

**Course Description**

The nature, techniques, and uses of accounting from a manager’s perspective. Topics include accounting methodology, corporate financial statements and disclosures, alternative accounting measurement techniques, interpreting quality of earnings, strategic planning, and operational decision making.

**Course Materials**

*Financial & Managerial Accounting for MBAs*, by Easton, Halsey, McNally, Hartgraves, and Morse; Cambridge Business Publishers, 2010, ISBN: 978-1-934319-35-2

Supplemental Readings (handouts, Eres, Web, or MYLMU Connect (formerly Blackboard))

**Instructor**

Lawrence Kalbers, Ph.D., CPA, R. Chad Dreier Chair in Accounting

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**Office Hours**

Monday and Wednesday: 3:30 – 5:00 p.m.; Tuesday: 3:00-5:00 p.m. and 6:00-7:00 p.m., and by appointment.

**Introduction and Assignments**

Accounting is often called the “language of business.” Using the “vocabulary” and “grammar” of this language, a business entity communicates with those interested in its activities. The interested parties may be outside the firm (e.g., investors, creditors, regulators) or inside the firm (e.g., operating personnel, managers, board members). Information needs of these two groups vary, so the study of accounting is generally segmented into these two categories: “financial” accounting refers to information primarily intended to communicate with outsiders; “managerial” accounting intended for insiders.

This course achieves its objectives through a variety of teaching/learning methods. Each week you will be responsible for reading assigned material in our textbook and for practicing with the techniques and tools you’ll be learning. In-class activities will include classroom lectures, discussions of accounting issues and current events, and review of practice problems.

The Tentative Class Schedule (refer to page 5) lists reading assignments and recommended homework problems for each of the assigned chapters. I will assume that you have read the assigned material prior to each day’s class. The recommended homework problems should be attempted before the class for which they are assigned. We will not review all recommended practice assignments in class, but solutions will be available on MYLMU Connect (formerly Blackboard).

Success in this course depends upon your active, effective preparation. You should expect to spend at least two to three hours on course-related work outside of class for each in-class hour. Therefore, you can expect to spend about six to nine hours per week preparing for class (i.e., reading, studying, completing homework problems and other assignments). The amount of additional time required for this will vary by individual. Class attendance is also absolutely necessary for your success. If your work schedule prevents you from attending class regularly or devoting the necessary out-of-class hours to study and preparation, you would be wise to delay taking this course until another time. If you must miss an occasional class, please arrange to get class notes from other students.

Class participation is expected, but is not a formal part of your grade. Class participation includes general discussion, discussion leadership, asking and answering questions, and any additional interaction (such as participation in any MYLMU Connect (formerly Blackboard) discussion board or blog topics). If you are within four points of the next higher grade at the end of the semester, your participation will be considered. Consistent and high quality participation during the semester may lead to the higher grade.

In general, preparing for class will require that you:

- ✓ Do the assigned module reading. This provides an important foundation for lecture and class discussions.
- ✓ Make written notes of questions you want to ask in class. Depending on your ability to remember specific things you found confusing when you read the chapter usually results in a lot of “I wish I’d asked that” on the drive home after class!
- ✓ Do the recommended practice assignments. Homework in an accounting course is a necessary part of the learning process. It requires you to recall, process, and apply the concepts, constructs and techniques you’ve read or heard about in a variety of contexts. The assigned work represents the minimal amount of homework necessary to grasp the material we will be covering.
- ✓ The publisher’s PowerPoint presentations will be posted on the course MYLMU Connect (formerly Blackboard) site. The PowerPoint presentations I use in class will be a revised version of those slides.
- ✓ Arrive for class promptly and plan to stay for the entire class period. (There will be a brief break midway through the class.)
- ✓ Remember: I’m available to help you outside of class, too! If my scheduled office hours don’t fit with your schedule, please let me know so that we can work out a mutually-agreeable alternative.

### **Integration of Ethics**

Ethics, broadly defined, will be integrated throughout the course using discussion, readings, homework, graded hand-in assignments, and exam questions. Discussion will include a stakeholder approach to understanding the impact of accounting decisions. Corporate social responsibility will be addressed through a discussion of accounting for economic, social, and environmental performance. There will be two short papers assigned that address ethics-related topics (10 points each). Also, exams may include one or more ethics-related questions.

## Research Project

You will conduct a short team research project that will be documented in a research paper. The topic will be selected by your team and approved by me. It must be a professional work product with all appropriate footnotes and references. Details about the project will be provided during the semester. The research proposal is due on October 27. A first draft of the paper will be due on November 24. The completed research paper is due on December 8. A penalty will be assessed for proposals or papers that are handed in after the due dates. Team (group) pages will be set up in MYLMU Connect and some class time will be set aside for teams to meet.

## Examinations

The dates scheduled for three exams are listed on the attached class schedule. Exams are likely to include objective questions (e.g., multiple choice or matching), problems, and essays or short-answer questions. I attempt to assess the range of cognitive skills in my exams (i.e., recall, comprehension, application, analysis, and synthesis/evaluation), so just memorizing definitions, rules, and formulas will not sufficiently prepare you for the exams. Graded exams will be returned for your review and an explanation of grading, and then collected again. Of course, you may revisit your exams in my office at any mutually convenient time.

In-class exams must be taken on the date and at the class time scheduled. If you must miss a scheduled exam because of work demands, you may arrange with me to take the exam prior to the scheduled date and time. My policy is to discuss and return the graded exams at the next class meeting; therefore, make-up exams are given only under extreme circumstances. Students with an insufficient reason for missing the exam will receive a zero grade for the exam.

Our first exam of the semester will be a take-home exam, intended to allow you to demonstrate your mastery of the basics of financial statements and the bookkeeping process without the restrictions of the in-class setting. These exam materials will be distributed at the end of class on September 22 and the completed exam will be due at the beginning of class on September 29. You may use class materials (e.g., your book or class notes) to help you complete the exam, but **you are not to discuss the exam or otherwise get help from anyone else** (please refer to Academic Honesty and Integrity, below).

## Academic Honesty and Integrity

Loyola Marymount University's definitions of academic dishonesty and the honor code process are explained in detail on pages 58-59 of the Loyola Marymount University Bulletin 2008-2010. Below are excerpts from the Bulletin.

The University expects all members of its community to act with honesty and integrity at all times, especially in their academic work.

Examples of academic dishonesty include, but are not limited to, the following: all acts of cheating on assignments or examinations, or facilitating other students' cheating; plagiarism; fabrication of data, including the use of false citations; improper use of non-print media; unauthorized access to computer accounts or files or other privileged information; and improper use of internet sites and resources.

Depending on the nature of the violation (unintentional or intentional), actions may range from a warning up to failing the student in the course. The instructor may also recommend that the student be suspended or expelled. Please take time to read the entire section, LMU Honor Code and Process, in the Undergraduate Bulletin (<http://www.lmu.edu/AssetFactory.aspx?did=27393>).

### Special Events

On Wednesday, October 21, the Center for Accounting Ethics, Governance, and the Public Interest will host a presentation by Charles A. Bowsher as part of its *Distinguished Speaker Series*. You are encouraged to attend his presentation at 7:15 p.m. in Hilton 100 (followed by a reception). There will be a small group session with Mr. Bowsher from 3:30-4:30, which is available for you to attend if space permits.

Bowsher has a distinguished record of professional accomplishments and public service. His experience includes a 15-year term as Comptroller General of the United States and head of the General Accounting Office (GAO), a 21-year association with Arthur Andersen & Co., and a 4-year period as Assistant Secretary of the Navy for Financial Management. Since retiring as Comptroller General, he has served on several corporate boards. Mr. Bowsher was also Chairman of the Public Oversight Board, which was an independent, private sector body that monitored and reported on the self-regulatory programs and activities of the SEC Practice Section of the Division for CPA firms of the American Institute of Certified Public Accountants.

### Grading

#### Point Allocation

	<b>Points</b>
Short ethics papers (two papers, 10 points each)	20
Research project	60
Quizzes	20
Exams (100 points each)	300
<b>TOTAL</b>	<b>400</b>

#### Grading Scale

	<b>Minimum Percentage</b>	<b>Point Range</b>
A	90+	360+
A-	87	348-359
B+	83	332-347
B	80	320-331
B-	77	308-319
C+	73	292-307
C	70.0	280-291
F	<70.0	<280

**Tentative Class Schedule (subject to change as circumstances warrant)**

<i>DATE</i>	<i>CLASS TOPICS/ACTIVITIES</i>	<i>READING ASSIGNMENTS &amp; LEARNING OBJECTIVES</i>	<i>MODULE PRACTICE ASSIGNMENTS*</i>	<i>HAND-IN ASSIGNMENTS</i>
1 SEPT1	Introduction Financial Accounting for MBAs	Module 1 and Appendices: LO 1-5		
2 SEPT8	Financial Statements and Transaction Analysis	Module 2 and Appendix: LO 1-3	Module 1: 19, 24, 25, 28, 35, 36, 51, 53, 54; Module 2: 20, 23, 26	
3 SEPT15	Constructing Financial Statements and Analyzing Transactions; Corporate Social Responsibility and Ethics (assigned readings)	Module 3: LO 1-5	Module 2: 27, 33, 41, 45, 49, 50 Module 3: 14, 18	<b>QUIZ 1</b>
4 SEPT22	Analyzing and Interpreting Financial Statements	Module 4 and Appendix 4B: LO 1-5	Module 3: 24, 26, 30, 39, 50 Module 4: 17, 22, 25, 36, 37, 51, 52	
5 SEPT29	Reporting and Analyzing Operating Income	Module 5: LO 1-5		<b>EXAM 1 TAKE HOME DUE</b>
6 OCT6	Reporting and Analyzing Operating Assets	Module 6: LO 1-3	Module 5: 17, 19, 22, 28, 30, 32 Module 6: 13, 15, 16	
7 OCT13	Reporting and Analyzing Intercorporate Investments	Module 7: LO 1-3	Module 6: 18, 21, 22, 31, 36, 39, 44 Module 7: 20, 24	
8 OCT20	Reporting and Analyzing Nonowner Financing Reporting and Analyzing Owner Financing Financial Crisis (assigned readings)	Module 8 and Appendices: LO 1-3 Module 9 (pp. 9-1 to 9:23): LO 1-2	Module 7: 22, 31, 35 Module 8: 8, 10 Module 9: 19, 20	<b>Ethics Paper #1 Due</b>
OCT21	<b>SPECIAL EVENT: CHARLES A. BOWSHER HILTON 100, 7:15 P.M.</b>			
9 OCT27	Reporting and Analyzing Off-Balance-Sheet Financing	Module 10 (pp. 10-1 to 10-12): LO 1	Module 8: 13, 19, 21, 22, 27, 31 Module 9: 34, 42, 49, 53 Module 10: 10, 11	<b>Research Proposal Due</b>
10 NOV3	<b>EXAM 2: IN CLASS</b>			
11 NOV10	Managerial Accounting for MBAs	Module 13: LO 1-5	Module 13: 18, 22, 29, 30	
12 NOV17	Cost Behavior, Activity Analysis, and Cost Estimation	Module 14: LO 1-4	Module 13: 32 Module 14: 11, 13	<b>Ethics Paper #2 Due</b>
13 NOV24	Cost-Volume-Profit Analysis and Planning	Module 15: LO 1-5	Module 14: 17, 19, 25, 27, 33 Module 15: 11, 15, 16	<b>Research Paper Draft Due</b>
14 DEC1	Relevant Costs and Benefits for Decision Making	Module 16: LO 1-4	Module 15: 19, 22, 24, 28 Module 16: 13, 15, 16, 19	<b>QUIZ 2</b>
15 DEC8	Operational Budgeting and Profit Planning	Module 21: LO 1-4	Module 16: 23, 25, 29, 31 Module 21: 17, 18, 23, 28, 32, 39, 45	<b>Research Paper Due</b>
16 DEC15	<b>FINAL: IN CLASS</b>			

\*In this column, numbers may represent mini-exercises, exercises, problems, or cases. These are numbered consecutively in each module. I will cover selected answers in class. Any member of the class may also ask to go over any answer that I do not select. I will post the solutions to the modules on MYLMU Connect .