

**Pre-Term Financial Accounting  
ACCOUNTING 604  
Syllabus, Summer 2010**

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**Required Course Material:**

Bulk packet of class notes and readings, 2010 edition. (BP)  
This is available through Wharton Reprographics and online on WebCafe.

**Recommended Textbooks:**

Dyckman, Magee and Pfeiffer, Financial Accounting, Cambridge Business Publishers, 2011 edition (third edition). This book is available at the bookstore. (DMP)

**Course Website:**

The web site for this course on WebCafe is:

<https://webcafe.wharton.upenn.edu/eRoom/acct/604-fa10-1>

**Course Structure:**

This course is aimed at students with some prior knowledge of:

- (1) keeping track of economic transactions in the accounting records (i.e., bookkeeping);
- (2) basic financial statements which summarize a firm's economic transactions (i.e., the balance sheet, the income statement and the statement of cash flows), and
- (3) fundamental concepts needed to prepare or understand published financial statements (e.g., use of accrual accounting).

Exploiting your prior knowledge, the course aims to prepare students for the half-semester core course in financial accounting, ACCT 621.

**Preparation for class:**

Students should come to class having done the assigned reading and having worked the assigned problems. Classes will employ a lecture and discussion format with questions strongly encouraged.

**Summary of Class Schedule:** (see notes below)

<b>Class Dates</b>	<b>Topics</b>	<b>Related Readings</b>	<b>Problems</b>
Mon. 8/9	L1: Elements of Financial Statements	(BP) p. 1-62 (DMP) Ch. 1 and 2	(BP) PP #2.1, #2.2, #3.1 to #3.6  (DMP) E1-27/28, E1-32, P1-35, P1-37, M2-22, M2-25, M2-29, E2-37, E2-41, E2-45, P2-57
Wed. 8/11	L2: Accounting Process	(DMP) Ch. 3	(DMP) E2-39/40, P2-55, P2-66, M3-22, M3-25, M3-28, E3-35, E3-37/38, P3-42, P3-47, P3-52, C3-58
Fri. 8/13	L3: WorldCom Case & Statement of Cash Flows	(BP) p. 63-117 (DMP) Ch. 4	(BP) Case #1 WorldCom Inc., PP #4.1, #4.2  (DMP) M4-26, M4-29, E4-34, E4-36
Mon. 8/16	L4: Statement of Cash Flows & Interpretation of Financial Statements	(BP) p. 118-163	(BP) PP #4.3 to #4.5, Case #2 Lucent Technologies Inc.  (DMP) E4-37, E4-40, P4-44/45, P4-48
Wed. 8/18	L5: Sample Placement Exam Questions	(BP) Appendix B, p. 179-211	

Notes:

(BP) - refers to the Bulk Pack.

(DMP) - X-Y refers to problem Y in chapter X of the Dyckman, Magee and Pfeiffer textbook.

At the end of each section of the Bulk Pack there are practice problems. The solutions to the practice problems are given in Appendix A of the Bulk Pack (p. 164-178).

**Objectives of Elements of Financial Statements and Accounting Process Classes (L1/L2):**

Understand the definition and measurement of assets, liabilities, and owners' equity, revenues and expenses. Learn the difference between accrual accounting and the cash basis of accounting. Have an awareness of different revenue recognition methods. Understand the journal entries involved in revenue and expense recognition, including adjusting and closing entries. Learn how to prepare an income statement and balance sheet. Understand the relation between the balance sheet and income statements.

**Objectives of Statement of Cash Flows Classes (L3/L4):**

Understand the importance of cash and the difference between net income and operating cash flow. Understand the three sources and uses of cash. Learn how to prepare and read a statement of cash flows presented using the indirect method.

**Objectives of Sample Placement Exam Questions Class (L5):**

Prepare for Acct 621 Placement exam.

**ACCT 621 Placement Exam:**

Wednesday, August 25<sup>th</sup>, 7:00 to 9:00 pm (room to be announced).