

**UNIVERSITY OF PITTSBURGH**  
**KATZ GRADUATE SCHOOL OF BUSINESS**

**BACC2401**

CLN 28544, Spring 2014

Room: 1501 Posvar Hall

Credits: 3

Instructor: Todd Kart

Time: Mon. 6:20 – 9:20 p.m.

E-mail: [trkart@pitt.edu](mailto:trkart@pitt.edu)

Office hours: by appointment

Daytime Phone: 412-393-6105

**Course Materials:**

**Text:** *Financial Accounting*, Stickney, Weil, Schipper and Francis, SouthWestern Cengage Learning, 2012 (14<sup>th</sup> edition)

**Course Objective/Description:**

The major objective of this course is to help students understand the basic structure and substance of a firm's financial statements from a user's point of view. This includes what is (and what is not) included in the financial statements, and how and when economic events affect the financial statements. The course materials will **focus on** generally accepted accounting principles used in the United States (US GAAP) and **introduce** International Financial Reporting Standards (IFRS) which are currently used in many other countries. The following will be covered in significant detail in this course:

- Financial Statements and Business Decisions
- Balance Sheet – including
  - ✓ Assets: Cash, Receivables, Inventory, Property, Plant & Equipment
  - ✓ Liabilities: Short-term Liabilities and Bonds
  - ✓ Owners' Equity: Capital Stock and Retained Earnings
- Income Statement: Sales, Cost of Goods Sold and other Expenses
- Statement of Cash Flows
- Adjustment Process

Students will acquire an understanding of the inferences that can be made from financial statements about the past operations, present position and future prospects of a firm. This course will provide an introduction to the basic principles of financial accounting which focuses on providing information to external users for decision making purposes. A good understanding of financial accounting and its role in business is critical for success in the remainder of the MBA program.

**Course Requirements:**

**A. Class Attendance, Participation, and Correspondence:**

Class attendance and participation are essential for success in this course. Students are expected to participate in class discussion, either by asking questions, volunteering answers or responding when called upon.

Important course announcements will be emailed to students. Please make sure that you check your Pitt email account regularly.

**B. Reading Assignments, Suggested Problems and Homework:**

There will be regular reading assignments. You are expected to read the assignment **prior to** coming to class. It is also recommended that you re-read the assignment after the material has been discussed in class.

Homework / in-class problems are assigned to reinforce the material presented in the reading assignments and to reinforce material discussed in class. Problems will be reviewed in class so that you can check your knowledge of the material. Your success in this course is usually directly related to the effort you put into the in class and graded assignments.

All lecture slides, handouts, and assignment solutions will be available on Courseweb.

### **C. Course Grading:**

Your final grade will be determined as follows:

Midterm Exam	30%
Final Exam	35%
Graded Assignments	35% (6 assignments)
<b>Total</b>	<b>100%</b>

There is one midterm exam covering approximately the first half of the course and there is one final exam concentrating on the material presented in the second half of the course.

Students do not keep any exams; they are the property of the instructor. These exams are closed book except for two double sided sheets of notes which are prepared by the student.

Make-up exams are available only in emergency cases, only at the instructor's discretion, and only if the student had made arrangements prior to the time of the originally scheduled exam.

**THERE WILL BE NO EXCEPTIONS. YOU MUST MAKE ARRANGEMENTS PRIOR TO THE TIME OF THE EXAM.**

The final exam will be comprehensive, but will weight material covered after Exam I more heavily.

Graded assignments will be due throughout the semester. Students may work with up to one other student (for a maximum of two in a group) on these assignments or they may work alone. **The assignments must be typed and emailed** to trkart@pitt.edu as an attachment in either Word or Excel or in pdf format. Assignments will **not** be accepted if received after 6:00PM on the due date.

**Graded assignments are due by 6 p.m. in the week noted on the course outline noted below.**

### **D. Course Schedule:**

The detailed course schedule is attached. I reserve the right to modify the schedule during the term. Changes in the sequencing of material or changes in assignments may be made as the course progresses, depending on our progress in class. Such changes will be announced in class and students are responsible for learning about these changes.

**E. Cell Phones:**

Cell phones must be turned off when you are in the classroom unless you are expecting a call regarding a medical emergency. You may not have a cell phone, pager, PDA or computer on the top of the desk during a quiz or exam.

**F. Exams / Academic Integrity:**

You may use a calculator (no cell phones) and should bring a No. 2 pencil to exams. Please also bring your People Soft I.D.

Academic integrity is extremely important. All work on exams must be your own. Academic dishonesty in any form represents a violation of the University's shared academic standards and will not be tolerated. If an instance of suspected or alleged academic dishonesty were to arise, the student would be brought up on charges and formal University proceedings would be initiated.

**G. Disabilities:**

If you have a disability for which you are or may be requesting an accommodation, you are encouraged to contact both your instructor and Disability Resources and Services (DRS), 216 William Pitt Union, (412) 648-7890/(412) 383-7355 (TTY), as early as possible in the term. DRS will verify your disability and determine reasonable accommodations for this course.

### BACC2401– COURSE OUTLINE Spring 2014

<b>DATE</b>	<b>Reading Assignment / Exam</b>	<b>Graded Assignment Due</b>	<b>In Class Problems</b>
1/13	Intro. and Accounting Cycle Ch. 1-3		Ch. 1 - 18, 19, 20, 26, 33, 35, 39 Ch. 2-7(12), 10(27), 15 (34 use T- Accts)
1/20	No Class		
1/27	Balance Sheet/Income Stmt. Ch. 4 and 5		Ch. 4(3) – 12a, 14, 20, 21, 22, 24 Ch. 5(4) - 11, 13, 18
2/3	Revenue Cycle Ch. 8, Sunbeam, AGH (SEC document) articles	#1 Accounting Cycle,	Ch. 8(7) – 23, 31, 34
2/10	Inventory, Working Capital Ch. 9	#2 Revenue Cycle	Ch. 9(8) – 22, 26, 27, 29, 31, 35, 37, 38 Monopoly Rd. 1
2/17	Long lived Assets Ch. 10		Ch. 10(9) – 14, 19, 20, 24, 26, 27; Monopoly Rd. 2
2/24	Statement of Cash Flows Ch. 6, Review	#3 Inventory	Ch. 6(5) - 22, 25, 40(42), 41(43)
3/3	<b>Mid Term Exam</b>	Monopoly prelim. due	

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<b>DATE</b>	<b>Reading Assignment / Exam</b>	<b>Graded Assignment Due</b>	<b>In Class Problems</b>
3/10	Spring Break		
3/17	Notes, Bonds, Leases Ch.11		Ch. 11(10) – 20, 21 (use T-Accts), 28, 34 Monopoly Rd. 3
3/24	Other Liabilities Ch. 12, Marketable Securities Ch. 13	#4 Bonds	Ch. 12(11) – 21(22), 27(28), Ch. 13(12) – 12, 15, 18
3/31	Investments Chapter 14	Final Monopoly due	Ch. 14(13) –15, 16, 18, 27 (28)
4/7	Shareholders' Equity Chapter 15	#5 Investments	Ch. 15(14) – 15(24), 29(33)
4/14	Financial Statement Analysis Chapter 7, Review		Ch. 7(6) - 11, 13-14, 16-17, 22(24)
4/21	<b>Final Exam</b>	#6 Financial Analysis 4/19	<b>Last homework due 4/19 midnight</b>