

ACC 1100 INTRODUCTORY FINANCIAL ACCOUNTING

Section A02: Tuesday/Thursday, 10:00 AM – 11:15 AM, 105 Drake

Section A03: Tuesday/Thursday, 11:30 AM – 12:45 PM, 105 Drake

Section A05: Tuesday/Thursday, 13:00 PM – 14:15 PM, 105 Drake

COURSE OUTLINE

Instructor:	Mingzhi Liu
Office:	460 Drake Centre
Office hours:	Tuesdays & Thursdays, 3:00 PM – 4:00 PM; Or by appointment
Phone:	(204) 474-6847
Email:	mingzhi.liu@ad.umanitoba.ca
<i>To access course website</i>	
<ol style="list-style-type: none">1. The Desire2Learn website address is: https://www.umanitoba.ca/d2l2. Sign in using your University of Manitoba UMnetID. (If you do not have a UMnetID, go to the Iridium website at: https://iridium.umanitoba.ca/ and click on Create UMnetID.)3. From your Fall 2013 list of courses, click on ACC-1100 (A02-A08).4. All course related materials are available on D2L (e.g., class notes, in-class exercises, sample exams, term project instructions, solutions for assigned homework, etc.). Prior to each class, students are expected to access the course website to obtain a copy (paper or electronic) of the relevant materials to bring to class. <u>No printed handouts will be distributed in class.</u>	

OBJECTIVES OF THE COURSE

The overall objective of this course is to develop your knowledge of, and your ability to use, financial accounting information. At the conclusion of this course you will be expected to:

1. be able to interpret financial statements and derive information to support decision-making;
2. have an understanding of financial accounting concepts and the way concepts are applied in preparing financial statements;
3. be aware of the existence of alternative accounting treatments and the need to exercise judgment in deciding on the treatment appropriate in a specific situation; and
4. be able to prepare financial statements.

REQUIRED TEXTS (available at the Campus Bookstore)

Harrison, Horngren, Lemon, Seguin and Lemon, *Custom Introduction to Financial Accounting with MyAcctngLab RVP* (Fourth Canadian ed.), 2012, Pearson (**ISBN: 9781256859550**). Note that this is a customized package prepared specifically for the University of Manitoba. We do NOT recommend purchasing second-hand copies of the textbook that are not customized. The package also contains a code that you will need to register in *MyAccountingLab* – do not throw the code away.

CONDUCT OF THE COURSE

The course will be conducted principally as a lecture-style class, with some in-class discussion and activities involving the application of accounting principles. Readings and questions and problems (see Appendix 1) have been recommended for each topic covered in the course. **The readings will be most effective if completed prior to class.** As a rule of thumb, we recommend that students spend three hours per every lecture hour completing readings, reviewing lecture material and completing assignments and recommended exercises and problems. The recommended problems listed in Appendix 1 are not to be handed in. Students are encouraged to attempt the recommended problems on their own and then check their work against solution sets that are available through the course website.

ALLOCATION OF GRADES

<u>Item</u>	<u>Points</u>
Midterm examination (Thursday, Oct 24th, 6:00 PM – 8:00 PM)	25
Final examination (To be scheduled by the Registrar's Office)	45
Assignments	10
Term Project – Part 1 (due November 7, 4:00 PM)	8
Term Project – Part 2 (due November 21, 4:00 PM)	4
Term Project – Part 3 (due December 6, 4:00 PM)	<u>8</u>
	<u>100</u>

NOTE: To get a grade of C+ or higher in the course, a student must achieve an average grade on the midterm and final exams that is **no less than three points below the overall course average on the two exams**. For example, if the course average on the midterm exam was 66% and the average on the final was 64%, a student must have an average on the two exams of at least $\{[(66\% + 64\%)/2] - 3\% = \}$ 62% to qualify for a C+.

Examinations

The midterm examination will test all material covered on days 1 through 12, inclusive (see Appendix 1 for details). The final examination will test all material covered on days 1 through 25.

Each student will be allowed to bring non-programmable calculators without text storage capability, pens, and pencils to both exams. In addition, each student is allowed to bring one (1) information sheet for the midterm exam and two (2) information sheets for the final exam. The information sheet(s) must be no larger than 8.5 inches by 11 inches and must be handwritten (no machine-printed or photocopied sheets will be permitted) on one or both sides. **NO OTHER MATERIALS** (e.g., dictionaries) **WILL BE PERMITTED WITHOUT THE EXPRESS PERMISSION OF THE INSTRUCTOR.**

Students who miss the midterm examination for legitimate reasons (medical, compassionate, academic

conflict or university sports team travel) will have the midterm examination marks added to the final examination (i.e., will write a 70% final examination). In all cases of absence on an examination date, the instructor should be advised within seven working days of the examination date and receive suitable documentation.

Students who miss the final examination must apply to the Undergraduate Program Office in their faculty for possible deferred examination privileges.

Assignments

MyAccountingLab is internet-based educational software which we have used to create assignments for ACC 1100. Eight assignments will be due at various dates throughout the semester as outlined in the table below. Each assignment is worth 1.5 points, and a maximum of ten points are available. A student can miss one assignment without penalty.

Assignment	Due by 11:59 PM on
1	Friday, September 20
2	Friday, September 27
3	Friday, October 4
4	Friday, October 11
5	<u>Tuesday, October 22</u>
6	Friday, November 8
7	Friday, November 22
8	Friday, November 29

You must achieve a grade of at least 70% by the due date to get full credit (1.5 points) for a particular assignment. A grade greater than zero, but less than 70%, is worth 0.5 points. You can do the assignments at any time and can redo them to improve your grade up until the deadline. I encourage you to do the assignments early and as many times as you find necessary. Keep in mind that *MyAccountingLab* is an internet-based program. Problems with the *MyAccountingLab* website, your internet server or your computer are all possible and will not be considered valid reasons for missing a deadline. Late assignments will not be accepted.

Instructions on how to register in and use *MyAccountingLab* are provided in Appendix 2.

Term Project

Students are required to analyze the 2012 annual report of Air Canada with a view to making a recommendation regarding its potential interest to investors (i.e., would you recommend investing in Air Canada's shares to a client?). Specifically, the analysis must evaluate the profitability, asset management, solvency and liquidity of Air Canada, compared to WestJet, another company in the same industry. A good analysis will use the ratios discussed on days 10 and 11 (Chapter 13 of the Harrison textbook) as a starting point, but will also include other factors, both quantitative and qualitative, available in the Air Canada annual report and elsewhere (e.g., financial investment services, the financial press, the internet).

The term project consists of three parts and **detailed FAQ for each of the three parts will be available on course website, D2L.**

Part 1

Students will compute financial ratios for both Air Canada and WestJet. Students must prepare and hand in financial ratio results, including all calculations, for as many years as they deem appropriate, using any charts or graphs necessary to support the discussion of these results in part 2 (note that there will be no discussion of these results in part 1). There is no limit on the number of pages of ratios and charts/graphs that a group may include, but five to ten should be sufficient.

Top marks will be awarded for correct calculations of ratios and professional-quality presentation of calculations and charts or graphs. Bonus marks (up to 10%) will be awarded for additional features (see course website for more information). **Bonus marks can only be used to cancel out the marks that you lose.** In other words, the sum of all your marks (including bonus marks) cannot exceed the full marks allocated to part 1.

Part 1 must be handed in by **4:00 PM, Thursday, November 7.** Projects may be handed in either in class or to your instructor's office. Late projects will be penalized 20% of the total possible grade for each business day, or part thereof, late.

Part 2

A model set of ratio calculations will be made available to all groups and will form the basis for Part 2 of the term project. Part 2 will consist of a table interpreting the results of each of the ratios calculated in Part 1. Specifically, for each ratio the team must (1) evaluate how Air Canada performs on each ratio relative to WestJet over the past four years; and (3) evaluate how Air Canada has performed on that ratio over the past few years. A template for the kind of table we have in mind will be available on the course website.

Part 2 must be handed in by **4:00 PM, Thursday, November 21.** Projects may be handed in either in class or to your instructor's office. Late projects will be penalized 20% of the total possible grade for each business day, or part thereof, late.

Part 3

Part 3 will consist of a written report containing no more than three (3) pages of text (double-spaced, one-inch margins, and printed in 12-point Times New Roman font), not including appendices. The text must explain the analysis performed in the Part 1 model, the results of that analysis (part of which is done in part 2) and the conclusions that it supports. It will also include any other information or analyses, available in the Air Canada annual report or elsewhere, that students believe might have an impact on the investment decision. Copies of all materials used in the project (e.g., press clippings, investment analyst reports, etc.), other than the 2012 Air Canada and WestJet annual reports and the Part 1 and Part 2 models, must be clearly presented in an appendix. There is no limit on the length of the appendix (appendices).

Top marks will be awarded for professional-quality projects that are well organized and integrate the results of the ratio analyses together with other available information, with clear introduction and conclusion/recommendation.

Copies of Air Canada's and WestJet's 2009-2012 financial statements are available on the course website. **Copies of the complete annual reports are available on the www.sedar.com website.**

Part 3 must be handed in by **4:00 PM, Friday, December 6**. Projects may be handed in either in class or to your instructor's office. Late projects will be penalized 20% of the total possible grade for each business day, or part thereof, late.

The instructor will assign students to specific groups early in the course and will make some class time available for group members to meet. Students who are unable to contact their group members must notify their instructor by **no later than October 15**, with proof of a good faith attempt to contact the missing member(s) (e.g., print emails or text messages).

Students will do the term project in groups of four. All group members are expected to contribute to the group's submission, and all group members will receive the same grade on the term project. **There will be no formal peer evaluation for the term project.** However, there may be cases (expected to be *rare*) where a group member does not satisfactorily contribute to the term project (e.g., does not respond to emails, fails to attend group meetings, does not complete group work as assigned, etc.). If this occurs, students should still include all group members' names in the formal submission (multiple submissions per group are not accepted). In addition, the instructor should be informed, in writing, of the details regarding the student(s) who did not contribute to the project in an equitable way. The instructor will investigate further and will determine the potential penalty to be assessed to the non-contributing member(s) on a case-by-case basis.

OTHER LEARNING RESOURCES

Friday course labs

ACC 1100 tutorial labs are scheduled on Fridays, beginning September 13. **Attendance will be taken at each of the labs.** According to University of Manitoba policy, attendance at all lectures and labs is **mandatory**. It is our experience that students who attend labs and lectures regularly receive substantial benefit and perform better on class assignments and exams.

Other learning resources

A number of other learning resources are available to students in ACC 1100, and we encourage you to use those that you find helpful. They include:

- practice problems from the textbook (see appendix 1; solutions available on course website)
- Study Plan and Chapter Resources available in *MyAccountingLab*
- sample examinations, with solutions (on the course website)

Note that while the resources above are strongly recommended, there is no course credit for using them.

Other tutorial services

As the midterm and final examinations approach, you will likely see posters and handouts advertising review sessions for ACC 1100 offered by other students or by people from outside the Asper School. You should be aware that the faculty teaching ACC 1100 does not assist in the planning of these review sessions or in the preparation of materials for them. The ACC 1100 faculty believe that regular attendance in class and in the labs, study and practice with recommended exercises are both necessary and sufficient to succeed in this course. The ACC 1100 faculty do not recommend any course review

sessions offered by non-faculty personnel.

GUIDELINES FOR STUDENT CONDUCT

A student's conduct in class will depend on the nature of the class, the technologies available and the instructor. To avoid misunderstandings, I include here a list of guidelines that will hopefully enhance the "ACC 1100 Experience" for all students. The guidelines are derived from general principles of professional courtesy, contribution and service that will serve you well throughout your career.

Classroom conduct

- **Be on time.** The class will start promptly at the time set by the university. Students should be seated and the instructor's presentation properly set up by this time. Occasionally, things happen that will get in the way, but these things should be rare.
- **Address your comments in class to the instructor.** Talking with your neighbour distracts students sitting around you and the instructor. Questions and comments directed to the instructor, on the other hand, almost always help to clear up confusion that other students in the room have.
- **Turn off cellphones, cameras or recorders.**
- **"Be here now."** If you come to class, come to class. Put away any materials that are not related to ACC 1100 prior to the start of the class.

Asking questions/Asking for help

Questions are important as they help me to deal with your difficulties and help to point out problems with the textbook and my materials. I strongly encourage questions in class and during my office hours.

Many students like to ask questions immediately before and after class but this can be problematic. Before class, I am usually setting up the computer, projector and class materials. After class, I have to pack up and get out before the next instructor comes in. Please be understanding and let me do the setup/takedown before asking me questions.

In the interest of fairness to the other students, please do not ask for information or resources (e.g., exam study tips, my lecture notes) that are not available to all students.

E-mail

E-mail can be a useful way of dealing with smaller issues. I respond to all e-mails and answer questions where practical. If the question is too complicated (e.g., Can you explain accounting to me?), I will ask you to come and see me in my office. Some more specific guidelines:

- **Use your university e-mail account to communicate with me.** Effective September 1, 2013, the U of M will only use your university e-mail account for official communications, including messages from your instructors, department or faculty, academic advisors, and other administrative offices. Refer to this link for details: http://umanitoba.ca/registrar/e-mail_policy
- **Tell me who you are.** Please give **your full name and your section** when you write to me.

APPENDIX 1. CLASS SCHEDULE

The assigned chapters **DO NOT include the chapter appendices unless specifically noted.**

Day	Unit & Topic	Chapter	Recommended Problems
1 / Sept. 5	1. Introduction	1	S1-4, S1-10, S1-11, E1-14, E1-15, Q1-29-Q1-31,P1-44A, P1-47A
2 / Sept. 10 3 / Sept. 12	2. Transaction Analysis	2 3	P1-45A, P1-46A, S2-1-S2-4,E2-14-E2-16,Q2-29-Q2-37,P2-50A
4 / Sept. 17 5 / Sept. 19	3. The Accounting Cycle Preparing the Financial Statements	3	Q2-38-Q2-48,P2-52A-P2-55A
6 / Sept. 24 7 / Sept. 26	4. Adjusting Entries	3	S3-1-S3-5,S3-6,E3-17,E3-21-E3-23,E3-30,E3-32,E3-35,Q3-36-Q3-50,P3-55A,P3-56A,P3-58A
8 / Oct. 1 9 / Oct. 3	5. Revenue and Expense Recognition	3	S3-3,S3-6,E3-18-E3-20,P3-54A
10 / Oct. 8 11 / Oct. 10	6. Financial Statement Analysis	13; Leon's Furniture and BMTC financial statements	S13-5-S13-9,E13-14,E13-16, E13-22,E13-23,Q13-25-Q13-36,P13-38A-P13-43A
12 / Oct. 15	7. Cash Accounts Receivable	5 (pp. 242-260)	S5-10-S5-12,E5-25,E5-26,E5-28,P5-50A,P5-51A,P5-54A
13 / Oct. 17 14 / Oct. 22	8. Inventory and Cost of Goods Sold	6 (+Appendix 6A)	E6-20,E6-21,E6-26,E6-27,E6-29,P6-49A-P6-53A, P6-56A, P6A-5, P6A-6
October 24	Midterm Exam		
15 / Oct. 29 16 / Oct. 31	9. Property, Plant and Equipment, and Intangible Assets	7	S7-8-S7-12,E7-15-E7-17,E7-25,E7-26,Q7-35-Q7-49,P7-50A-P7-56A
17 / Nov. 5 18 / Nov. 7	10. Investments	5 (pp. 238-242) 10 (pp. 513-524, pp. 533-534)	S5-2,S5-3,E5-16,P5-48A,S10-2-S10-6,E10-13-E10-17,Q10-25-Q10-30,P10-37A-P-10-39A
19 / Nov. 12	11. Liabilities	8 (pp. 391-401), 8 (pp.419-423), 11(pp. 567-569)	S8-4,S8-5,S8-15,Q8-35-Q8-41,E8-16,E8-17,E8-20,P8-54A,P8-55A,E11-17, E11-18,P11-40A
20 / Nov. 14 21 / Nov. 19	12. Shareholders' Equity	9 11 (pp. 554-572)	E9-26-E9-29,E9-36,P9-58A-P9-60A,P9-62A,P9-64A,P9-65A,S11-10,E11-12,E11-13,P11-35A,P11-36A,P11-41A
22 / Nov. 21 23 / Nov. 26 24 / Nov. 28	13. Statement of Cash Flows	12 (+ Appendix 12A)	E12-10,E12-11,E12-17,Q12-18-Q12-26,P12-40A-P12-42A,E12A-6,P12A-15A,P12A-17A
25 / Dec. 3	14. Auditing and Financial Fraud / Review for Final Exam	4 (pp. 182-190) 11 (pp. 572-574)	S4-4,E4-17,E11-22
TBA	Final Exam		

APPENDIX 2. USING MYACCOUNTINGLAB IN ACC 1100

To access your MyAccountingLab online course for the first time, you need to **register and log in**. Whenever you want to use MyAccountingLab after that, you just need to log in. You can do both from the same starting point, at www.MyAccountingLab.com.

To **register**, you will need a *student access code* and a *course ID* (provided below). If you purchased a new textbook, it should have come with a Student Access Kit that contains a code you can use to register. If you do not have a Student Access Kit, you can purchase access online with a major credit card.

Course Name: ACC 1100 Financial Accounting Fall 2013

Course ID: XL1B-M1KR-201Z-7DL2

Registration

1. Go to <http://www.myaccountinglab.com> and click the Student button, in the Register section.
2. Enter the course ID, XL1B-M1KR-201Z-7DL2 and click **Next**. (Note that the “0” in the ID is zero.)
3. Choose to register an access code (came with your new book) or purchase access if you don’t have an access kit/code.
4. Click **Next** to proceed to registration.
5. Read the License and Privacy Policy and click **I Accept**.
6. Follow the instructions to create your account. **Your ID should be the following: UMNetID@acc1100f13** where **UMnetID** is the id you use to log into Jump and D2L. **For example, if a student’s UMNetID is umsmithj, he/she should set his/her MAL id to umsmithj@acc1100f13**
7. Click **Log In Now**. You will automatically be logged into MyAccountingLab.

Course Enrollment

1. The first time you login to MyAccountingLab, you will need to choose the "*I am taking a course that is using MyAccountingLab, and need to enroll in my instructor's course.*" option. You will be asked to enter a course ID. Enter your course ID, XL1B-M1KR-201Z-7DL2
2. Verify your course and select **Enroll**.
3. Be sure to click on the [Browser Check](#) link on the Announcements page or in the upper right of the screen. The installation wizard will walk you through necessary plugins and players that you will need to use the MyAccountingLab resources.

To log into MyAccountingLab

1. Go to <http://www.myaccountinglab.com>
2. Enter your user name (**UMNetID@acc1100f13**) and password you just created, and click Log In.

To do an assignment

1. Click on **Do Homework**.
2. Click on the desired assignment.
3. Click on one of the questions to begin. You can spend as much time as you want on any of the questions – there is no time limit.
4. **IMPORTANT**: Click on **Save** any time to calculate and record your grade within the Gradebook. You can go back into the question and complete it later on.
5. To redo a question to improve your grade, click on **Similar Exercise** within each question.

APPENDIX 3. ACADEMIC INTEGRITY

It is critical to the reputation of the I.H. Asper School of Business and of our degrees that everyone associated with our faculty behaves with the highest academic integrity. As the faculty that helps create business and government leaders, we have a special obligation to ensure that our ethical standards are beyond reproach. Any dishonesty in our academic transactions violates this trust. The University of Manitoba Undergraduate Calendar addresses the issue of academic dishonesty under the heading “Plagiarism and Cheating.” Specifically, acts of academic dishonesty include, but are not limited to:

- using the exact words of a published or unpublished author without quotation marks and without referencing the source of these words
- duplicating a table, graph or diagram, in whole or in part, without referencing the source
- paraphrasing the conceptual framework, research design, interpretation, or any other ideas of another person, whether written or verbal (e.g., personal communications, ideas from a verbal presentation) without referencing the source
- copying the answers of another student in any test, examination, or take-home assignment
- providing answers to another student in any test, examination, or take-home assignment
- taking any unauthorized materials into an examination or term test (crib notes)
- impersonating another student or allowing another person to impersonate oneself for the purpose of submitting academic work or writing any test or examination
- stealing or mutilating library materials
- accessing tests prior to the time and date of the sitting
- changing name or answer(s) on a test after that test has been graded and returned
- submitting the same paper or portions thereof for more than one assignment, without discussions with the instructors involved.

Group Projects and Group Work

Many courses in the I.H. Asper School of Business require group projects. Students should be aware that group projects are subject to the same rules regarding academic dishonesty. Because of the unique nature of group projects, all group members should exercise special care to insure that the group project does not violate the policy on Academic Integrity. Should a violation occur, group members are jointly accountable unless the violation can be attributed to a specific individual(s).

Some courses, while not requiring group projects, encourage students to work together in groups (or at least do not prohibit it) before submitting individual assignments. Students are encouraged to discuss this issue as it relates to academic integrity with their instructor to avoid violating this policy.

In the I.H. Asper School of Business, all suspected cases of academic dishonesty are passed to the Dean’s office in order to ensure consistency of treatment.

APPENDIX 4.

**UNIVERSITY OF MANITOBA
Faculty of Management
Medical Absenteeism Form**

Student Identification: (please print clearly)

_____	_____	_____	_____
Last Name	First Name	Middle Initial	U of M Student Identification Number
I hereby authorize _____ to verify with the attending physician or his/her (Name of Instructor/Administrator) staff or colleagues that the contents of this form are true.			
_____	_____		
Student's Signature	Date		

To be completed by the attending physician: (after the above section is completed)

_____	_____	_____
Physician's Last Name (please print clearly)	Physician's First Name	Middle Initial
_____	_____	_____
Street Address	City, Province	Postal Code
_____	_____	
Telephone Number	Fax Number	
To the attention of the physician: Your evaluation of the student's condition is being used for the purpose of determining whether or not the student has a <u>valid reason</u> to miss an important <u>exam</u> or <u>assignment</u> . <u>Your professional evaluation is necessary to ensure that only valid cases are excused.</u>		
I certify that the nature of the student's condition is severe enough to prevent the student from taking an exam or completing an assignment. If requested, my associates or I will verify for the above-named instructor/administrator that this information is accurate.		
The student's condition will likely span the following dates:		
		_____ (indicate start date)
	until	_____ (indicate end date)
_____	_____	
Physician's Signature	Date	

Notes to physician:

- Please make a note in the student/patient's file indicating that the student has given the above-named instructor/administrator permission to verify with you, your staff, or your colleagues, that the information contained on this form is correct. Thank you for your professional evaluation of this student's condition.
- **PLEASE ATTACH THIS FORM TO YOUR REGULAR OFFICE STATIONERY THAT INDICATES THE STUDENT VISITED YOUR OFFICE.**

Note to student:

- The use of this form is at the option of the student. However, in order to obtain an excused absence for an assignment or exam, the student must obtain a doctor's certification that the student's condition is severe enough to prevent the student from taking the exam or completing the assignment.
- It is NOT SUFFICIENT to provide a note that only indicates the student visited the doctor's office.