

**McCOMBS SCHOOL OF BUSINESS**  
**The University of Texas at Austin**

**Accounting 311 - Fall 2009**  
**Fundamentals of Financial Accounting**

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|---------------------|---------------------------------------------------------------------------|----------------------|-----------------------------------------|
| <b>Class Hours:</b> | TTh 11:00 - 12:15 (Unique #: 02470)<br>TTh 12:30 - 1:45 (Unique #: 02480) | <b>Location:</b>     | UTC 4.124<br><b>Location:</b> UTC 4.124 |
| <b>Professor:</b>   | Doug deVidal                                                              | <b>Office:</b>       | GSB 5.126B                              |
| <b>E-mail:</b>      | Doug.deVidal@mcombs.utexas.edu                                            | <b>Office Hours:</b> | TTh 2:00 - 2:30<br>and by appointment   |
| <b>Website:</b>     | http://courses.utexas.edu (Blackboard)                                    |                      |                                         |
| <b>Phone:</b>       | 471-7893                                                                  |                      |                                         |
| <b>TA:</b>          | Qujie Dolan                                                               | <b>Office:</b>       | CBA 4.304A                              |
| <b>E-mail:</b>      | Qujie.Dolan@bba05.mcombs.utexas.edu                                       | <b>Office Hours:</b> | TTh 9:30 - 11:00                        |

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Required Materials

Text: *Financial Accounting* by Libby, Libby, and Short - 6<sup>th</sup> Edition (McGraw-Hill/Irwin, 2009).  
(This text is also available as an eBook at the text website.)

Accounting Cycle Supplement: *Solid Footing: Building an Accounting Foundation*, by Dan Wiegand - 4<sup>th</sup> edition (Micro Solve, Inc., 2008).

Other Materials

- Homework Solutions (available on Blackboard)
- Chapter Outlines (available on Bb)
- Study Guide to accompany *Financial Accounting* - 6<sup>th</sup> Edition (McGraw-Hill/Irwin, 2009).
- PPT Chapter Slides (available on the text website)
- Practice Exams (available on Blackboard prior to each exam)
- Text website: [www.mhhe.com/libby6e](http://www.mhhe.com/libby6e)

Objectives of the course: To learn the following:

- A. The nature and purpose of accounting for business, government, and non-profit organizations, with emphasis on the various business entities.
- B. The preparation, use, and interpretation of financial reports (i.e., income statement, balance sheet, statement of cash flows, and statement of retained earnings) prepared for users external to the business enterprise (i.e., owners (investors), creditors, sponsors, government, etc).
- C. The concepts and standards underlying the measurements used in accounting to develop the financial statements of businesses.
- D. Accounting methods and their use as an orderly means of recording, classifying, and presenting useful information from a mass of data derived from transactions and events affecting the enterprise.
- E. The basic language of business as represented by business and accounting terminology.

## Prerequisites

You are required to meet all requirements specified in the Undergraduate Catalog or you might be dropped from the course.

## Course Routine

This course will be conducted in a manner that encourages class participation by the students, consistent with the objectives of the course, the time available, and the number of students in each class. Students are expected to study the chapter readings and other assigned materials 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 and to request that particular points be explained in more detail if they remain confused or uncertain about items discussed or if concepts remain unclear. Additionally, some class time may be devoted to group work on short cases, exercises and problems.

## Academic Standards

A high academic level will be maintained with respect to (a) the quality of the course and (b) grading. Semester grades will be determined on an objective basis using the following factors and relative weights:

|                                     |             |
|-------------------------------------|-------------|
| First Midterm Exam                  | 25%         |
| Second Midterm Exam                 | 25%         |
| Final Exam (comprehensive)          | 30%         |
| Solid Footing                       | 5%          |
| Quizzes (lowest two scores dropped) | <u>15%</u>  |
| TOTAL                               | <u>100%</u> |

Every effort will be made to conform to a traditional distribution of 90% or  $\geq$  A, 80% = B, 70% = C, 60% = D, and  $<$  60% = F. However, the final course distribution may be adjusted downwards based on the class average and in accordance with the guidelines and grading standards for the course. I also reserve the right to make score revisions (upward only) to previously graded work for improvement in performance on subsequently graded work of like kind. Incompletes will be given only in the **RAREST** of circumstances and according to university policy. There will be no opportunity to raise your course grade by doing "extra credit" work either before or after the end of the semester.

Beginning in Fall 2009, The University of Texas at Austin permits plus/minus grading (i.e., A, A-, B+, B, B-, C+, C, C-, D+, D, D-, F) for all courses in which grades are awarded, including undergraduate as well as graduate courses. In order to foster consistency in grading across sections of ACC 311, the faculty have adopted plus/minus grading as the standard for all sections of the course. The faculty believe that plus/minus grading permits us to better distinguish gradations in performance and provides better feedback to students on their performance. We are committed to implementing this grading policy in a way that does not lower the average GPAs awarded to our classes.

## Examinations and Quizzes

Exams: There will be two common midterm exams plus a common and comprehensive final exam. The midterm exams will be given in the **EVENINGS**. Dates for these exams are listed on the Course Schedule. Locations will be announced prior to the exams, but the exams will **NOT** be given in the lecture location. Each student is responsible for managing his/her own personal schedule to be present at these two night exams. If you have a conflict with a regularly scheduled UT class (or an exam in a regularly scheduled UT class), there is a provision for an alternative exam. Otherwise, no make-up midterm exams will be given. If you miss a midterm due to an illness or other emergency reason, you should notify me before the exam and provide me with written documentation (e.g., a note from the attending physician) after you return. I have final authority to determine if your absence is justified. Students with an excused absence from a midterm exam will have a weighted average of the other two exams substitute for the missed exam.

Quizzes: Generally, most quizzes will be given before we begin coverage of a new chapter, but sometimes the quizzes will be given after we finish a topic. Also, from time to time there may be a pop-quiz or a take-home quiz. In total, there will be approximately 8 - 10 quizzes, and you will be allowed to drop your two lowest scores. Quizzes will be worth 10 points each and 15% of your grade. In-class quizzes will consist of multiple-choice and/or short-answer questions. **There are no make-up quizzes**. The drop provision is intended to take care of low quiz scores and/or missed quizzes. If you miss a class, it is your responsibility to obtain information covered in class, including announcements concerning quizzes.

#### Class Attendance and Non-Graded Homework

In my opinion, class attendance and homework are the two most important components of this course. Based on prior experience, those students who generally do very well in this class are those who attend class and those who don't do as well are students who tend to skip class.

Homework is assigned for each chapter. This phase of your study is intended to be an independent learning experience rather than a grading device. You should develop your best solution for each of the problems assigned. Working with fellow students is strongly encouraged. The homework assignments do not have to be turned in, and solutions are available on Blackboard

#### Wall Street Journal

Reading the *WSJ* is not required for the course, but I strongly recommend that you develop the habit of reading it on a daily basis. The *WSJ* is the voice of business, and reading it for the next few years will help you attain the background on U.S. and international business that you will need upon graduation. Items pertinent to the course will often be discussed in class. Another source of business information that you may wish to become familiar with is *Business Week*.

#### Class Protocol

- Please be sure your cell phones are on silent, vibrate, or off before class begins. Also, text messaging is absolutely forbidden. If I see you texting, I will ask you to stop. If I see you doing it a second time, I will ask you to leave the class room and it will cost you a **one letter grade reduction in your course grade**.
- Laptop policy - Laptops are permitted for taking notes in class, but you must sit in the second row of the classroom. All other laptops must be turned off and stored under your desk.
- If you are running late for some reason, do not feel you should skip class. Please come in quietly and take a seat at the side or in the rear of the classroom.

- If you must leave class early, please tell me before class starts. I will appreciate it greatly.
- Thursday has traditionally been casual day in my classes.

## Dropping the Course

Students must go through the official procedures to drop the course. A student who stops attending the class and fails to officially drop will receive a grade of F.

## E-mail and Blackboard

Use of e-mail and Blackboard is required for this course, and I will use the e-mail addresses that are supplied to me on the official UT class rosters. If you normally use a different e-mail address, please make sure the UT e-mail address you have given the registrar is set up for forwarding. Any outside-of-class announcements that I make (e.g: corrections or clarifications of items discussed in class, syllabus changes, quiz announcements, etc.) will be sent to you via e-mail and/or posted to the class web site. It is your responsibility to regularly check both your e-mail and Blackboard. Questions that you may have at times other than office hours can be e-mailed directly to me or the T.A. I check my e-mail on a regular basis, but only irregularly (or not at all) over the weekend.

## Required Disclosures

### **POLICY ON SCHOLASTIC DISHONESTY**

**The College of Business Administration has no tolerance for acts of scholastic dishonesty. The responsibilities of both students and faculty with regard to scholastic dishonesty are described in detail in the Policy Statement on Scholastic Dishonesty for the CBA.**

**By teaching this course, I have agreed to observe all of the faculty responsibilities described in that document. By enrolling in this class, you have agreed to observe all of the student responsibilities described in that document. If the application of that Policy Statement to this class and its assignments is unclear in any way, it is your responsibility to ask me for clarification. Policy on Scholastic Dishonesty: Students who violate University rules on scholastic dishonesty are subject to disciplinary penalties, including the possibility of failure in the course and/or dismissal from the University. Since dishonesty harms the individual, all students, and the integrity of the University, policies on scholastic dishonesty will be strictly enforced. You should refer to the Student Judicial Services website at: <http://deanofstudents.utexas.edu/sjs/> or the General Information catalog to access the official University policies and procedures on scholastic dishonesty as well as further elaboration on what constitutes scholastic dishonesty.**

**Scholastic dishonesty includes, *but is not limited to*: copying tests or assignments, representing (copying) the work of another person as one's own or allowing another person to represent your work as their own, collaborating without authority with another student during an exam or in preparing academic work, using or having on your desk unauthorized materials or aids to complete a quiz or exam (e.g., graphing or programmable calculators, pagers, cellular telephones, Palms, etc), continuing work on an exam after a stop time has been announced, etc.**

## Students with Disabilities

The University of Texas at Austin provides upon request appropriate academic accommodations for qualified students with disabilities. For more information, contact the Office of the Dean of Students at 471-6259, 471-4641 TTY.

## Electronic Class Rosters

A recent opinion from the US Department of Education states that the University must inform students in advance if their name will be appearing on an electronic class roster:

Since Fall 2001, web-based, password-protected class sites have been available for all accredited courses taught at The University. Syllabi, handouts, assignments and other resources are types of information that may be available within these sites. Site activities could include exchanging e-mail, engaging in class discussions and chats, and exchanging files. In addition, class e-mail rosters will be a component of the sites. Students who do not want their names included in these electronic class rosters must restrict their directory information in the Office of the Registrar, Main Building, Room 1. For information on restricting directory information see: <http://www.utexas.edu/student/registrar/catalogs/gi00-01/app/appc09.html>

**Note on our final exam date and end-of-the-semester travel arrangements:** We have requested Thursday, December 10, 7 - 10 PM, as the final exam date for this course. However, that is **NOT** a confirmed date until we receive the final exam schedule from the registrar (most likely around the first or second week of November). If you need to make travel reservations for the end of the semester, any reservations before Wednesday, 12/16, are made at your own risk. If the final exam date is changed and you have non-refundable (or non-cancelable) reservations before 12/16, that will **NOT** be an acceptable reason for taking the final exam early.

**Scheduling note:** The schedule on the following page is subject to change and any changes will be announced either in class, by e-mail, and/or on Blackboard. It is your responsibility to keep up with these announcements.

**Note about religious holidays:** If you will be observing a religious holiday that will interfere with any of our important class dates this semester, please let me know in writing during the first two weeks of class so I will be able to make accommodations for you.

### Important Administrative Dates

- 08/31 Last day to add or drop a class without dean's approval.
- 09/11 Last day to add a class with approval, and last day to drop a class with possible refund.
- 09/23 Last day to drop a course without a possible academic penalty.
- 10/21 Last day an undergraduate student may, with the dean's approval, withdraw from the University or drop a course except for urgent and substantiated, nonacademic reasons.

**Disclaimer:** I believe these dates are accurate, but you should be sure to verify them on the university calendar if any of the situations described should apply to you this semester.

**ACC311**  
**2009 Fall Semester**  
**Libby, Libby, Short, Financial Accounting, Sixth Edition**  
**Textbook Material Excluded From the Course**

**Chapter 1** - Chapter Supplement B: Employment in the Accounting Profession (p 27)

**Chapter 2** - Key Ratio Analysis: Financial Leverage Ratio (pp 70-72)

**Chapter 3** - Key Ratio Analysis: Total Asset Turnover Ratio (pp 127-128)

**Chapter 4** - None

**Chapter 5** - pp 248-251

**Chapter 6** - Key Ratio Analysis: Receivables Turnover Ratio (p 297)  
Reconciliation of the Cash Account and the Bank Statement (pp 301-305)

**Chapter 7** - Key Ratio Analysis: Inventory Turnover Ratio (pp 354-355)  
Inventory Methods and Financial Statement Analysis (pp 358-360)  
Chapter Supplement A: LIFO Liquidations (pp 365-368)  
Chapter Supplement B: Additional Issues in Measuring Purchases (pp 368-369)

**Chapter 8** - Key Ratio Analysis: Fixed Asset Turnover Ratio (pp 400-401)  
Repairs, Maintenance and Additions (pp 404-405) - Read the supplemental reading  
provided by the faculty instead of these pages.  
International Perspective: Depreciation Methods in Other Countries (p 419)

**Chapter 9** - Key Ratio Analysis: Accounts Payable Turnover Ratio (p 464)  
Chapter Supplement A: Income Taxes and Retirement Benefits (pp 482-484)  
Chapter Supplement B: Federal Income Tax Concepts (pp 484-485)

**Chapter 10** - Key Ratio Analysis: Times Interest Earned Ratio (pp 522-523)  
Bonds (pp 523 - 533) - Read the supplemental reading provided by the faculty instead of  
these pages.

**Chapter 11** - Key Ratio Analysis: Dividend Yield (p 566)  
Chapter Supplement A: Accounting for Owner's Equity for Sole Proprietorships and  
Partnerships (pp 576-579)

**Chapter 12** - Entire Chapter

**Chapter 13** - Key Ratio Analysis: Quality of Income Ratio (pp 667-668)  
Key Ratio Analysis: Capital Acquisitions Ratio (pp 670-671)  
Part B: Reporting Cash Flows from Operating Activities-Direct Method (pp 677-681)  
Chapter Supplement B: Spreadsheet Approach-Statement of Cash Flows: Indirect  
Method (pp 681-682)

**Chapter 14** - Financial Statement Analysis (pp 714-end)



# The University of Texas at Austin - Department of Accounting

## Schedule for ACC 311 — Fundamentals of Financial Accounting, Fall 2009

|       |     |                             |       | Solid                                                                              | Textbook Assignments |                                |                       |                          |
|-------|-----|-----------------------------|-------|------------------------------------------------------------------------------------|----------------------|--------------------------------|-----------------------|--------------------------|
| Date  | Day | TextCh                      | SFch  | Topic                                                                              | Footing              | Questions                      | Exercises             | Problems                 |
| 8/27  | Th  |                             |       | Course Policies, Syllabus, Introduction                                            | <b>Hand in</b>       | <b>Don't hand in</b>           |                       |                          |
| 9/1   | T   |                             | 1,2,3 | Accounting Cycle                                                                   | 1-1, 2-1             |                                |                       |                          |
| 9/3   | Th  |                             | 4,5,6 | Accounting Cycle-Continued                                                         | 3-1, 4-1, 5-1        |                                |                       |                          |
| 9/8   | T   | 02                          |       | Investing and Financing Transactions                                               |                      | 1,2,3,5,6,11,12                | 1,2,3,4,8,10,17       | 2(R1-4)*,3(R1-4),5(R1-3) |
| 9/10  | Th  | 03                          |       | Operating Decisions and the Income Stmt                                            | 6-1                  | 1,2,4,6,7,8,11                 | 2,3,4,6,7,10,11,17    | 1,2,3(R2)                |
| 9/15  | T   | 04                          | 7,8   | Adjustments and Financial Statements                                               | 7-3,8-2              | 1,3,4,6,7,9,11,13              | M2*,M3,2,6,8,13,16,18 | 7,8                      |
| 9/17  | Th  | 04                          | 9,10  | Continued                                                                          | 9-1,10-1             |                                |                       |                          |
| 9/22  | T   | 01,A                        |       | Financial Statements & Business Dec.                                               | ACP                  | 4,8,9,12,13,15,17,18,19        | 1,7,9,11              | 1,3                      |
| 9/24  | Th  | 13,A                        |       | Statement of Cash Flows (Indirect method)                                          |                      | 1,3,4,5,6,10,11,12             | 1,7,9,14,17(R1)       | 4(R2),AP1                |
| 9/29  | T   | 13,A                        |       | Continued                                                                          |                      |                                |                       |                          |
| 10/1  | Th  |                             |       | <b>Catch-up Day</b>                                                                |                      |                                |                       |                          |
| 10/6  | T   |                             |       | <b>No class - Exam I</b>                                                           |                      | <b>EXAM I: 7:00 - 9:00 PM</b>  |                       |                          |
| 10/8  | Th  | 06,A                        |       | Sales Revenue, Receivables, and Cash                                               |                      | 1,2,4,7,8,9,12,16              | 1,6,11,13,16,18,21    | 1,2,5                    |
| 10/13 | T   | 06,A                        |       | Continued                                                                          |                      |                                |                       |                          |
| 10/15 | Th  | 07,C                        |       | COGS and Inventory                                                                 |                      | 2,3,4,6,8,9,10,11              | 1,2,3,4,5,10,17,19    | 3,5,6                    |
| 10/20 | T   | 07,C                        |       | Continued                                                                          |                      |                                |                       |                          |
| 10/22 | Th  | 08,A                        |       | Tangible long-lived assets                                                         |                      | 1,3,4,5,7,10,12,13             | 1,4,6,7,11,14,17,23   | 1,6,7,10,11              |
| 10/27 | T   | 08,A                        |       | Intangibles                                                                        |                      |                                |                       |                          |
| 10/29 | Th  | 09,D                        |       | Liabilities                                                                        |                      | 1,5,6,7,8,10,12,15             | 1,3,4,8,15,16,22,25   | 3,7,11                   |
| 11/3  | T   | 09,D                        |       | Continued                                                                          |                      |                                |                       |                          |
| 11/5  | Th  |                             |       | <b>Catch-up Day</b>                                                                |                      |                                |                       |                          |
| 11/10 | T   |                             |       | <b>No class - Exam II</b>                                                          |                      | <b>EXAM II: 7:00 - 9:00 PM</b> |                       |                          |
| 11/12 | Th  | 10                          |       | Bonds (Effective Interest method only)                                             |                      | 1,5,8,9,10,11                  | 1,2,4,5,11,12,19      | 7,12,CP3*                |
| 11/17 | T   | 10                          |       | Continued                                                                          |                      |                                |                       |                          |
| 11/19 | Th  | 11                          |       | Owners' Equity                                                                     |                      | 1,3,4,9,10,11,13,15,16         | 2,3,4,5,8,11,16,19,24 | 1,5,6,7,8                |
| 11/24 | T   | 11                          |       | Owners' Equity Continued                                                           |                      |                                |                       |                          |
| 11/26 | Th  | <b>THANKSGIVING HOLIDAY</b> |       |                                                                                    |                      |                                |                       |                          |
| 12/1  | T   | 5/14                        |       | Financial statement analysis                                                       |                      | Ch. 5, Q1,2,3,4,5,6,7          | 1,2,16,17             | CP3                      |
| 12/3  | Th  |                             |       | <b>Catch-up Day</b>                                                                |                      |                                |                       |                          |
| TBA   |     |                             |       | <b>Final Exam - the faculty have requested Thursday, December 10, 7:00-10:00PM</b> |                      |                                |                       |                          |

|     |  |  |  |
|-----|--|--|--|
| TBA |  |  |  |
|-----|--|--|--|

Final Exam (makeup) - the faculty have requested Friday, December 11, 7:00-10:00