Financial Reporting I

ACCT IS 301/701

Fall 2011

Class Time and Location:	Lecture 2 – T/TH 2:30-3:45; 2190 Grainger
Instructor:	Kristen Fuhremann
Course Website:	http://courses.bus.wisc.edu/course/view.php?id=2308
Contact Information:	kfuhremann@bus.wisc.edu, 4171D, 262-0316
Office Hours:	M/W, 10:00 – 12:30; T/TH, 3:45-4:30 and by appointment

Prerequisite – Financial Reporting I (ACC IS 100)

Required Course Materials

Course Information

Course materials will be delivered electronically either via e-mail or on the Courses@Business website (http://courses.bus.wisc.edu/). There is a main course page for all AIS 301 sections with various information, however, please look to the **Section 2** sub-page for information specific to this section of the course.

Textbook

The textbook for the course is: Intermediate Accounting, 14th Edition, by Kieso, Weygandt, and Warfield. 2012. John Wiley & Sons, Inc., ISBN: 978-1-118-08830-2.

You will be required to complete and submit the assigned homework on-line through the WileyPLUS system, an online teaching aid linked to the textbook. In order to receive grades for the assigned homework you will need access to WileyPLUS.

Your purchase option for the textbook and WileyPLUS access are:

1. New copy of the textbook. If purchase new at the University Bookstore or the Underground Textbook Exchange, the required WileyPLUS access code is automatically included. The price of this option is approximately $225.
   Be careful if you purchase the textbook elsewhere. (The bookstores above have a special arrangement to "bundle" WileyPLUS with the textbook. The access code is typically not included and if you purchase the textbook without the access code, you would need to make another purchase to get the access code.) If you purchase the text without the WileyPLUS access code you can purchase the WileyPLUS access code at: http://www.wiley.com/college/buywileyplus Once at this page, you need to click on "Registration Code for WileyPLUS", and then click on the appropriate links. Select your state and school name. Then click "Continue". The price of the WileyPLUS access code is approximately $95.

   Your access to WileyPLUS will be available to you for as long as it takes to complete the 2-semester AIS 301/302 sequence. For most this sequence will be in consecutive semesters but it doesn't have to be – your registration is valid until you complete AIS 302.

WileyPLUS Log-in

You must register and log in to WileyPLUS with your access code.
The course and section URL for my two 301 sections are:

Lecture 2: http://edugen.wileyplus.com/edugen/class/cls236337/

Make sure to register using the URL number that corresponds to the lecture that you are registered in.

****You will be able to access WileyPLUS via the above link without your purchased access code for a limited time only – do not throw that code away – you will need to provide it later as proof of purchase for continued WileyPLUS access.****

Useful links:

WileyPLUS home page at: https://edugen.wiley.com/edugen/secure/index.uni includes a tutorial under the WileyPLUS Quick Start tab. This would be helpful for you to review.

Wiley Tech Support: http://wileyplus.custhelp.com/

FASB Codification: Accounting professionals must be able to research the authoritative literature. As you will learn in this course, the main source of the authoritative accounting literature is the FASB Codification. You will gain access to the FASB Codification through a portal at the American Accounting Association: http://aaahq.org/ascLogin.cfm Upon accessing this link, use the following username and password **(these new login credentials are effective September 1, 2011):**

Username – AAA51228
Password – SZuhEb2

Please note that the University of Wisconsin-Madison is not responsible for technical problems with WileyPLUS or the FASB Codification.

Electronic Communication

Information will be made available to all students in class and through email. Communications outside of class and office hours will rely heavily on email**. It is expected that you will maintain a current email address account registration with the university and that you will check your email daily.**

Course Objectives

This course provides the foundation for all upper level accounting courses. The course builds on, and expects knowledge of, all topics introduced in Introductory Financial Accounting (AIS 100). This course goes beyond to focus on more complex issues of corporate reporting theory and techniques such as the Conceptual Framework, financial statements, valuation techniques, long-lived assets (including intangibles) and impairments, short-term and long-term liabilities, stockholders' equity, and long-term obligations, and revenue recognition. While some emphasis is placed on analysis, interpretation, and use of accounting data for investing, credit, and management decisions, the reporting function of accounting to external users (investors and creditors) will be stressed. This will not only entail the study of current financial reporting and disclosure requirements, but will include controversial and emerging practices. In this course, students need to develop and demonstrate:

Financial Accounting Knowledge

- Learn and evaluate current financial accounting rules.
- Understand complex financial events and their effect on financial statements, cash flows, and accounting based contracts.
- Read and critically evaluate financial statements.

Critical Thinking and Communication Skills

- Develop critical thinking skills by completing research tasks, group learning and interaction tasks, and communication tasks (oral, written, and spreadsheet-based).
- Critical thinking is a rational response to questions that cannot be answered definitively and for which all the relevant information may not be available. Critical thinking is an investigation whose purpose is to 1) analyze a problem, 2) arrive at a conclusion that integrates all available information, and 3) justify the conclusion convincingly to others. Thus, qualified accounting graduates must develop certain professional competencies, including the ability to integrate accounting knowledge across other business disciplines, communication skills (both oral and written), and the ability to work in teams.

Learning Activities

To achieve these instructional objectives, we will use various class formats and activities (a mixture of lecture, discussion, and text-based homework problems) in this course to develop students' understanding of the accounting concepts and technical accounting content. Regular class sessions will consist of both lecture and discussion which will examine accounting issues and controversies related to the course content. In addition, the content of each lecture presumes and expects that you have *carefully read* the assigned readings and *completed* assigned problems. Lectures will emphasize the major topics and readings, and you are responsible for **all** assigned material plus any additional materials covered in class. Thus, regular class attendance is important -- missed lectures, discussion, etc. will seriously impede your performance. You are encouraged to ask questions and to stimulate discussion on topics which you have difficulty understanding. The assigned problems should be reviewed and attempted **before** class.

Most chapters in the text have a Section titled ***IFRS Insights.*** The two topical areas in that section that you are responsible for are the **RELEVANT FACTS** and **ON THE HORIZON.**

At the beginning of each class session I will ask up to 3 review questions relating to the immediate prior class material and will call on students to answer/solve these questions.

Grading

The following table summarizes each component of your grade for this course and the weight assigned to each component.

Component	Points	Percent
First exam	**120**	**24%**
Second exam	**120**	**24%**
Final exam	**120**	**24%**
Three cases	**60**	**12%**
WileyPLUS homework	**60**	**12%**
Participation/Professionalism	**20**	**4%**
Total	**500**	**100%**

You must take the final exam to pass this course.
There are no opportunities for extra credit.

Exams. The exams are designed to extend your thinking through analysis and applications of these concepts in new or unique situations. The exam format may include multiple choice, problems, and short answer. The exams are "closed book/notes". Note that the examinations will be demanding of both your efficiency and effectiveness in addressing corporate accounting measurement and reporting issues. Calculators may be used during exams, but may not be shared. Be sure your calculator works since no allowances can be made if a calculator fails during an exam. The exams will be collected promptly at the end of the exam period. Students should not ask any questions regarding interpretation of the exam questions during the exam. If a question seems ambiguous, you should state any assumption you feel is necessary to answer the question and proceed.

There will be three exams on the dates indicated on the schedule. A sample practice exam will be emailed to you prior to each exam. The first and second exams will be administered in two-hour evening sessions as scheduled. There may be no class on the day of the exams or the class before or after the day of the exam.

If you miss an exam, a zero exam grade and no re-weighting of the remaining exams may result. If the instructor is notified *in advance* of the regularly scheduled exam, a make-up exam *may* be given for valid, well-documented, reasons (medical emergency, family emergency, university-scheduled events, or class conflicts). Instead of providing a make-up exam for an excused absence, the instructor has the option of re-weighting the remaining exams accordingly.

Please review the exam schedule now and email me with any conflicts (for example class or work conflicts). Also, email me if you are a McBurney student and are allowed additional time for exams.

<u>Cases</u>. Three cases will be assigned throughout the semester as indicated on the course schedule and should be completed on an <u>individual</u> basis outside of class.

The cases will be available approximately two weeks before they are due. Details of each case assignment will be provided at that time. Case write-ups will be collected in class on the date due and *no late assignments will be accepted*. You may hand in your case early if you know you will be absent from class on the due date. The cases will be graded on the quality of the writing in addition to the discussion of the accounting issues. It is likely that the case topics will include international accounting, current accounting topics and other relevant items. One of the Cases may require the creation of an Excel spreadsheet.

<u>You are not permitted to work with others in preparing your solution to the Cases.</u>

<u>WileyPLUS Homework.</u> The Schedule and Assignments (attached) shows the assigned chapter problems. The due date of each assignment is 12:00 noon on the date noted on the Schedule and Assignments. The total points for this element of the grading scheme is 60. Each assigned problem has a WileyPLUS point value of 10 and since there are 74 total problems assigned the maximum points in WileyPLUS is 740. The points earned will be 60 times the ratio of your total WileyPlus points divided by 740.

You will be allowed three attempts at each WileyPLUS problem. After a first failed attempt at a problem an on-line link to the text material relating to the question will be provided. If the correct answer is not reached after 3 attempts no points are awarded and the correct solution will be provided to you. Assignments submitted late will be graded and your score will appear in red. You will not be given credit for the red points in the grading scheme. **Note that an "assignment" is made up of a group of problems and if one of the problems is submitted late the entire assignment is considered late. Any attempt of a problem after the due date will result in the entire assignment being deemed late.**

Note that the assignments are designed to help you prepare for class; in many cases, we will expand on the WP assignments. Your preparation and completion of homework assignments will directly affect your ability to participate in the class discussions and to perform on the exam.

<u>Receiving or sharing WileyPLUS solutions from or with other students is cheating.</u>

Note: Abbreviations used in assignments: E: Exercises; P: Problems; AE:Algorithmic Exercise

<u>Participation/Professionalism.</u> Your participation in these discussions as well as other class participation will be part of the basis for this 20 point allocation. You should expect to be called on any assigned class topic at any time (i.e. "cold calling"). The performance on the beginning of each class session "3 Questions" will formulate a portion of these points. Being tardy to class will directly affect this point allocation.

These points will be assigned at the instructor's discretion.

To foster a more professional learning environment and to develop habits that lead to success in the business world, all participants in each AIS class must engage in professional behavior. Please view each class session as equivalent to an important business meeting. The professional conduct policy includes but is not limited to:

1. Attending each class session, including arriving promptly and leaving at the designated time; notifying instructor prior to class should an exception be needed.
2. Being attentive and an active participant in group activity and class discussions.
3. Respecting diversity in the classroom and treating everyone involved in the class in a civil manner.
4. Planning outside activities to avoid conflicts with the activities outlined in the syllabus.
5. Abiding by the academic misconduct rules and procedures and code of ethics discussed below.
6. Turning off cell phones and arranging laptop use in advance.
7. During class time work only on matters pertaining to this class.

Grade Appeals
Challenges to a grade on an exam or case will be considered if an appeal is submitted to the instructor **within seven days** after the graded item is handed back to the class. The originally graded work (if the appeal relates to a Case) must be submitted with a detailed written explanation of the reason for re-evaluation request. The written explanation **must** provide detailed basis for the appeal and justification of the position taken. **If a written appeal is not made within the seven-day period or if it is not sufficiently detailed, no grade re-evaluation will take place.** Upon receipt of a re-evaluation request, the instructor reserves the right to re-evaluate the entire exam.

Additional Requirement for Graduate Students
In addition to the course requirements listed above on the syllabus, AIS 701 students will also be required to complete a paper. Email me informing me that you are a 701 student and I will provide you with details regarding this assignment.

Academic Misconduct

UW conduct rules describe academic misconduct as "... an act in which a student: (a) Seeks to claim credit for the work or efforts of another without authorization or citation; (b) Uses unauthorized materials or fabricated data in any academic exercise; (c) Forges or falsifies academic documents or records; (d) Intentionally impedes or damages the academic work of others; (e) Engages in conduct aimed at making false representation of a student's academic performance; or (f) Assists other students in any of these acts."

Charges of academic misconduct are taken seriously and actions that can be taken against a student include failure in the course and permanent record in the student's file. See: **http://www.wisc.edu/students/saja/misconduct/UWS14.html**. Please review the UW Academic Misconduct Policy and ask me if you have any questions.

The Department of Accounting has endorsed a statement of values developed by students in the Five-Year Professional Program. Additional information on the statement of values and the student-developed Ethics and Professionalism Program can be accessed at the following link:
http://www.bus.wisc.edu/accounting/resources_for_students/Ethics%20general/ethics%20PwC.asp

AIS 301 Schedule and Assignments Fall 2011

Date		Chp	Topic	Reading	WileyPLUS Assignment
9/6	T	1	Class overview, Standards	Chapter 1	
9/8	TH	1 24B	Standards International Accounting Standards	Chapter 1 IFRS Insights	
9/13	T	2	Conceptual framework	Chapter 2	
9/15	TH	2	Conceptual framework	Chapter 2	E2-2, E2-4
9/20	T	3 3A	Accounting System	Chapter 3 and Appendix 3A	E3-18, AE3-5, P3-1
9/22	TH	4	Income Statement	Chapter 4	E4-2, E4-4 a and b, AE4-15
9/27	T	4	Income Statement	Chapter 4	E4-8, E4-9,AE4-13
9/29	TH	5	Balance Sheet **Case I DUE**	Chapter 5, pages 212-227 and 236-243 only	E5-2, AE5-6, E5-11
10/4	T	6	Time Value of Money	Chapter 6	E6-1, AE6-6, E6-18
10/6	TH	6	Time Value of Money Review	Chapter 6	AE6-22, P6-1
10/11	T		First Exam 7:15 pm	Location TBA	
10/11	T		No class		
10/13	TH	7	Review exam, Receivables	Chapter 7	E7-5, AE7-7
10/18	T	7 7B	Receivables Impairment of Receivables	Chapter 7 and Appendix 7B	E7-14, AE7-19, E7-27
10/20	TH	8	Valuation of Inventories	Chapter 8	E8-1, AE8-9, E8-15
10/25	T	8	Valuation of Inventories	Chapter 8	AE8-26, E8-24
10/27	TH	9	Additional Inventory Valuation Issues	Chapter 9	E9-2, E9-4,E9-13, AE9-20
11/1	T	10	Property, Plant and Equipment **Case II DUE**	Chapter 10	E10-1, E10-6, E10-8,A E10-17
11/3	TH	11	Depreciation, Impairment, Depletion	Chapter 11	E11-2, E11-12, AE11-16,E11-17, E11-22
11/8	T	12	Intangible Assets	Chapter 12	E12-1, E12-4, E12-9, E12-13, AE12-14, E12-15
11/10	TH		Second Exam 7:15 pm	Location TBA	
11/10	TH		No class		
11/15	T	13	Current Liabilities, Contingencies	Chapter 13	E13-4,A E13-5,E13-13 , E13-14
11/17	TH	13	Current Liabilities, Contingencies	Chapter 13	E13-10,A E13-19
11/22	T	14	Long Term Liabilities	Chapter 14	E14-3, AE14-5, E14-8
11/29	T	14	Long Term Liabilities	Chapter 14	E14-9,A E14-12, E14-16, P14-1
12/1	TH	15	Stockholders' Equity **Case III DUE**	Chapter 15, Appendix 15A	E15-2, E15-7,A E15-9
12/6	T	15	Stockholders' Equity	Chapter 15, Appendix 15A	E15-11, E15-14,A E15-16, E15-21
12/8	TH	18	Revenue Recognition	Chapter 18	E18-1c,d, E18-3a
12/13	T	18	Revenue Recognition	Chapter 18	E18-5,A E18-8, E18-10, E18-15a,c
12/15	TH		Review, wrap-up		
12/20	T		Final Exam 7:25 pm		Location TBA