



UNIVERSITY OF ILLINOIS AT CHICAGO
College of Business Administration
Accounting 500: Introduction to Financial Accounting
Fall 2008

Instructor: Peggy Weber CPA (inactive), MBA, Ph.D.
Office: 2325 University Hall
Telephone: 312-996-0727
Office Hours: TBD and by appointment
Email: pegweb@uic.edu

Course Title: Introduction to Financial Accounting
Number (Code): ACTG 500 (27829, 10176)
Times and Location: M 3:00 – 3:45, M 6:00 – 9:00, Room 1 Lecture Center C

Course Description and Objectives:

The course covers basic accounting concepts, practices and principles. The focus of the class is on accounting measurement, reporting and disclosure. The objective of this course is to provide managers with an awareness and understanding of accounting fundamentals. Uses and limitations of accounting data in decision-making will be stressed. The objectives of the class sessions are to develop the fundamentals of each topic; explore the implication of each topic through examples (problem-solving); and incorporate the topic into the framework of the accounting process and the financial statements.

After completing this course you should understand: the institutional framework for accounting, the roles played by accountants in society providing and ensuring the integrity of financial and other information, the accounting process, the purpose and use of financial statements, and how specific transactions impact the financial reports of a business.

Required Text:

Financial Accounting for MBAs, (abbreviated as EWHM) by Peter Easton, John Wild, Robert Halsey and Mary Lea McAnally, (3rd edition), Cambridge Business Publishers
In addition, there will be cases and problem sets, lecture notes and articles available on line

Course Requirements:

Preparation for Class

You should complete the assigned reading and problems before class. You should also review the case scheduled for the class meeting – be prepared to address questions on the case during class.

Graded Homework

A paper copy of each homework assignment is due no later than the end of the class on the date noted on the syllabus. To receive credit on an assignment your work and answers should be readily legible, and you should provide any relevant supporting work, clearly indicating your final solution. Graded homework should reflect your individual effort. Consultation with other students, solutions manuals or other resources (including notes/answers from previous registration in this course) in completing these assignments is strictly prohibited and will be treated as an honor code violation.

Cooperative Homework

Each participant in the course will choose or be assigned to a homework group. The group will be responsible for completing the cooperative homework by the date indicated on the course schedule. Each group will be provided with a private discussion forum on Blackboard to facilitate communication among

its members. Groups will be called on in class to discuss and/or solve homework problems. Participation in the group forum will count towards your class participation grade.

Participation

You must make substantive contributions to in-class, group and class-wide Blackboard discussions to earn your participation grade. A substantive contribution is a new observation by you that adds to our understanding of the material. It is not a simplistic expression of agreement or disagreement with others' comments, nor is it a simplistic regurgitation of textbook/reading material.

Exams

There is one in-class mid-term exam and one final exam that will be administered on the dates indicated on the schedule. No make-up exams will be given. If there are extraordinary circumstances beyond your control that prevent you from taking an exam you must notify me by phone or Email no later than the day of the exam.

To miss an exam without penalty, you must meet the following conditions:

1. You must have an acceptable and verifiable reason. Acceptable reasons for missing an exam include serious illness (i.e. illness requiring medical attention) or a death in the immediate family.
2. Valid and acceptable documentation supporting the reason should be provided, preferably before the scheduled exam.

If you are excused from an exam the weight on your other exam will be increased accordingly. An unauthorized absence from an exam will result in a grade of zero for the exam.

Course Questions

Questions pertaining to the course should be posted on our Blackboard discussion forum. You can get to this forum from the Communication tab of the course Blackboard website and is titled "Discussion Board." Posting questions here allows everyone to benefit from the answer. If you have a question, most likely, someone else is thinking the same thing. Anyone submitting questions via email will likely be directed to resubmit the question here for answering. Also, do not hesitate to answer questions posed by your peers if you know the answers. This not only expedites the process, but it also counts towards your participation grade. Please bear in mind that whatever is posted in this forum can be seen by everyone in the course. Questions of a personal nature should be emailed to me.

Grading

Currently, there are 5 homework assignments and two exams scheduled for Actg. 500, a midterm exam on the 8th session and a final during exam week. The problem sets should be submitted on time and will be graded. I determine course grades by allocating 25% of the total grade to class participation and problem sets (5% to the participation grade and 20% for problem sets) and the remaining 75% to the exams. I will allocate the 75% between your two exams using method A or B below, whichever method gives you the highest score. These methods are as follows:

Method A:	35% to Midterm	40% to Final
Method B:	30% to Midterm	45% to Final

Both exams will be open-book exams and both will be timed (probably 2 hours for each).

Grading disputes

To request a re-grade on an assignment or exam, please submit the original assignment or exam (with no modifications) and a written description of your disagreement with the grading. All grading disputes must

be appealed in writing within one calendar week following the return of the assignment or exam. I reserve the right to review the entire assignment or exam.

Communication and Electronic Resources

In the event I need to communicate with the entire class prior to a class meeting, I will post an announcement on Blackboard or send an email using your UIC email address. Please check the course page on Blackboard and your email at least once a day for announcements. You should also access the Blackboard website regularly to check for syllabus updates, assignments, and other course materials.

The FASB website contains the accounting pronouncements that form the basis for the much of the course material as well as up to date guidance currently under development or review. You may find it useful to access this website during the course of the semester: www.fasb.org

You will need to look up financial statements for the cases assigned throughout the course. Financial statements of publicly held corporations can be accessed through the SEC EDGAR database at: <http://www.sec.gov/edgar/searchedgar/webusers.htm>

Honor Code

This course and its associated coursework are being administered under the University of Illinois at Chicago Guidelines Regarding Academic Integrity available at the following link:

<http://www.uic.edu/ucatalog/GR.shtml#qa>

All students are expected to respect and uphold these guidelines. Violations of the guidelines are just causes for discipline under the University of Illinois at Chicago Student Disciplinary Procedure, and all allegations of violations shall be handled pursuant to that Procedure.

Classroom Etiquette

Please make every possible effort to get to class on time. Late arrivals are disruptive to and show disrespect to those who are on time. If you are unavoidably detained please be as quiet as possible and do not walk across the front of the classroom. Once class has started you are expected to remain in the classroom until the end of our meeting time. Leaving and re-entering the room should be strictly limited to emergencies. Please do not conduct side conversations during class time. Cell phones, pagers, PDAs and laptops should be turned off and stowed during class.

Class Schedule

What follows is a tentative class calendar. I call it tentative, as I reserve the right to change what we cover based on how efficiently we are progressing.

CLASS SCHEDULE

Date	Topic	Reading Assignments	Discussion Case	Collaborative Homework	Graded Homework
25-Aug	Course Introduction; Institutional Environment for Financial Reporting	Text: 1-1 to 1-15, Appendix 1B; The Fall of Enron*	Enron		
8-Sep	Financial Statements, Articulation and Transaction Analysis	Text: Module 2 Including Appendix 2A, 1-16 to 1-20; MK lecture notes 2	Tasty Baking (12/29/07)	E 1-28, 30; P 1-36; E 2-27, 29; C 2-48	
15-Sep	Transaction Analysis continued; Constructing Financial Statements	Text: Module 3	Tasty Baking continued	E 3-26, 30, 31, 33; P 3-47, 48	
22-Sep	Reporting Income: Revenue and Expense Recognition; Deferred Revenues, Prepaid Expenses and Accrued Liabilities	Text: Module 5, 8-1 to 8-9; SEC's Report Pursuant to Section 704 of the Sarbanes-Oxley Act of 2002**; Bally Complaint***	IAC (12/31/07); Bally Total Fitness Holding Corp. (12/31/04 filing dated 11/30/05)	E 5-23, 24, 26, 27; P 5-35; E 8- 23, 25, 26	HW 1 due
29-Sep	Revenue Recognition: Accounts Receivable	Text: 6-1 to 6-12	Molson Coors Brewing (12/30/07)	E 6-22, 23, 24; P6-40	
6-Oct	Expense Recognition: Inventories	Text: 6-13 to 6-25 Ghost Goods****	Molson Coors Brewing (12/30/07)	E 6-27, 29, 30; P6-41	
13-Oct	Catch up & Review				HW 2 due
20-Oct	Mid-Term Exam				

Date	Topic	Reading Assignments	Discussion Case	Collaborative Homework	Graded Homework
27-Oct	Long-lived Operating Assets: PP&E and Intangibles	Text: 6-26 to 6-35, 7-18 to 7-23 Research and Development Expenses*****	Southwest Airlines Co. (12/31/07) The Walt Disney Company (9/29/07)	E 6-31,32; P 6-43; E 7-34,35	
3-Nov	Accounting for Debt and Leases: Present Value	Text: 8-10 to 8-3	Rohm and Haas Co. (12/31/07) Archer Daniels Midland Co. (6/30/07)	E 8-27, 32, 33; P 8-37, 38	HW 3 due
10-Nov	Accounting for Debt and Leases, continued	Text: 10-1 to 10-11	American Airlines, Inc. (12/31/07) Boeing Capital Corp. (12/31/07)	E 10-20, 21; P 10-29 (a through e)	
17-Nov	Accounting for Owner Financing	Text: Module 9	Thornburg Mortgage Inc. (12/31/07)	E 9-34,36, 37, 45	HW 4 due
24-Nov	Accounting for Owner Financing, continued		Baxter International (12/31/07)	P 9-53, 54	
1-Dec	Catch up & Review				HW 5 due
8-Dec	Final Exam				

* <http://www-personal.umich.edu/~kathrynd/JEP.FallofEnron.pdf>

** <http://www.sec.gov/news/studies/sox704report.pdf>

*** <http://www.sec.gov/litigation/complaints/2008/comp20470.pdf>

**** <http://www.aicpa.org/PUBS/jofa/jun2001/wells.htm>

***** <http://pages.stern.nyu.edu/~adamodar/pdfiles/papers/R&D.pdf>