

COURSE SYLLABUS
ACC 312 – INTERMEDIATE FINANCIAL ACCOUNTING
FALL 2008

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Class time: Section 312 001 Tuesday and Thursday 8:30 – 10:00AM
Classroom: 1427 MH

About this Course

This course is designed to help students develop an in-depth understanding of financial accounting and reporting. For each topic covered in the course, we first describe the underlying business transactions and go through the technical details of Generally Accepted Accounting Principles (GAAP). After doing this, we then see how these transactions are reported in the financial statements. Aside from learning the accounting rules, we will also discuss why management, analysts and investors care about accounting. In addition, we will spend time talking about management's incentives and how their incentives can influence the decisions and estimates they make when reporting their financial results.

There are two key goals in this course. The first goal is to learn how the numbers reported in the financial statements are produced. This requires you to learn the details of accounting. The second goal is to learn how to interpret the numbers being reported in the financial statements. This requires you to be able to "back out" the journal entries that management made to report the numbers in the financial statements. After doing this, you will be better equipped to address whether there are any distortions in the financial statements, and if so, how to remove these distortions.

To give you some perspective of how this course fits into the Accounting Course sequence, the classes can be described as follows. Introductory Accounting teaches you the basic accounting for each of the items on the balance sheet and income statement. Intermediate Accounting expands your knowledge so that you can understand the footnotes to the financial statements. It also focuses on actual financial statements and helps you learn the latitude management has in producing the numbers reported in the financial statements. The third course in the accounting sequence is Financial Statement Analysis (ACC318) where you use your understanding of the financial statements and the footnotes along with other information (plus what you have learned in finance/corporate strategy/marketing) to compare and value firms.

International Accounting Standards

As your text states, "Accounting is going global." The Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB) are working on a convergence project to yield one set of high-quality accounting standards. As this process proceeds and if the U.S. eventually adopts the IFRS there will be some areas of our financial reporting system that will be changed significantly. Throughout the course, we will discuss the international accounting standard treatment of the various topics, especially where the changes relative to U.S. Generally Accepted Accounting Principles (GAAP) will be the most substantial.

Trading Room

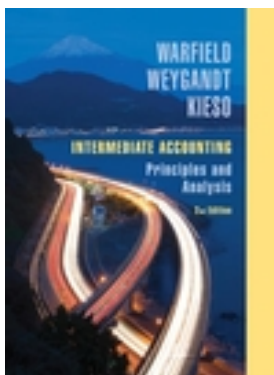
Throughout the course we will discuss how financial information is used and interpreted by investors in the stock market. To bring this aspect of the use of accounting information more to life, we will have one class session where we use the **Financial Trading System**. In this session, you will have to make “buy” and “sell” decisions based on a limited set of information. This session will deepen your understanding of how investors with diverse beliefs about a company determine its stock price.

Required Course Text and Materials

Required Text

"Intermediate Accounting: Principles and Analysis" second edition, Kieso, Weygant and Warfield.

NOTE: You must have access to Wiley Plus, an online learning tool. It is available with the new edition of the text from the bookstore, or can be purchased with the online edition. **See the related document on CTools for more information.**



Course Materials

Contains additional readings for the class

The Course Materials are online in CTools
(in other words they are available to you
for free!!)

Class Notes

I plan on providing lecture notes on CTools prior to each class. It is your responsibility to download and/or print the lecture notes prior to class if you would like to have them during class to follow along.

Preparation for Class

You should read the chapters in the text that we are covering prior to the class as well as any related materials posted on CTools. I will assume you have read the required materials prior to class. In addition, on most days you be required to complete an online problem set via Wiley Plus. These will generally be introductory level problems to aid your preparation for class. Please note, however, that I will not necessarily cover all the material in each chapter during class due to time constraints.

Course Grading

	<u>Due Date</u>	<u>Assigned Weight</u>	
Online problem sets	Throughout	10%	
Assignment 1	09/11/08	5%	Review of debits/credits
Assignment 2	10/02/08	10%	Revenue, Receivables, Inventories
Midterm Exam #1, in class	10/14/08	30%	
Assignment 3	11/20/08	15%	Bonds, Leases, Taxes, Pensions
Midterm Exam #2, in class	12/09/08	30%	
Total Score		<u>100%</u>	

Online Problem Sets

WileyPlus is an online resource with text material and problems. Before we begin each chapter in class, you should read the chapter and you are **REQUIRED** to complete a problem set to be submitted online prior to the beginning of the class in which the chapter is covered. These will usually be short problem sets with multiple choice questions. There will be 15 online problem sets. 10% of your grade will be allocated to these problem sets. Your top 10 of 15 scores will be counted. You may work in groups on these assignments—**HOWEVER**, as a warning, some of the problem sets may be individually customized so everybody's answers may be different, so don't just copy somebody else's answers—think and learn!

Assignments

Assignment 1 is a review of the material covered in ACC271 and must be done **INDIVIDUALLY**. Assignments 2 and 3 consist of financial statement cases based on some of the key issues covered in the particular section of the course. Assignments 2 and 3 should serve as partial review for the exams and may be done in groups. However, to attenuate the “free rider” problem, groups should be limited in size to **four** students. All group members will receive the same grade. The points will be awarded mainly for effort put into the assignment and evidence of clear, logical thinking. Thus, be sure to show your work and reasoning. The due dates for the assignments are listed in the course outline below. The assignments are due at the start of the class on the due date. Late assignments will not be accepted and will receive a zero grade.

Exams

There are two midterm exams. Each midterm will be taken during class on the dates outlined in the course schedule. Each exam will consist of a number of short problems and cases that are variations on the concepts and examples worked in class and in the assignments. Therefore, class attendance and understanding of the homework problems are the most important and easiest ways to master the material and prepare for the exams. Medical emergencies, family emergencies and religious holidays are the only valid reasons that will be accepted for missing and rescheduling an exam or assignment. Please provide me with supporting written documentation (e.g., a signed note from medical personnel) should this scenario arise. Without a valid reason for missing an exam or assignment, you will be given a zero for a score.

Classroom Approach and Participation

The best way to learn is through numerous examples. Therefore, we will solve many interesting examples and short problems in class and review financial disclosures. Your questions are welcome at any time. I will ask questions and get your input during class and, on occasion, I will “*cold call*”. I would like you to interact in the class. This helps me understand where you are having difficulty following the material, and it also makes the class more interesting for everyone. I do not allocate any portion of the grade to class participation but the more engaged and active you are in the course, the better your understanding and performance will likely be.

Study Approach for the Class

It is important that you keep up with the material in this class. I strongly recommend that you read the assigned materials before coming to class. After class, go through the lecture notes and see what has been emphasized and reread the assigned material if you did not understand something. Do the assigned online problem sets and as many additional problems as you have time to do. I cannot overemphasize how much practicing problems will help you in this course.

Email, Office Hours and Appointments

A convenient way of having specific questions answered is to email me. I will try to respond to your email within 24 hours. If a particular question is asked by several students, I will post an announcement about it on CTools.

My office hours will be on Thursday from 2:30 PM – 4:30 PM. You are encouraged to visit me during office hours to review topics you are having difficulty with or discuss issues in which you have particular interest. If you have class during office hours, you can schedule an appointment. Please email me if you need to schedule such an appointment. I may have to revise my office hours during the semester. If I do I will post the change on CTools and/or announce it in class.

Course Outline

On the following pages is the tentative course outline. I may revise the outline as the course progresses. If I do change this outline, I will notify the class both through CTools and during class.

Additional Readings and Cases

Any additional readings and cases will be posted on CTools prior to class.

Ross School Community Honor Code

This course will be conducted in strict conformity with the Academic Honor Code. The Code and related procedures can be found at

<http://www.bus.umich.edu/Academics/Resources/communityvalues.htm>. You are responsible for knowing this information.

Services for Students with Disabilities

If you think you need an accommodation for a disability, please let me know as soon as possible. Some aspects of the course, the assignments, the in-class activities, the exams, and the method of instruction may be modified to facilitate your participation and progress. As soon as you make me aware of your needs, I can work with the Office of Services for Students with Disabilities to help us determine appropriate accommodations. The information you provide will be treated as private and confidential.

ACCOUNTING 312 FALL 2008 TENTATIVE SCHEDULE

Week	Date	Class	Assigned Materials	Topic	Assignment/Problem Set
1	09/02/08	1	Ch. 1 & 2	Introduction and institutional setting	
	09/04/08	2	Ch. 3 & Ch. 4	The accounting information system Balance Sheet	
2	09/09/08	3	Ch. 5	Income Statement	-Problem Set 1 (Due Before Class) -Problem Set 2 (Due Before Class)
	09/11/08	4	Ch. 6	Statement of Cash Flows and Ratio Analysis	-Problem Set 3 (Due Before Class) -Assignment #1 due
3	09/16/08	5	Ch. 7	Revenue Recognition	-Problem Set 4 (Due Before Class)
	09/18/08	6	Ch. 7	Revenue Recognition	
4	09/23/08	7	Ch. 8	Cash and receivables	-Problem Set 5 (Due Before Class)
	09/25/08	8	Ch. 9	Accounting for Inventories	-Problem Set 6 (Due Before Class)
5	09/30/08	9	Ch. 9	Accounting for Inventories	
	10/02/08	10	Ch. 10	Accounting for Property, Plant and Equipment	-Problem Set 7 (Due Before Class) -Assignment #2 due
6	10/07/08	11	Ch. 11	Intangible Assets	-Problem Set 8 (Due Before Class)
	10/09/08	12		Review and Catch Up	
7	10/14/08	13		Mid-term Exam #1	
	10/16/08	14	Ch. 12 Appendix A Appendix C	Accounting for Liabilities Time Value of Money	-Problem Set 9 (Due Before Class)

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Week	Date	Class	Assigned Materials	Topic	Assignment/Problem Set
8	10/21/08			<i>NO CLASS – FALL BREAK</i>	
	10/23/08	15	Ch. 12 Appendix A Appendix C	Accounting for Liabilities Time Value of Money	
9	10/28/08	16	Ch. 17	Accounting for Leases	-Problem Set 10 (Due Before Class)
	10/30/08	17	Ch. 17	Accounting for Leases	
10	11/04/08	18	Ch. 15	Accounting for Income Taxes	-Problem Set 11(Due Before Class)
	11/06/08	19	Ch. 15	Accounting for Income Taxes	
11	11/11/08	20	Ch. 16	Accounting for Compensation	-Problem Set 12 (Due Before Class)
	11/13/08	21	Ch. 16	Accounting for Compensation	
12	11/18/08	22	Ch. 13	Shareholders' Equity	-Problem Set 13 (Due Before Class)
	11/20/08	23	Ch. 18 pp. 959-974	Shareholders' Equity Computing EPS	-Problem Set 14 (Due Before Class) - Assignment #3 Due
13	11/25/08		Ch. 14	Investments	-Problem Set 15 (Due Before Class)
	11/27/08	24		<i>NO CLASS – THANKSGIVING</i>	
14	12/02/08	25		Information and Price Formation in capital markets [Instructional Lab]	
	12/04/08	26		Review and Catch Up	
15	12/09/08	27		Mid-term Exam #2	