian Edition by Christopher D. Burnley.
ISBN 9781119411413

This text is available in an e-book (online) version. The textbook is also on reserve in the Winspear Library.

4.2 eClass

You will be able to obtain lecture notes and related materials from eClass. The address of the web site is <https://eclass.srv.ualberta.ca>.

eClass also provides a web forum (Discussion Board) for posting questions. Please post any questions in the Discussion Board instead of emailing me so other students can also benefit from your question and the applicable answer. Discussion points can be posted as anonymous.

⁴ University Regulations – Academic Regulations – Attendance – Absence from Final Exams; University Regulations – Academic Regulations – Examinations (Exams) – Conduct of Exams – Brief Absence from an Exam, Cancellation of Paper During Exam

⁵ University Regulations – Academic Regulations – Examinations (Exams) – Notification of Results – Reappraisals

Other than information provided in class, eClass will be where announcements and other information regarding the course will be made. Please plan to check this site regularly and/or make sure your settings in eClass will send you emails when there are updates.

4.3 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.

4.4 Out-of-class Activities

Following the lectures on a particular topic, you should review/read applicable sections of the textbook and work on recommended questions. 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.

4.5 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 Accommodations

Please contact me as soon as possible if you 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 the University Calendar⁶.

⁶ University Regulations – Academic Regulations – Evaluation Procedures and Grading System – Course Requirements, Evaluation Procedures and Grading

ACCTG 501 – A1 TENTATIVE CLASS SCHEDULE

Cl#	Dates	IC	Topics	Readings	Recommended Questions
1	R Sep 5		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	R Sep 12		Analyzing Transactions and Their Effects on Financial Statements	Chapter 2 Pg 2-1 to 2-29	Chapter End Review 2-2, 2-3, AP2-2A, AP2-5A, AP2-13A, AP2-10B, RI2-2
3	R Sep 19	A#1	Double Entry Accounting and the Accounting Cycle	Chapter 3	Chapter End Review 3-1, AP3-4A, AP3-5A, AP3-15B
4	R Sep 26				
5	R Oct 3		Revenue Recognition and the Statement of Income	Chapter 4 Pg 4-1 to 4-15	AP4-1B, AP4-12B
6	R Oct 10	A#2	Cash and Accounts Receivable	Chapter 6 Pg. 6-1 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 Pg 7-13 Pg 7-19 to 7-24	DQ7-19, DQ7-21, AP7-11A
			M Oct 14	No Classes – Thanksgiving	
			Midterm Review		
7	R Oct 17		Parking Lot Review		
			Selected Topics		
8	R Oct 24	Midterm exam – 2:00 pm – BUS 3 5			
9	R Oct 31		Long-Term Assets	Chapter 8 Pg 8-1 to 8-30	Chapter End Review 8-4, DQ8-1, DQ8-2, DQ8-17, DQ8-25, AP8-9A, AP8-10B, UP8-12
			Current Liabilities	Chapter 9 Pg 9-1 to 9-21	Chapter End Review 9-4, DQ9-6, DQ9-13, AP9-1A, AP9-6B
			Long-Term Liabilities	Chapter 10 Pg 10-14 to 10-16 Pg 10-22 to 10-24	DQ10-16, RI10-10, RI10-11

Cl#	Dates	IC	Topics	Readings	Recommended Questions
10	R Nov 7	A#3	Shareholders' Equity The Statement of Cash Flows *	Chapter 11 Pg 11-1 to 11-24 Pg 11-28 Chapter 5 Pg 5-1 to 5-21 Pg 5-25 to 5-28	Chapter End Review 11-1 to 11-4 Chapter End Review 5-4, DQ5-8, DQ5-27, AP5-1A, AP5-3A, AP5-8A(a), AP5-13A, RI5-1, RI5-4
Nov 11 - 15		No Classes – Reading Week			
11	R Nov 21		The Statement of Cash Flows *	As per above	As per above
12	R Nov 28	A#4	Financial Statement Analysis	Chapter 12 Pg 2-30 to 2-33 Pg 4-21 to 4-23 Pg 5-29 to 5-30 Pg 6-26 to 6-29 Pg 7-25 to 7-26 Pg 8-31 to 8-32 Pg 10-25 to 10-28 Pg 11-25 to 11-28	Chapter End Review 12-1, DQ12-12, DQ12-13, RI12-1, RI12-3, RI12-4
13	R Dec 5		Final Review Parking Lot Review Selected Topics		
M Dec 16		Comprehensive final exam – 9:00 am – location TBA			

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

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.