

Accounting 603
Introduction to Financial Accounting

The Wharton School
Pre-Term 2010

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Course Overview

This course is designed to provide a basic introduction to financial accounting with the goal of preparing you for the full semester course ACCT620. The course is intended for students with no previous exposure to financial accounting. We will cover the balance sheet and the income statement, focusing on the definition and measurement of assets, liabilities, stockholder's equity, revenues, and expenses. The course will also introduce you to the fundamentals of bookkeeping, including debits and credits, journal entries, and T-accounts. Finally, we will go through an entire accounting cycle, starting with recording simple transactions and ending with financial statement preparation.

Course Materials

WebCafé: All requisite course materials are available through the course webCafé:
<https://webcafe.wharton.upenn.edu/eRoom/acct/603-fa10-1>

Log in to the course webcafé with your Wharton username and password. This site includes course information, important announcements, lecture slides, problem sets, and cases. Solutions will also be posted here after class.

Textbook (required): Financial Accounting by Dyckman and Pfeiffer (Cambridge Business Publishers, 2010, 3rd edition). This textbook will also be used in ACCT620. The relevant pages for each class are noted on the last page of the syllabus.

Textbook (optional): Essentials of Accounting, by Robert N. Anthony and Leslie K. Breitner (Prentice Hall, 2009, 10th edition). This is an excellent self-study text if you need more practice.

Lecture Slides: Much of the class time will consist of *interactive* lectures with small exercises that we will discuss in class. You should print or download the lecture slides prior to class and read through them.

Cases: We will work through two “cases” during the course, which are available on the webCafé. You are strongly encouraged to attempt to work these cases prior to class.

Self-Assessment Exam: On the last day of class, we will work through the self-assessment exam, which is available on the webCafé. However, you are strongly encouraged to attempt to work this exam prior to class in order to gauge your understanding of the material.

Classroom environment

Preparation for class: Financial accounting is a “learn by doing” subject. You will not learn any of this material by simply listening to me lecture. You must work through the problems and cases yourself to fully comprehend the material. As mentioned earlier, classes will be a combination of interactive lectures, which include small exercises, and working through the cases. I expect that you will be prepared for class. I encourage you to work with other students in preparing for class and to review the material posted *after* each class. Laptops are permitted in class; please make sure they are fully charged because outlets will be limited.

The Battle of the Cohorts: To encourage preparation and participation, we are going to have a competition. During class, we will periodically divide into cohort groups to solve problems and I will give points for correct answers. The cohort with the most points at the end of the course wins! Here are prior years’ winners:

	Section 001	Section 002	Section 003
2009	Cohort L	Cohort J	Cohort H
2008	Cohort I	Cohort D	Cohort B
2007	Cohort L	Cohort G	Cohort E
2006	Cohort I	Cohort D	Cohort B

Here are the rules:

- I will only give points for exercises or case sections that part of the competition. Any questions or answers during other parts of the class will not be scored for the competition.
- When we get to a BOC section, I will ask each cohort to split into three groups of any size
 - Each group will get a set of questions to solve together in a specific amount of time
 - Groups cannot work with other groups to solve their problems
 - However, the groups may be changed each time we break for the BOC
 - When the time is up, the groups will submit written answers
- To better maximize the time available to solve the problems, I suggest the following
 - The cohort groups sit near each other in the classroom
 - You try to answer the questions in preparing for class (when possible)
- I will award full or partial points for each answer and accumulate the points through the entire course. The cohort with the most points at the end of the last day wins.
- I have sole authority to make rulings on correct answers and to modify rules during the course of the competition. All decisions are final and not subject to appeal.

Office Hours: By appointment. E-mail is the best way to contact me and to schedule office visits.

Accounting 603
Schedule of Topics and Readings

Sources:

DP: Dyckman and Pfeiffer

Web: WebCafé

Date	Topic and Materials
Aug 10	Introduction DP: Chapter 1 Web: Lecture1.ppt
Aug 12	Balance Sheet and Bookkeeping DP: Chapter 2, pp. 39-49, pp. 56-66 Web: Lecture2.ppt, Summary of Key Accounts.ppt
Aug 14	Income Statement and Accrual Accounting DP: Chapter 2, pp. 49-55 Web: Lecture3.ppt, Summary of Key Accounts.ppt Web: : Case #1: Pathfinder GPS, Questions 1 - 4
Aug 17	Adjusting Entries DP: Chapter 3, pp. 95-112 Web: Lecture4.ppt, Summary of Key Accounts.ppt Web: Case #1: Pathfinder GPS, Question 5
Aug 19	Financial Statements and Correcting Entries DP: Chapter 3, pp. 112-120 Web: Lecture5.ppt, Summary of Key Accounts.ppt Web: Case #1: Pathfinder GPS, Questions 6 - 7 Web: Case #2: Viking Pottery
Aug 24	Comprehensive Review Web: Lecture6.ppt, Summary of Key Accounts.ppt Web: Self-Assessment Exam