

University of Haifa - Faculty of Management
International MBA
Financial Accounting (4960 – 2 credits) and
Managerial Accounting (4961 – 1 credit)
25/05/2017-16/07/2017

Instructor: Professor Lewis Shaw, Ph.D., CMA

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Office Hours: by appointment

Course Website: Moodle - <https://mw4.haifa.ac.il/>

Course Description:

The course deals with the structure and information content of the three principal financial statements of profit-directed companies, namely the income statement, balance sheet and statement of cash flows. It develops skills in how to use accounting information to analyze the performance and financial condition of a company, and to facilitate decision making, planning and budgeting, and performance appraisal in a managerial context. Students with no prior background in accounting complete a programmed instruction in the mechanics of double entry accounting at the start of the course.

Learning Objectives

The course enables you to develop an initial understanding of the:

- (1) Economic foundations of financial accounting and the information content of the main accounting statements - the balance sheet, the income statement and the statement of cash flows
- (2) Tenets of US Generally Accepted Accounting Principles (USGAAP), and awareness that other countries use different accounting models that reflect their different economic, social and political histories and traditions
- (3) Economic concept of cost and its implementation using accounting information
- (4) Organizational processes involved in applying accounting information to the analysis of commonly encountered decisions, setting budgets, and appraising performance
- (5) Continual ethical challenges confronting accountants and managers in developing, reporting and using accounting information.

And to develop a working competence in:

- (1) Financial analysis techniques for appraising company performance and financial condition
- (2) Analytical methods for supporting managerial decisions
- (3) Using accounting information in constructing budgets and interpreting variances for purposes of controlling and appraising performance.

Knowledge and Skills Required for the Course

Because of the accelerated nature of the course, only a small amount of attention can be given to the procedural aspects of bookkeeping and accounting. If you have completed at least one undergraduate course in accounting, or if you are exposed in your job to the preparation of accounting statements, you will probably find the procedural content of the course quite straightforward.

The course uses readings, lectures, case studies, spreadsheet analyses, and projects to accomplish its learning objectives. You are expected to be an active participant in the learning process by conscientiously preparing material for class and being involved in class discussions. You are encouraged to work on assignments in groups; however, submitted work should be your own.

Course Materials:
(Required)

- **Principles of Accounting**, Larry Walther, Ph.D., CPA, CMA – available online at: www.principlesofaccounting.com
- ALEKS software package
- Additional materials will be on Moodle, including class outlines, homework problems, case materials, and suggested problem solutions.

(Strongly Recommended/Optional)

- The Wall St. Journal (discounted student subscriptions available)

Measurement (Grading)

Measures of success in accomplishing the objectives are embedded throughout the course. These include assessment of classroom participation, submitted homework exercises, written case studies, and a final examination, weighted as follows:

Financial Accounting (2 credits)

Annual Report Project	15%
Case Studies	20%
ALEK Software	10%
Attendance & Participation	10%
Final Exam	<u>50%</u>
Total	<u>100%</u>

Managerial Accounting (1 credit)

Case Studies	30%
Homework	10%
Attendance & Participation	10%
Final Exam	<u>50%</u>
Total	<u>100%</u>

Case Studies

Students will be assigned to groups. Each group will be responsible for presenting a case to the class and provide a three- to four-page write-up on the due date specified. In addition, **all** students are expected to analyze each case and be prepared for in-depth class discussion of each group's assigned case.

Annual Report Project

The purpose of this assignment is for you to show that a firm's publicly available financial information broadly presents the achievements and suggests future directions of its business activity. Each student must select a publicly traded US company to analyze. Your company choice must be approved by the instructor and each student must select a unique company (first come, first served!). A full description of this project and further details are available on the course's Moodle page.

ALEKS Software

The ALEKS Software is an on-line instructional tool to review and reinforce your knowledge of the basics of accounting and of the accounting/bookkeeping cycle. The software is sold along with the textbook and in a single package at the bookstore. You can also buy the ALEKS Software separately online (if you have already separately purchased the textbook).

To work on the ALEKS program, go to www.aleks.com. You will be using the program called **Accounting Cycle (Corporation) / Financial & Managerial Accounting - S 2017**. To register, click on the link marked “SIGN UP NOW” (to the left, under the space for Registered Users). You will need a 10-digit course code (**YGD6F-K4TMQ**). Then indicate that you are a new student. On the next screen, indicate that you have an “ACCESS CODE. Enter your 20-digit access code:

Grace	Appelt	FT4ZQ-KSVWV-3TLZT-UF27S
Jessica	Blomenfeld	A2647-PU6KH-UVYGC-BYRTY
Leonid	Borin	8FH87-J94YG-BHHHH-9W9L7
Ksenya	Harmelin	5UM2C-YNJEU-FRYAF-F7V6Y
Ilan	Herman	YQMCL-CXXFX-YAH9P-ES33X
Maytal	Itach	MH7GP-RTP7X-3AADE-UC79C
Boris	Levin	Z8XPE-LQGS2-7JAG9-755LC
Elizabeth	Rosen	RBTRZ-54B7C-UDWQQ-5X2HF
Maximt	Tubelsky	KNUNB-H2QLQ-Y8EJ4-MAGLH

You will need to be connected to the Internet when you are working through the software. Also, you will need to download and install a plug-in, in order for some of the graphics in the program to work (you will be prompted to install the plug-in).

Once you are registered, you will work through the software program in 3 phases.

(1) First you will be given an initial assessment. You will be given a series of questions to determine your level of pre-software accounting knowledge. Your feedback will be reported to you in a pie chart format. This represents your pre-ALEKS software knowledge, with completed parts of the pie representing areas that you have already mastered, and uncompleted parts of the pie representing areas in which you need more instruction and practice. This first phase typically takes between 30 and 90 minutes.

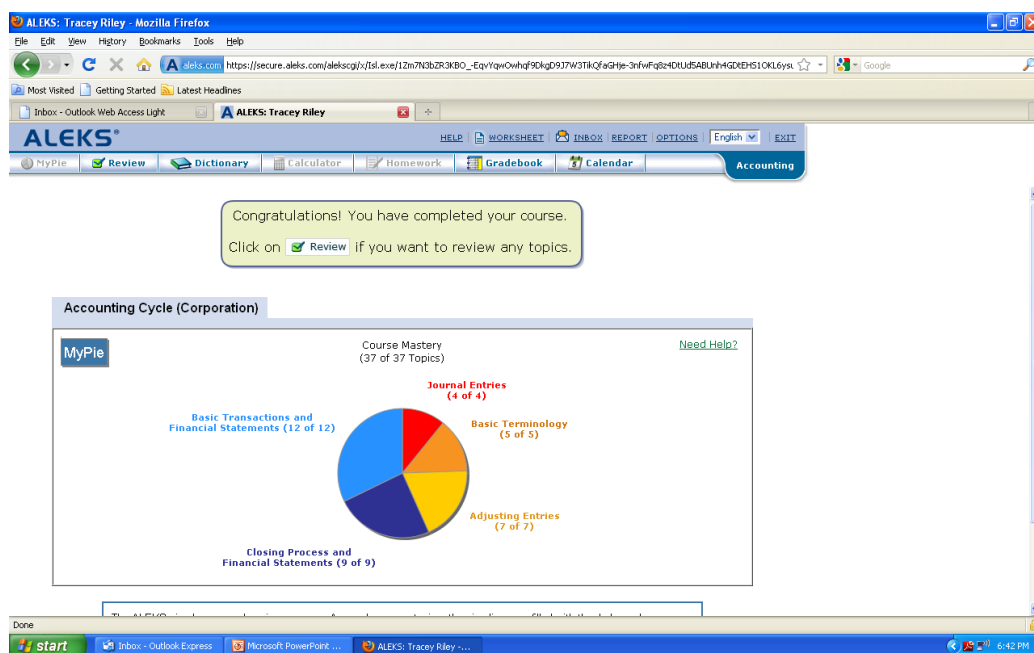
(2) Next you will proceed to the learning phase. For each uncompleted part of your knowledge pie, you will be given instruction and practice to enhance your knowledge in that area. You will be given a minimum of 3 practice problems for each area. If you get each practice problem correct, you will fill in a portion of your “knowledge pie.” For students who did the ALEKS program last semester, the average time to complete this phase was 8 hours, with some students completing it in 2 hours and others requiring over 20 hours. Once you have filled in all remaining parts of the pie, you will proceed to a progress assessment phase.

(3) In the progress assessment phase, you will be given a post-test with questions similar to the questions in the initial assessment. If you do sufficiently well on this post-test assessment, you will have completed the ALEKS program. If there are still deficiencies in your knowledge as identified in the post-test progress assessment, you will be given an updated “knowledge pie” and you will be put back into the learning phase, where you will start over, working on your “new pie.” Because you need to successfully complete the (post-test) progress assessment to complete the program, it is important that you retain what you learn during the learning phase, as opposed to rushing through the learning phase.

One additional note: The ALEKS program has a feature called an “interim assessment.” The interim assessment is like the initial assessment, where you answer a series of questions, and you will be given a revised knowledge pie. Based on how you do on the interim assessment, you may be able to skip some parts of the pie or you may have to go back to re-do parts that you had previously completed (usually students have to go back and re-do parts previously completed). Based on previous students’ experience with ALEKS, an interim assessment is typically triggered if you are inactive from the software for a few days.

You must complete ALEKS by midnight on **Wednesday, May 31**. There are no exceptions and late submissions will receive a grade of 0. There is no partial credit for ALEKS.

You will know when you have completed the program when your screen looks like this:



Class Participation

Class participation is an important element of this course. Accounting is no exception to the rule that people learn by doing. Participation makes our class more interesting and clarifies your understanding of the material.

Included in the class participation portion of your grade will be your attendance, your attentiveness, your being on time for class, your ability to ask thoughtful questions during class,

and your ability to respond to questions from your instructor. Chronic lateness will not be tolerated, as it is a distraction to your classmates and me.

Attendance is considered necessary for satisfactory performance in this course. **Being late is considered an absence.**

Final Exams

There will be separate exams for Financial Accounting and Managerial Accounting. The Final Exams are scheduled by the University during the weeks after the last class period that each section is covered. The exam content will be mostly objective and short case-oriented and closely related to the text and the problem assignments. ***Makeup exams will only be granted under the guidelines and policies of the University of Haifa!***

Class Format and Student Preparation

Classes will consist of lectures, discussions, problem solving, and case presentations. As indicated in the class schedule, there will typically be chapter readings and in-class problems assigned for each class meeting. As part of their preparation for class, students are expected to study the chapter readings and complete the in-class problems **PRIOR TO** each class meeting.

I will normally devote a part of each class period to the discussion and illustration of selected items from the assigned materials. The objective of these discussions is to clarify and elaborate on certain items because of their special relevance or difficulty. Students are encouraged to ask questions at any time and to request that particular points be explained in more detail, if they remain confused or uncertain about items discussed or if concepts in the readings remain unclear.

Cell phones, Electronic Devices, and Laptop Use During Class

Please make sure computers, tablets, wireless phones, PDAs, MP3s, pagers and all other electronic devices are **turned off and not used during class**. If a student chooses to use these devices during class, including texting, the professor reserves the right to confiscate the device and/or ask the student to leave the class. *We will take two 10 minute breaks, which allows you plenty of time to check e-mail, return important calls, etc.!!*

Tips for Success in this Class

First of all, this is NOT a course to take lightly. Despite any preconceived opinions you may have about your ability to understand accounting or the importance of accounting to an organization or your personal career goals, you can succeed in this course and learn a lot! The best way to succeed in this course is to keep up. It is also important that you take a systematic approach to this course and set aside regular time each week, to read the chapters and do the homework problems before class, so you can make the most of the class lectures. You should also set aside time after class to review your class notes, to reinforce what was discussed in class, which will help with your retention of the material.

I realize that this may not be the only class that you are taking this semester and you will have a juggling act trying to balance your classes, work, and personal life. However, in my prior experience with this class, I believe you need to make this class a high priority (#1 priority ideally) among your classes in order to succeed in it.

Good luck this semester!

Financial and Managerial Accounting
May – July, 2017
Tentative Class Schedule

Class #	DATE	TOPIC	READING	IN-CLASS EXERCISES
1	Thursday, May 25 (15:00-19:30)	The Nature and Purpose of Accounting The Conceptual Framework The Financial Statements	Chapter 1 Chapter 2	I-01.03, I-01.05 I-02.04
2	Thursday, June 1 (15:00-19:30)	Overview of the Accounting Cycle and Transaction Processing	Chapter 3 Chapter 4	I-03.04 I-04.03, I-04.05, I-04.06 S&H Green Stamps
3	Thursday, June 8 (15:00-19:30)	Specific Issues: Assets <ul style="list-style-type: none"> • Cash and Receivables • Inventory • Fixed Assets • Intangible Assets 	Chapters 5 through 11	I-05.01 I-06.02 I-07.01, I-07.03 I-08.02 I-10.02, I-10.03 I-11.01, I-11.03, I-11.05
4	Thursday, June 15 (15:00-19:30)	Specific Issues: Liabilities and Stockholders' Equity <ul style="list-style-type: none"> • Current Liabilities • Long-Term Liabilities • Stockholders' Equity Ratio Analysis	Chapters 12 through 14	I-12.02, I-12.03 I-13.03, I-13.04 I-12.02, I-12.03 I-13.03, I-13.04 Martin & Winter Company
5	Thursday, June 22 (14:00-18:30)	Wrap-up – Financial Accounting Review for Exam		Annual Report Project Due
6	Thursday, June 29 (14:00-18:30)	The Nature of Management Accounting The Behavior of Costs Cost-Volume-Profit Analysis	Chapter 16 (1 st Half) Chapter 17 Chapter 18	I-17-02, I-17-03 I-18-01, I-18-03, I-18- 04 Snow Geese Inn
7	Thursday, July 6 (14:00-18:30)	Strategic Planning and Budgeting Product Cost and Pricing Process Costing Job Order Costing Activity Based Costing	Chapter 21 Chapter 19 Chapter 20	I-21-01, I-21-02 I-19-02, I-19-04 I-20-01, I-20-02, I-20- 04 Decker Boat Shop
8	Thursday, July 13 (15:00-19:30)	Budgetary control and executive leadership Review for Exam	Chapter 22 Chapter 24 (1 st Half)	I-22-01, I-22-03, I-22- 04 I-24-01 Managing the Marketing Function
	Sunday, July 16 (17:00 – 20:00)	Final Exam (Financial Accounting) Final Exam (Managerial Accounting)		