

# ACG 5005 Syllabus Version 1

## Financial Accounting

### Fall 2017 (Module 1)

**INSTRUCTOR:** Professor Paul E. Madsen

**QUESTIONS:** Generally you should post questions to e-learning discussion forums, especially questions related to assignments, quizzes, exams, and other course content. I'd also like you to answer questions posted by your fellow students. If you are particularly helpful to your fellow students in the forums, and if you avoid being horrible either to me or your fellow students, I will reward you with good "professional conduct" scores (explained below).

**CONTACT INFORMATION** (use only for issues that are specific to you and about which there is no chance another member of the class would care): [paulmadsen@ufl.edu](mailto:paulmadsen@ufl.edu). If I am in my office, you can call me at 352-273-0221. I love answering your thoughtful questions by email or in person, I love helping you learn by tutoring you in my office, and I love correcting any legitimate mistakes of mine that you bring to my attention. HOWEVER, I don't really like answering questions I've already answered in my materials. Please read all of the written instructions I provide you before asking me a question and please do not ask me to give you points just because you would like to have them. Students who repeatedly fail to extend me these courtesies may be penalized in their "professional conduct" scores (explained below).

**MEETING TIMES:** (meeting dates are 8/21/2017 – 10/6/2017)

<i>Section 4989</i> (a.k.a. section 1): Tuesdays and Thursdays 9:35 – 11:30	Hough 340
<i>Section 4991</i> (a.k.a. section 2): Tuesdays and Thursdays 11:45 – 1:40	Hough 340
<i>Section 4990</i> (a.k.a. section 3): Tuesdays and Thursdays 1:55 – 3:50	Hough 340

**OFFICE HOURS** (My office is 314 Gerson Hall):

- I will always be in the classroom after class meetings. For small issues, this is the best time to talk with me.
- If you need help with a deeper issue, come to my office during regular office hours. I will schedule regular office hours after students after our first class meeting according to the results of this survey:
  - <https://goo.gl/forms/UBiywBVAYfKgi9gz1>

**TEXTS AND OTHER MATERIALS:** The official text for this course is *Fundamental Financial Accounting Concepts* (8<sup>th</sup> or 9<sup>th</sup> edition) by Edmonds, McNair, and Olds (I will refer to this book as EMO hereafter). It is available as a traditional hardbound textbook (most expensive), a loose leaf version (somewhat less expensive), an online version (cheaper), a rented online version (cheapest), or for checkout at the reserves desk at Library West (two copies of the book that can be checked out two hours at a time).

In addition to reading from the textbook, you will be playing the board game Monopoly® in groups of about 12 students for this class. Each group will need a copy of the game. I have several copies that can be checked out by students.

**COURSE OBJECTIVES AND DESCRIPTION:** My objectives in this class are to: 1) stimulate your curiosity about financial accounting, 2) satisfy your curiosity with information, and 3) help you to apply that information to realistic accounting problems. This is an introductory course. It is intended to give you a broad overview of financial accounting. If you invest the requisite time in the course, it will help you become conversant in financial accounting.

I have designed this course around a business simulation which involves playing Monopoly, doing the accounting for your Monopoly company, and investing in other Monopoly companies (as described below and in great detail in the assignment descriptions you will receive). The Monopoly simulation is supplemented by the textbook, lectures, and in-class examples.

#### **COURSE STRUCTURE:**

**Lectures:** Most of our time together will be spent on lectures. I will show you some power point slides (which I will make available for you to download), show you example problems, solicit and answer questions, and walk you through “practice quizzes” that are intended to get you comfortable with the types of questions I will ask on the exams.

**Simulation:** Each member of the class will be assigned to a 2-4 person team that will compete in a game of monopoly against three other teams over the course of this class (so there will be 4 teams and 8-16 people per game). You will engage with the simulation from two perspectives: first, the perspective of an annual report preparer, and second, the perspective of an annual report user.

**Exams:** There will be a midterm and final exam testing your knowledge of the material covered in the course. The structure of each will be very similar to the structure of some “sample quizzes” I will discuss with you throughout the module, though exams will be longer than the “sample quizzes.” Exam questions may come directly from “sample quizzes,” class lectures, and class discussions or may be elaborations on these questions intended to measure your understanding of the material. Questions will also require you to perform accounting tasks similar to those involved with preparing your Monopoly annual reports or making investment decisions using Monopoly annual reports.

**Readings:** I will give you reading assignments from the textbook that will introduce you to the material covered in class. Many students ignore these reading assignments, hoping to learn what they need to learn through the lectures alone. Some students do well without the textbook. But be warned, many students find introductory financial accounting to be very difficult to understand and I have found that they learn the material much more effectively if they expose themselves to it multiple times. Unless you are very confident that you are an exceptionally brilliant student, I highly recommend you read the assigned portions of the textbook before attending class.

**COURSE REQUIREMENTS:** This course is designed to be fun but challenging. I expect you to give it considerable effort, as I assure you I will (and already have). The primary course requirement is that you learn the basic concepts of financial accounting, how they are used, and begin to develop opinions about why or whether they are meaningful.

To help us achieve the goals of this course, your grade will be based on:

**Grading:**

**Final exam: 45% (45 points out of 100)**

**Midterm exam: 35% (35 points out of 100)**

Both exams will have multiple-choice and short answer questions. Questions will be like those on the “sample quizzes,” those you dealt with as you prepared your Monopoly financial reports, and those you dealt with as you made Monopoly investment decisions.

**Monopoly financial reports: 9% (9 points out of 100)**

Points are awarded for the logical consistency of your accounting. Because I expect your level of accounting knowledge to increase over the course of the semester, more weight will be given to financial report assignments later in the module than those from earlier in the module.

**Monopoly investments: 6% (6 points out of 100)**

Points are assigned according to your investment returns. Because I expect your level of accounting knowledge to increase over the course of the module, more weight will be given to investments made later in the module than those made earlier in the module.

**Professional conduct: 5% (5 points out of 100)**

You are business students presumably preparing to enter the business world. Within most successful business organizations, anti-social behavior is discouraged and pro-social behavior is encouraged. The same is true in this class. You will begin class with 2.5 points out of 5 points for “professional conduct.” If you distinguish yourself by being exceptionally pro-social, your final professional conduct grade will increase (typically, 10% or fewer of my students earn additional points for good professional conduct). If, on the other hand, you distinguish yourself by cheating on exams, wasting people’s time, terrorizing people when you play Monopoly, or being otherwise anti-social, your final professional conduct grade will fall. In the vast majority of cases, the only way that students earn high professional conduct grades is by helping other students in the e-learning discussion forums by answering questions well and often, though I may reward other good behaviors at my discretion. Note that this is not a participation grade! While you are very welcome to speak up in class, your participation in class meetings is not a graded portion of my class. I encourage you to speak up in class if you are intrinsically motivated to do so.

**Assigning your course grade:** You will receive some number of points out of a maximum possible number of points on each graded assignment. I will periodically post on e-learning each student's earned points (which can be viewed only by that student) and information about the distribution of points earned by other students in the class. Letter grades will be assigned at the end of the module according to relative class standing (this means grades are "curved"). Final grades will be assigned based on the following scale:

- 85<sup>th</sup> to 100<sup>th</sup> percentile: A
- 70<sup>th</sup> to 84<sup>th</sup> percentile: A-
- 55<sup>th</sup> to 69<sup>th</sup> percentile: B+
- 10<sup>th</sup> to 54<sup>th</sup> percentile: B
- 0<sup>th</sup> to 9<sup>th</sup> percentile: B or lower

Please note first that **most students in my class will receive a "B" grade.** Also note that percentiles are a measure of rank relative to other students and are not the same thing as the percent of possible points you earned during the course. For example, a student that earned 70% of the possible points in the class could be in the 95<sup>th</sup> percentile of the class (if the points they earned, 70% of those available, are greater than the points earned by 95 percent of the other students in the class) or it could be in the 60<sup>th</sup> percentile of the class (if the points they earned, 70% of those available, are greater than the points earned by 60 percent of the other students in the class and less than the points earned by 40 percent of the other students in the class).

Students whose performance falls in the bottom 9% for the class (meaning, their final course grade is between the 0<sup>th</sup> and 9<sup>th</sup> percentile) will receive a grade as high as a B and as low as an E. I will make a subjective assessment of the grade they deserve based on the proximity of their total course grade to the grades of other students. Students whose total course grade is very near the total course grades of students in the 10<sup>th</sup> percentile will receive Bs, students whose total course grade is not near the total course grades of students in the 10<sup>th</sup> percentile will receive grades lower than B.

**THE LONE WOLF OPTION:** Because of the nature of many of UF's business master's degree programs, the students entering an introductory accounting class like this one have very widely diverging levels of preparation for the class. Students could, therefore, be thought of as existing on a continuum of accounting preparation from "very poorly prepared" at one end to "very well prepared" at the other. I design the class to be challenging but comfortably manageable for students near the center of this distribution of students. That means that there will be a number of students who are less prepared than an average student that find the class to be very challenging and will have to work hard to get a "B" grade or better. There will also be a number of students who are more prepared than average that find the class to be very easy. For these students, class lectures and assignments can be a waste of time.

Students who have a strong accounting background and feel that they do not need my help to learn the introductory accounting information I teach in this class can choose to use the “lone wolf option.” Students exercising the lone wolf option will receive a final grade in my class that is based on their performance on the final exam and nothing else. They will not be required to be in a Monopoly group, hand in Monopoly financial reports, make Monopoly investments, or take the midterm exam. Students choosing the lone wolf option will escape the requirement to conform to my path of preparation but they will also waive their right to my help during office hours. Lone wolf students are welcome to attend lectures, but I will not spend time outside of class explaining the lectures to them. If you might need help understanding the lectures, you should not choose the lone wolf option. Students who wish to exercise the lone wolf option must inform me of their decision before the end of the second class session.

### **MISCELLANEOUS MATTERS:**

- Requirements for class attendance and make-up exams, assignments, and other work in this course are consistent with university policies that can be found at: <https://catalog.ufl.edu/ugrad/current/regulations/info/attendance.aspx>.
- I do not require that you attend class. But if you do not attend class, take responsibility for your decision. I will not privately teach you what you missed when you missed my class.
- You are welcome to do whatever you want on your computer during class. I am willing to compete for your attention with the wonders of the internet. But, if you miss something I say in class because your attention was focused on Facebook, it was your fault and you should take responsibility for your decisions.
- Some students complain that my syllabus is too long and that I ask them to read too much. I do not think this is a valid complaint. You are in graduate school, read the syllabus anyway. The volume of reading you see in my class is appropriate for a graduate level class at the University of Florida.
- Please be civil during class discussions and while playing Monopoly outside of class. This means many, many things but includes avoiding intimidation, harassment, threats, personal attacks, and excessive gloating or sniveling when winning or losing.
- Please do not enter and exit the room frequently during class. This is distracting and disrespectful. I understand that there are rare circumstances that will require you to leave the room during class. I emphasize that these circumstances are *rare*.
- Please silence your cell phones before class.
- I expect you to follow the UF Student Honor Code which is available here: <http://regulations.ufl.edu/regulations/uf-4-student-affairs/> (regulations 4.04 through 4.051). If you cheat and I catch you, I will report you to UF’s Division of student affairs. Penalties for cheating can include the loss of points on individual assignments, adjustments to final class grades, or in extreme cases, suspension or expulsion from UF.
- Students with disabilities requesting accommodations should first register with the Disability Resource Center ([www.dso.ufl.edu/drc/](http://www.dso.ufl.edu/drc/)). Once registered, students will receive an accommodation letter which must be presented to me when requesting

accommodation. Students with disabilities should follow this procedure as early as possible in the semester.

- Here is information on UF's current policies for attaching grade points to course grades: <https://catalog.ufl.edu/ugrad/current/regulations/info/grades.aspx>.
- Students are expected to provide feedback on the quality of instruction in this course by completing online evaluations at <https://evaluations.ufl.edu>. Evaluations are typically open during the last two or three weeks of the semester, but students are told when they open. Summary results of these assessments from past years are available to students at <https://evaluations.ufl.edu/results/>.
- Please get help if you are suffering. This class and your degree are important, but your welfare is more important. The University of Florida provides resources to support students in distress. These resources are described on the "u matter" webpage (<http://www.umatter.ufl.edu/>). From the "u matter" webpage:

*"Your well-being is important to the University of Florida. The U Matter, We Care initiative is committed to creating a culture of care on our campus by encouraging members of our community to look out for one another and to reach out for help if a member of our community is in need. If you or a friend is in distress, please contact [umatter@ufl.edu](mailto:umatter@ufl.edu) so that the U Matter, We Care Team can reach out to the student in distress. A nighttime and weekend crisis counselor is available by phone at 352-392-1575. The U Matter, We Care Team can help connect students to the many other helping resources available including, but not limited to, Victim Advocates, Housing staff, and the Counseling and Wellness Center. Please remember that asking for help is a sign of strength. In case of emergency, call 9-1-1."*

**PRELIMINARY COURSE OUTLINE** (note that I may decide to edit this plan as the class unfolds)

Date	Class Period	Class Topics	Assignments
8/22	1	Overview/Optional Excel primer	<p><u>Read</u> (to be discussed next class):</p> <ul style="list-style-type: none"> <li>- Read the syllabus.</li> <li>- Read the syllabus again!</li> <li>- EMO: Ch. 1</li> </ul> <p>Optional portion: “Answers to the curious accountant.”</p> <p><u>Monopoly</u> (due next class):</p> <ul style="list-style-type: none"> <li>- Skim Monopoly Instructions (see e-learning)</li> </ul> <p><u>Other</u> (before the end of next class):</p> <ul style="list-style-type: none"> <li>- Tell me if you want to be a lone wolf.</li> <li>- Fill out the office hours survey: <a href="https://goo.gl/forms/UBiywBVAYfKgI9gz1">https://goo.gl/forms/UBiywBVAYfKgI9gz1</a></li> </ul>
8/24	2	Financial accounting in brief	<p><u>Read</u> (to be discussed next class):</p> <ul style="list-style-type: none"> <li>- EMO: Ch. 2</li> </ul> <p>Optional portion: Section “common features of criminal and ethical misconduct” and everything after.</p> <p><u>Monopoly</u> (due next class):</p> <ul style="list-style-type: none"> <li>- Play year 1 (12 turns) with your group.</li> </ul> <p><u>Other</u> (by the end of this class session):</p> <ul style="list-style-type: none"> <li>- Tell me if you want to be a lone wolf.</li> <li>- Fill out the office hours survey: <a href="https://goo.gl/forms/UBiywBVAYfKgI9gz1">https://goo.gl/forms/UBiywBVAYfKgI9gz1</a></li> </ul>
8/29	3	Accrual accounting	<p><u>Read</u> (to be discussed next class):</p> <ul style="list-style-type: none"> <li>- EMO: Ch. 3</li> </ul> <p>Optional portion: Section “assessing the effective use of assets” and everything after.</p> <p><u>Monopoly</u> (due before next class):</p> <ul style="list-style-type: none"> <li>- Prepare financial report for year 1.</li> <li>- Hand this in before the beginning of next class by emailing your completed “MonopolyRecordKeeper” spreadsheet to <a href="mailto:ufacg5005@gmail.com">ufacg5005@gmail.com</a>.</li> </ul>
8/31	4	Double entry	<p><b>Due: Monopoly financial report for year 1 (1)</b></p> <ul style="list-style-type: none"> <li>- Due before class starts.</li> </ul>

			<ul style="list-style-type: none"> <li>- Email your completed “MonopolyRecordKeeper” spreadsheet to <a href="mailto:ufacg5005@gmail.com">ufacg5005@gmail.com</a>.</li> </ul> <p><u>Read</u> (to be discussed next class):</p> <ul style="list-style-type: none"> <li>- EMO: Ch. 4 and Ch. 5 Optional portions: Sections “the financial analyst” and everything after in both Ch. 4 and Ch. 5.</li> <li>- Wikipedia page on “financial statement analysis” <a href="http://en.wikipedia.org/wiki/Financial_statement_analysis">http://en.wikipedia.org/wiki/Financial_statement_analysis</a></li> </ul>
9/5	5	Merchandising business	<p><u>Read</u> (to be discussed next class):</p> <ul style="list-style-type: none"> <li>- EMO: Ch. 6 and Ch. 12 Optional portions: In Ch. 6 the “accounting for cash,” “reconciling the bank account,” and “using petty cash funds” sections. In Ch. 12 the “preparing the schedule of noncash investing and financing activities” section and everything after.</li> </ul> <p><u>Monopoly</u> (due before next class):</p> <ul style="list-style-type: none"> <li>- Make Monopoly year 1 investments.</li> <li>- Submit your investments before the beginning of next class using the google form at: <a href="https://goo.gl/forms/WoSplTqcHhROUzqs2">https://goo.gl/forms/WoSplTqcHhROUzqs2</a>.</li> </ul>
9/7	6	Internal control and cash	<p><b>Due: Monopoly year 1 investments (2)</b></p> <ul style="list-style-type: none"> <li>- Due before class starts.</li> <li>- Submit investment decisions using the google form at: <a href="https://goo.gl/forms/WoSplTqcHhROUzqs2">https://goo.gl/forms/WoSplTqcHhROUzqs2</a>.</li> </ul> <p><u>Review:</u></p> <ul style="list-style-type: none"> <li>- EMO: Ch. 1-6 &amp; Ch. 12</li> </ul> <p><u>Monopoly</u> (due next class):</p> <ul style="list-style-type: none"> <li>- Play year 2 with your group.</li> </ul>
9/12	7	<b>Mid-term exam (35)</b>	<p><u>Read</u> (to be discussed next class):</p> <ul style="list-style-type: none"> <li>- EMO: Ch. 7 and Ch. 8 Optional portions: In Ch. 7 the “accounting for credit card sales” section and everything after. In Ch. 8 the “income tax considerations” section.</li> </ul>



			<p><u>Monopoly</u> (due on <u>Saturday 9/16</u>):</p> <ul style="list-style-type: none"> <li>- Prepare financial report for year 2.</li> <li>- Hand this in before 11:59 p.m. Saturday night (9/16) by emailing your completed “MonopolyRecordKeeper” spreadsheet to <a href="mailto:ufacg5005@gmail.com">ufacg5005@gmail.com</a>.</li> </ul>
9/14	8	Assets	<p><u>Read</u> (to be discussed next class):</p> <ul style="list-style-type: none"> <li>- EMO: Ch. 9</li> <li>Optional portions: the “appendix” and everything after.</li> </ul>
9/16	A Saturday. There is no class this day.		<p><b>Due: Monopoly financial report for year 2 (3)</b></p> <ul style="list-style-type: none"> <li>- Due by 11:59 p.m. Saturday night.</li> <li>- Email your completed “MonopolyRecordKeeper” spreadsheet to <a href="mailto:ufacg5005@gmail.com">ufacg5005@gmail.com</a>.</li> </ul>
9/19	9	Current liabilities	<p><u>Read</u> (to be discussed next class):</p> <ul style="list-style-type: none"> <li>- EMO: Ch. 10</li> <li>Optional portion: the “EBIT and ratio analysis” section and everything after.</li> </ul> <p><u>Skim</u> (to be discussed next class):</p> <ul style="list-style-type: none"> <li>- EMO: Ch. 13 (online: <a href="http://highered.mcgraw-hill.com/sites/dl/free/0078025362/938405/Chapter_13.pdf">http://highered.mcgraw-hill.com/sites/dl/free/0078025362/938405/Chapter_13.pdf</a>)</li> </ul> <p><u>Monopoly</u> (due next class):</p> <ul style="list-style-type: none"> <li>- Make Monopoly year 2 investments.</li> <li>- Submit your investments before the beginning of next class using the google form at: <a href="https://goo.gl/forms/WoSplTqcHhROUzqs2">https://goo.gl/forms/WoSplTqcHhROUzqs2</a>.</li> </ul>
9/21	10	Long-term debt & Financial Statement Analysis	<p><b>Due: Monopoly year 2 investments (4)</b></p> <ul style="list-style-type: none"> <li>- Due before class starts.</li> <li>- Submit investment decisions using the google form at: <a href="https://goo.gl/forms/WoSplTqcHhROUzqs2">https://goo.gl/forms/WoSplTqcHhROUzqs2</a>.</li> </ul> <p><u>Monopoly</u> (due next class):</p> <ul style="list-style-type: none"> <li>- Play year 3 with your group.</li> </ul>

**Career fairs happen this week**, so there will only be one class session. Career fair dates are:

- UF career showcase 9/26 to 9/27

- MBA career fair trip 9/27 to 9/30

I will hold class session 11 for the MBA section on 9/26 (the day before their trip) and for the other sections on 9/28 (the day after their career fair).

9/26 (for MBAs in Section 1)

9/28 (for others in Sections 2 and 3)

11 In-class experiment

Read (to be discussed next class):

- Wikipedia page on “fair value”  
[http://en.wikipedia.org/wiki/Fair\\_value](http://en.wikipedia.org/wiki/Fair_value)
- Wikipedia page on “efficient market hypothesis”  
[http://en.wikipedia.org/wiki/Efficient\\_market\\_hypothesis](http://en.wikipedia.org/wiki/Efficient_market_hypothesis)

Monopoly (due Sunday October 1<sup>st</sup>):

- Prepare financial report for year 3.
- Hand this in by 11:59 p.m. on Sunday the 1<sup>st</sup> by emailing your completed “MonopolyRecordKeeper” spreadsheet to [ufacg5005@gmail.com](mailto:ufacg5005@gmail.com).

10/1 A Saturday. There is no class this day.

**Due: Monopoly financial report for year 3 (5)**

- Due by 11:59 p.m. Sunday night.
- Email your completed “MonopolyRecordKeeper” spreadsheet to [ufacg5005@gmail.com](mailto:ufacg5005@gmail.com).

10/3 12 FV and awards ceremony

Review:

- EMO: Ch. 1-10 & Ch. 12-13
- Monopoly instructions

10/5 13 **Final Exam (45)**

\*Note that only 95 out of 100 class points are based on assignments and exams listed in the “preliminary course outline.” The remaining 5 points come from your “professional conduct” grade.