

MGMT 541-001/CRN 40716 GSM 230 M W 4:00-5:15 pm
Financial Accounting II
Fall 2015 rev. August 9, 2015

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Office Hours: MW, 3:00-3:50 pm, Sat. 8:00-8:50 am and by appointment.
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Required Texts: Intermediate Accounting by Spiceland, Sepe, and Nelson, 7th edition.
An electronic copy of the book is available on MH Connect.

Course Objectives:

This course builds on the material covered in the introductory financial accounting class and Financial I. In particular, in conjunction with the mandatory pre-requisite of Financial I (MGMT 540), it is designed to enable you to understand the underlying concepts, principles and rules that guide the preparation of a complete set of financial statements for external users. The objectives of the course are as follows:

1. To be able to read critically and understand the information presented in the various financial statements and how this information is supplemented by the various notes to the annual report.
- 2a. To learn the existing US GAAP requirements in various areas listed in the syllabus. This includes the preparation of appropriate journal entries, financial statements and disclosures. It also includes communicating these requirements to others in writing.
- 2b. To connect various economic transactions to their affect upon the financial statements. In other words, how to prepare the journal entries required to record various transactions which affect the financial statements. This will provide a basic introduction to the significance of financial accounting in corporate decision-making.
3. To enhance awareness of some of the differences between US GAAP and IFRS.
4. To enhance awareness that accounting is constructed by various groups including the SEC, FASB and the IASB. The student will be introduced to some of the controversies in accounting standard-setting and will gain an appreciation that accounting is but one way of constructing a representation of the economic world.

Note: The term “LMS” (learning management system) when used in this syllabus refers to UNM’s Bb Learn, available at learn.unm.edu

What you can expect:

This is a “nuts and bolts” course. Accounting classes require the development of particular skills. As in sports or music, much practice will be required for you to learn these skills thoroughly. **The more exercises and problems that you work, the more comfortable you will be with the material.** To succeed, you must carefully read each chapter (**often more than once**) and work (**at the bare minimum**) all assigned problems and exercises (**again more than once**). Also, there are several resources on the LMS as well as a link to resources provided by the publisher. Absorbing the material and working problems will require a significant time commitment from you, one that often exceeds 10 hours of work per week **outside of class time** in addition to studying for exams. The exercises and problems that have been assigned are the minimum work expected to successfully complete the course.

It is difficult to “cram” this material and not get confused on exams. I recommend that you work consistently on the material as it is assigned rather than waiting to do all the work around exam time. You should make every effort to have completed (or at least tried to complete) the assigned work for each class period. Classes will be a combination of lecture, discussion, problem solving of representative problem types and question and answers.

Because we lack the time to go over every assigned problem in class, I will place the answers to the homework material on the learning management system (LMS), currently Bb Learn. I do not recommend that you merely download these solutions. They are intended as a means for you to check your homework not as a substitute for “grunting” through the hard work of learning this material.

Course Grade:

Grades will be determined based on three midterm exams, in-class quizzes, and a final (weighted as shown below). The dates of the exams and in-class quizzes are noted on the course schedule. An exam grade of zero will be assigned to anyone who misses an exam without previously contacting me. In addition, there will be no make-ups for missed exams for which you have contacted me earlier with a valid, verifiable excuse for missing it. However, I will allow people to take the exam early when necessary (and within a reasonable time frame). In the case of a missed midterm with a valid and verifiable excuse, the weight will be reassigned to the final examination. If you find yourself in this situation, it is your responsibility to remind the instructor to so weight the final (email would be fine). Please note the expected date/time of the final on the schedule: it will occur in accordance with University scheduling and cannot be changed. Plan accordingly.

Weighting of the Grade:

| | |
|--|------------|
| Quizzes (5 @ 10 points each; 6 given) | 50 |
| Writing-assignment exercises (4 @ 5 points each; 5 given) | 20 |
| 3 Exams at 100 each | 300 |
| Final | <u>115</u> |
| Total | 485 |

In-Class Quizzes: Because you will be permitted to drop your lowest in-class quiz score, no makeup quizzes will be provided. The quiz grades will be calculated using a straight scale.

Writing assignments/exercises (WAEs): The ability to solve problems and communicate clearly are important skills. To provide you with practice in solving problems and writing about accounting, you will be given a brief problem including a writing component that will be available on the LMS. You will work the problem and answer the question(s) posed and turn it in hard copy. You must do it in Excel—no handwritten answers. Neither late, nor electronic submissions will be accepted. Improving writing is a matter of practice. Consequently, our concern is that you complete these exercises and produce something a supervisor or colleague would find useful (even with some editing). So please make sure your submission is intelligible, factually correct, and easy to follow.

Challenges to the Grading: Must be made in writing within one week from when the exam or other item is returned in class. The one week begins to run from when the exam or other item is distributed to the class, even if you are absent. Please indicate in writing on the front page of your exam (or other item) what you are challenging, and for issues other than adding up points, why your response is correct and submit to your instructor. Because exams and other items are graded as a whole, the entire submission is subject to re-grade.

If you believe your final grade is in error, say so as soon as possible after the grade is posted. We want you to receive the correct grade and we strive to treat all equally and fairly! Waiting to raise a challenge well into the next semester impedes our ability to change an incorrect grade.

Please hang on to all your tests, quizzes, writing assignments/exercises; if there is a question later about a grade received, you will need them.

Other Matters:

1. You may not change the status of the course to audit and incompletes will be assigned only if you have completed all the work and are unable to take the final and have a valid, verifiable excuse. All students must take 3 out of the 4 exams (including the final) to pass the class. Grades will be assigned at the completion of the course and will reference a normal distribution. UNM uses fractionated grading; more explanation of UNM [grading procedures](#) is available. Additionally, please note the UNM policy that [no grade \(except a grade of Incomplete\) can be raised by completing extra work](#) or by taking a special examination (per section F of the Faculty Handbook - Faculty-Student Relations; Change of Grades).

2. Only four function calculators may be used on exams. No cellphones, no PDAs, no programmable calculators.

3. If you are a qualified person with disabilities who might need appropriate academic adjustments, please communicate with me as soon as possible so that we may make appropriate arrangements to meet your needs in a timely manner. Frequently, we will need to coordinate accommodating activities with other offices on campus.

4. Anderson School of Management faculty, staff, and students commit to values of trust, honesty, and accountability. We will not tolerate academic dishonesty. Any violation of the Anderson Academic Honesty Code of Conduct or the Student Code of Conduct will be taken very seriously and appropriate sanctions will be applied. Violations include: plagiarism, exam misconduct, etc. Please refer to ASM Academic Honesty Code, <http://www.mgt.unm.edu/honesty>, the Catalog and the UNM Pathfinder for additional information , <http://pathfinder.unm.edu/common/policies/dishonesty-academic-matters.html>

5. You may want to follow the Accounting Department Twitter account at @unm_asm_acctg as a means of staying current in the field and learning about events and job information. Students will also have the opportunity to ask questions regarding the accounting industry, employer expectations, share their expertise, and celebrate achievements in the field. Following the Accounting Department is not mandatory and students who choose to interact via this forum should exercise the usual caution reserved for social media.

Inclement Weather Policy: On days when weather is bad, please listen to local media or check <http://www.unm.edu> to see if UNM will be operating on a delayed schedule or will be closed. A delay means that:

- classes and labs normally scheduled to begin and end before the time specified in the delay announcement will not be held;
- classes and labs normally scheduled to be in progress at the time specified in the delay announcement will begin at the delayed start time and end at their normally scheduled time; and
- classes and labs normally scheduled to begin at or after the time specified in the delay announcement will meet as usual.

A closure means that UNM will not be opened for the day, or will be closed before the end of the regular work day.

In the event of a delay or closure of UNM affecting our class, you will be notified through a LMS announcement on the class site and/or via e-mail to your UNM account of any rescheduling. For more information about UNM's inclement weather policy, see <http://policy.unm.edu/university-policies/3000/3435.html>

Class Schedule: On the following pages, you will find a listing of what we will do in the classes. This schedule is tentative and subject to adjustments. As a separate handout, I have provided the learning objectives (and associated problems) for each chapter we will cover this semester.

| Date | Chapter | Topic |
|-------|---------|--|
| 8/17 | 13 | Introduction and start working, read 13 (Current liabilities/contingencies) |
| 8/19 | 13 | Exercises and problems |
| 8/24 | 13,14 | Quiz 1 on 13 ; read 14, begin 14 (Bonds/long-term notes) |
| 8/26 | 14 | Exercises and problems |
| 8/31 | 14 | Finish up, WAE 1 on 14 due and Quiz 2 on 14 |
| 9/2 | 18 | Read 18 (Shareholders' equity), begin 18, exercises and problems |
| 9/7 | 18 | Exercises and problems |
| 9/9 | 18 | WAE 2 on 18 due ; finish exercises and problems |
| 9/14 | | EXAM 1 on 13, 14, & 18 |
| 9/16 | 15 | Read 15 (Leases) exercises and problems |
| 9/21 | 15 | Exercises and problems |
| 9/23 | 15 | Quiz 3 on 15 , exercises and problems |
| 9/28 | 16 | Read chapter 16 (Accounting for income taxes); begin exercises |
| 9/30 | 16 | Exercises and problems |
| 10/5 | 16 | WAE 3 on 16 due ; exercises and problems |
| 10/7 | | EXAM 2 on 15 & 16 |
| 10/12 | 17 | Read 17 (Pensions/other post-retirement benefits), begin exercises |
| 10/14 | 17 | Exercises and problems |
| 10/19 | 17 | Exercises and problems, Quiz 4 on 17 |
| 10/21 | 19 | Read 19 (Share-based compensation and EPS) including appendix B, begin exercises |
| 10/26 | 19 | Exercises and problems |
| 10/28 | 19 | WAE 4 on 19 due |
| 11/2 | | EXAM 3 on 17 & 19 |
| 11/4 | 20 | Read 20 (Accounting changes and error corrections), begin exercises |
| 11/9 | 20 | Exercises and problems |
| 11/11 | 20 | Exercises and problems Quiz 5 on 20 |
| 11/16 | 21 | Read chapter 21 (Statement of cash flows revisited), begin exercises |
| 11/18 | 21 | Exercises and problems |
| 11/23 | 21 | Quiz 6 on 21 ; exercises and problems |
| 11/30 | | WAE 5 on 21 due |
| 12/2 | | Review for final |
| 12/7 | | Final Exam per UNM Schedule including 20 & 21; 5:30-7:30 pm |