

**Syllabus** (9/25/24)  
**MGT 400A: Financial Accounting**  
**Fall 2024, Master of Management Program**  
**Tuesdays 1:10 - 5:00, Gallagher 1213**

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Office Hours: Regular office hours will take place on Zoom. Zoom information is available on the course Canvas site under “Zoom”. Other office hours available by appointment.

## **I. Course Objectives**

To make you informed users of financial information prepared under U.S. “generally accepted accounting principles” (GAAP). GAAP defines the set of accounting method and disclosure practices from which firms select when providing information to external parties, such as investors, financial analysts, lenders, and regulators. The Financial Accounting Standard Board (FASB), a private sector regulatory authority, sets GAAP. The primary emphasis of this course is to assist you in developing basic skills required to interpret, analyze, and evaluate information reported in GAAP financial statements.

## **II. Course Materials**

**Textbook:** Hanlon, Magee, & Pfeiffer. 2023. *Financial Accounting* **7<sup>th</sup> edition**. Cambridge Business Publishers. ISBN: 978-1-61853-431-6. You may access the textbook and *WileyPLUS* in UC Davis Canvas, our learning management system. Earlier editions of the textbook are not acceptable due to changes in GAAP and textbook problems, exercises, and examples since the last published edition.

**Lecture Notes:** Students are responsible for obtaining their own copy of the lecture notes from Canvas, which will be provided before the lecture. These notes introduce important concepts covered in each chapter and contain example questions to reinforce these concepts. These notes serve as a base outline for a class session but are not a substitute for the material covered in class. *Be prepared to take additional notes in class. In addition, I will work through the example questions in class; however, students are responsible for documenting the solutions.* The lecture notes are intended to supplement, but not replace, the textbook material.

### III. Policies and Expectations

**Code of Academic Conduct:** Students are expected adhere to the UC Davis Code of Academic Conduct. See <http://sja.ucdavis.edu/files/cac.pdf>

**Collaboration:** Students may and are encouraged to study together. However, collaboration on quizzes and exams is prohibited.

**Principals of Community:** Students are expected adhere to the UC Davis Principles of Community. See <http://diversity.ucdavis.edu/principles-community>

**Students with Disabilities:** The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you believe you have a disability requiring an accommodation, please contact the Student Disability Center, visit <https://sdc.ucdavis.edu/>, and follow up with me if you are granted an accommodation.

**Attendance:** You are expected to attend class, as it is valuable in helping you understand the material. If you are not feeling well, please refer to campus policies and recommendations by visiting <https://campusready.ucdavis.edu>. If you do need to miss class, you will need to rely on a classmate for any notes taken in class. Please notify me if you need to miss a class due to illness or other valid reason.

**Classroom Etiquette and Professional Behavior:** To foster a more professional learning environment, all participants must engage in appropriate professional behavior. Professional behavior is characterized by prompt arrival to class, courteous behavior in class (i.e., being attentive while others are speaking, dedicating your attention to this class while the class is in session, refraining from talking to or distracting your classmates, leaving class at the designated time, etc.), and professional preparation for class (i.e., reading the chapter prior to class, completing assigned problems prior to class, engaging in class discussion, etc.). I realize that circumstances may occur where you may be late or need to depart early. When doing so, please enter or exit quietly and try to minimize disruption to the class.

**Cell Phones and Laptops:** Please turn your cell phone off during class. Laptops are permitted for use in class activities only. Other than the application being used for class (e.g., power point, excel, word), all applications including your email should be closed during class.

## IV. Grading

Homework assignments (9 equally weighted)	15 % (collaboration allowed)
Class participation	10
Quizzes (9 equally weighted)	25 (independent work)
In-class final exam	<u>50</u> (independent work)
Total	100 %

Grades are based on percentage of points earned, using the grade scale below. A curve will be administered to the overall grade only when necessary. While historically most students earn a B- or above, some students received lower overall grades.

A+ 98% - 100%	B+ 86% - 89.99%	C+ 74% - 77.99%	D 60% - 65.99%
A 94% - 97.99%	B 82% - 85.99%	C 70% - 73.99%	F 0 - 59.99%
A- 90% - 93.99%	B- 78% - 81.99%	C- 66% - 69.99%	

**Homework assignments.** These are designed to reinforce the concepts presented in the chapters and/or in class and is graded. You may use your book and class notes to answer the questions and are permitted to collaborate with your classmates. You will upload your own solution in Canvas by Tuesday at 1:00 before the following lecture (e.g., week 1's homework assignment is due before class on week 2). Late assignments will not be accepted.

**Class participation.** Students are expected to attend and participate in all class sessions. You will be asked to work multiple-choice questions and short exercises throughout the lecture, which will be collected and graded. Contact the instructor as soon as possible if you need to miss class due to illness or other valid reason.

**Quizzes.** Quizzes will be administered on Canvas. Each weekly quiz will be available by Wednesday at 9:00 am and must be completed by 11:59 on Sunday night. Students are encouraged to complete the quiz well before the deadline in case unexpected events that may occur. Late quizzes will not be accepted. Quizzes times vary between 60-75 minutes. All quizzes are closed book (except for the formula sheet provided by the instructor in Canvas). Students are permitted to use a calculator or excel. Each quiz contains between 10-15 questions, and the format is multiple choice and short answer. Students will be required to submit the calculations supporting their answers (as an upload).

Students may not discuss the quiz material and may not share solution files with other students while the quiz is still open. These activities are in violation of the UC Davis Code of Academic Conduct. Violations for all parties involved will be reported to the Academic Director of the program and the UC Davis Office of Judicial Affairs.

**In-class final exam.** This will occur during finals week and is cumulative. Any material covered in class, in any assignments, or suggested textbook problems may appear on the exams. Exams will contain multiple choice and open answer questions. Open answer questions require calculations and/or accounting entries, and partial credit may be given.

## V. Weekly Agenda (subject to change)

### Important Notes:

- In textbook, ignore any text references to journal entries, t-accounts, debits and credits. Journal entries, t-accounts, debits and credits will not be used in this course; instead, we will use the FSET to record transactions.
- The practice problems are useful to work through before attempting the homework assignment. The solutions to the practice problems are on Canvas.
- Unless otherwise indicated, the practice problems and homework assignment problems are provided at the end of each chapter in the textbook where they are preceded by a letter (Q, M, E, P or C).

### Week 1: Introduction (Oct 1)

- Pre lecture reading: Chapter 1, Appendix 1A, and Ch 2 LO 2-1, 2-2, and 2-3 only
- Practice problems: 1-37, 1-41, 1-44.
- Post lecture homework assignment: 1-29, 1-38, 1-42.

### Week 2: Financial Statements (Oct 8)

- Pre lecture reading: Ch 2 excluding LO2-6
- Practice problems: 2-26; 2-47; 2-57 Part a; 2-67 Parts a, b, and e.
- Post lecture homework assignment: 2-62 Part a and extend 2-62 to prepare a balance sheet at June 30.

*Note on 2-62: The balance sheet is prepared from the FSET. The various asset, liability and equity accounts are listed as separate columns in the FSET. The income statement is also prepared from the FSET. The right most numerical column (i.e., "Net Income") shows the effect of the transactions on the income statement; use that, along with the adjoining description to prepare the statement.*

- Post class quiz: Week 1 material, including review of homework in week 2

### Week 3: Financial Statements, Continued (Oct 15)

- Pre lecture reading: Ch 2 LO2-5 & Ch 3 excluding both the subsection titled "Preparing an Adjusted Trial Balance" and LO3-4
- Practice problems: 3-29.

*Note on 3-29: We don't use t-accounts in our course. Thus, in place of the two t-accounts in the problem, use the following verbiage: The balance in the Inventories account is as follows: December 31, 2018 is \$20,673,219 and December 31, 2019 is \$23,340,421. The balance in the Accounts Payable account is as follows: December 31, 2018 is \$23,694,308 and December 31, 2019 is \$22,670,239*

- Post lecture homework assignment:
  - 3-51 a & b, plus prepare three financial statements (Balance Sheet at April 30, Income Statement for month of April, and Statement of Stockholders' Equity for the month of April).
  - 3-34 a, b & c.

*Note: We don't use t-accounts in our course. Thus, in place of the two t-accounts in the problem, use the following verbiage:*

- *The balance in the Inventories account is as follows: December 31, 2019 is \$20,497 and December 31, 2020 is \$23,795.*
- *The balance in the Accounts Payable account is as of December 31, 2019 is \$47,183 and December 31, 2020 is \$72,539.*

- 3-43 Parts a, b, and d.

*Note: We don't use t-accounts in our course. Thus, in place of the t-accounts in the problem, use the following verbiage:*

- *The balances at January 31 are as follows in the following Balance Sheet accounts: Supplies \$1,600, Prepaid Insurance \$1,148, Wages Payable \$1,000, Truck \$17,400, and Accumulated Depreciation on Truck \$5,220.*
- *The following have been recorded for the following Income Statement accounts for the month ending January 31: Supplies Expense \$1,920, Insurance Expense \$164, and Wages Expense \$6,400.*

- Post class quiz: Week 1-2 material, including review of homework through week 3

#### **Week 4: Financial Statements, Continued, and Revenue Recognition (Oct 22)**

- Pre lecture reading: Reread Ch 3 excluding both the subsection titled "Preparing an Adjusted Trial Balance" and LO3-4 & read Ch 6 through and including LO6-3
- Practice problems: 3-39, 3-44, 3-46, 6-15
  - *Note on 3-39: (3) "~~debit~~ increase to prepaid subscriptions", "~~credit~~ decrease to cash". (4) "~~debiting~~ increasing cash", "~~crediting~~ increasing contract liabilities".*
  - *Note on 3-44: Ignore the words "debit and "credit", and consider the balances as positive, normal balances in each of the accounts.*
- Post lecture homework assignment: Bubble Blasters Auto Spa, 6-49
- Post class quiz: Weeks 1-3 material, including review of homework through week 4

#### **Week 5: Revenue Recognition, Continued, and Receivables (Oct 29)**

- Pre lecture reading: Ch 6 beginning with LO6-4
- Practice problems: 6-29, 6-38, 6-43
- Post lecture homework assignment: 6-23, "ZoomZoom Motors" on Canvas
- Post class quiz: Weeks 1-4 material, including review of homework through week 5

## **Week 6: Inventory (Nov 5)**

- Pre lecture reading: Ch 7 and Appendix 7A
- Practice problems: 7-30, 7-33, 7-37
- Post lecture homework assignment: 7-29, “JamsRUs” on Canvas
- Post class quiz: Week 5 material, including review of homework in week 6

## **Week 7: Long-Term Assets (Nov 12)**

- Pre lecture reading: Ch 8
- Practice problems: 8-25, 8-33, 8-38
- Post lecture homework assignment: 8-32, 8-42, “The Flex Factory” on Canvas  
*Note on 8-42: use FSET for journal entries*
- Post class quiz: Week 6 material, including review of homework in week 7

## **Week 8: Liabilities (Nov 19)**

- Pre lecture reading: Ch 9 & Ch 10 LO10-1 only
- Practice problems: 9-52, 9-54 Part b, 9-56 Part b, 9-72, 10-15 (Present value of lease payments is \$136,777)
- Post lecture homework assignment: 9-44 Parts a and b, 9-70
- Post class quiz: Week 7 material, including review of homework in week 8

## **Week 9: Cash Flows (Nov 26)**

- Pre lecture reading: Ch 4
- Practice problems: 4-23, 4-28, 4-36, 4-39, 4-41, 4-42, 4-43
- Post lecture homework assignment: 4-26, 4-29, 4-30
- Post class quiz: Week 8 material, including review of homework in week 9

## **Week 10: (Dec 3)**

- Pre lecture reading: Ch 5
- Post lecture homework assignment: 5-15, 5-16, 5-36, 5-37
- Practice problems: 5-19, 5-20, 5-38, 5-39
- Post class quiz: Week 9 material, including review of homework in week 10

## **Week 11: Final Exam (Dec 10)**