ACCT 230 – Principles of Accounting I (3 credits)

Section 1 (MWF 10am-1050am, M8/26/13-W12/18/13, CB113, Course ID 000102)

Section 2 (MWF 11am-1150am, M8/26/13-W12/18/13, CB113, Course ID 000103)

Minnesota State University Moorhead

Course Syllabus Fall 2013 (revised 8/26/13)

Instructor: Mr. Kim T. Mollberg, CPA, CMA, CGMA, MBT

**Office Location:** MSUM, CB207E, 1104 7th Ave. S., Moorhead MN 56563

**Office Telephone Numbers:** MSUM 218-477-4647, DL 218-847-3879

**Email Address:** mollberg@mnstate.edu (please put “230” and your class start time in all emails to me (for example, “230 10am”))

**Faculty Web Site:** [web.mnstate.edu/mollberg/](http://www.mnstate.edu/mollberg/)

**Office Hours:** MWF 9am-955am, MWF 1155am-125pm, MW 250pm-425pm; other hours by appointment

**Course Description:**  From a user’s perspective, an introduction to the content and concepts underlying the four basic financial statements prepared by management for use by investors and creditors. Includes financial statement analysis.

**Required Texts/Readings:** Financial Accounting, 2nd Edition, by Spiceland, Thomas & Herrmann, McGraw-Hill/Irwin, 2011. Students are also required to acquire access to the textbook publisher’s on-line product called Connect. You have several choices when it comes to the textbook: 1) purchase a $225.35 loose-leaf textbook from the MSUM Bookstore which is bundled with a ConnectPlus, which means you get a physical version of the textbook, access to Connect (“Connect” means McGraw-Hill’s internet product which is required to summit homework, quizzes, exams, and extra credit), plus you get an online version of the textbook (“Plus” means online textbook), 2) purchase a $156.30 ConnectPlus access card from the MSUM Bookstore ($125.00 if you buy online directly from McGraw-Hill/Irwin at the course site), which means you get Connect, plus you get an online version (but not a physical version) of the textbook, or 3) purchase a $75.00 Connect access card from the MSUM Bookstore ($60.00 if you buy online directly from McGraw-Hill/Irwin at the course site), which means you get Connect, but no physical or online versions of the textbook. Regardless of which option you choose, you might want to check out the free 3-week trial offered by the textbook publisher (made available to you when you first register at the course site in Connect).

**Course Objectives/Student Learning Outcomes:** Students have a responsibility to learn by accomplishing specific objectives. Specific objectives expected to be accomplished by the student may include:

1. Summarize how accounting measures and communicates information to different users of accounting information, understand how changes to one of the four financial statements will impact the other statements, identify the basic assumptions underlying generally accepted accounting principles, defend why ethics are important, categorize accounting information for multiple-step income statement and classified balance sheet presentation, and distinguish private versus public accounting.
2. Describe the effect of various transactions on the accounting equation, and identify which accounts increase (decrease) with debits and which accounts increase (decrease) with credits.
3. Apply the revenue recognition and matching principles, distinguish accrual-basis from cash-basis accounting, and perform the accounting cycle (including adjusting and closing entries).
4. Identify cash equivalents, justify the Sarbanes-Oxley Act, illustrate components of the COSO framework for designing internal controls, and reconcile a bank statement and petty cash.
5. Distinguish between cash and credit sales, differentiate components of net sales, contrast allowance and direct write-off methods, perform aging of receivables and record adjustment to the allowance account, generate accounting entries for notes receivable, and conclude on effectiveness in managing receivables based on ratio analysis.
6. Calculate cost of goods sold and ending inventory using different costing methods and systems, apply the lower-of-cost-market method, and conclude on effectiveness in managing inventory based on ratio analysis.
7. Compare and contrast the accounting for acquisitions of property, plant and equipment, intangible assets, and expenditures incurred after acquisition (of PP&E or intangibles), summarize the major differences between cost allocation methods, evaluate impact of a disposition on accounting equation, and apply DuPont formula to better analyze return on assets ratio.
8. Differentiate between current and long-term liabilities, generate accounting entries for notes payable, illustrate accounting for other current liabilities, appraise when appropriate to record and/or disclose a contingency, and conclude on liquidity based on ratio analysis.
9. Distinguish between debt and equity financing, identify features of bonds, determine price of bond using time value of money concepts, generate entries for issuance and retirement of bonds, compare and contrast operating leases and capital leases, interpret an amortization schedule, and evaluate risk using long-term debt ratio analysis.
10. Summarize advantages and disadvantages of corporate form, contrast common stock, preferred stock, treasury stock, and bonds payable, justify why some companies choose to retain earnings, explain stock dividends and stock splits, create a statement of stockholders’ equity, and evaluate company performance based on equity section analysis.
11. Classify transactions as operating, investing, financing, or non-cash activities, prepare statement, and explain how cash flow analysis can supplement other financial statement analysis.
12. Evaluate financial data using vertical and horizontal analysis, conclude on risk and profitability using ratio analysis (various ratios covered throughout course), distinguish reporting for discontinued operations, extraordinary items, versus other revenues (expenses), and differentiate conservative versus aggressive accounting policies.
13. Explain why accounting practices differ throughout world and why there is a need for convergence.

**Course Requirements: Desire to Learn (D2L) and McGraw-Hill/Irwin’s Connect will be used extensively:** We will be using MSUM’s D2L learning management system and the textbook publisher’s internet product called Connect in conjunction with this course. As discussed below, note that Connect Plus will also work with this course.

To access D2L, go to <https://mnstate.ims.mnscu.edu/shared/login.html>, and complete the steps in the “First Time User” tab. Once you are ready to launch D2L, click on “Go” on the D2L main page, and follow the instructions provided. D2L will have links to an exam review, check figures, the student on-line learning center at <http://highered.mcgraw-hill.com/sites/0078110823/student_view0/index.html>, narrated PowerPoint slides (VideoLectures), PowerPoint slides with speaker notes, the textbook review question solutions, lists of problems to be covered in class, narrated solutions to selected end-of-chapter questions (VideoSolutions), practice quizzes, the Connect homework, the Connect quizzes, the Connect LearnSmart extra credits, the course gradebook, and much more.

To access Connect (which is where you will submit your on-line homework, quizzes, and LearnSmart extra credits), you will need to go to the course website at <http://connect.mcgraw-hill.com/class/acct230fall2013mollberg>, and enter your access code. Save your access code as you may need it again at some point during the course should you experience technical difficulties.

McGraw-Hill/Irwin actually has two on-line products which will work with this course, but only one of the two is required: Connect (which has no eBook) or Connect Plus (same as Connect but has an eBook). It is my understanding that the loose-leaf textbooks sold by the MSUM bookstore are bundled with Connect Plus (meaning students who buy their textbook from our bookstore will have both a loose-leaf textbook and an eBook, as well as access to Connect).

Class and Chapter Schedule:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Chapter | Lecture, Discussion,In-class problems | On-line LearnSmart Extra Credit Due | On-line Homework Due | On-line Quiz Due | Exam | Other |
| 1 | MWF8/26,28,30 | Tu12/10 | W9/4 | W9/4 |  | F8/30 Add/Drop 430pm |
| 2 | WFMW9/4,6,9,11 | Tu12/10 | W9/11 | W9/11 |  | M9/2 No Class |
| 3 | FMW9/13,16,18 | Tu12/10 | W9/18 | W9/18 | M9/20 Ch1-3 |  |
| 4 | MWF9/23,25,27 | Tu12/10 | Su9/29 | Su9/29 |  |  |
| 5 | M9/30, WF10/2,4 | Tu12/10 | Su10/6 | Su10/6 |  | M10/7 Spring Advising |
| 6 | MWF10/7,9,11 | Tu12/10 | Su10/13 | Su10/13 | W10/16 Ch4-6 | MTu10/14,15 No Class |
| 7 | FMW10/18,21,23 | Tu12/10 | W10/23 | W10/23 |  | F10/25 “W” Date |
| 8 | FMW10/25,28,30, F11/1 | Tu12/10 | F11/1 | F11/1 |  | M10/28 Spring Registration |
| 9 | MWF11/4,6,8 | Tu12/10 | F11/8 | F11/8 | M11/11 Ch7-9 |  |
| 10 | WFMW11/13,15,18,20 | Tu12/10 | W11/20 | W11/20 |  |  |
| 11 | FM11/22,25, M12/2 | Tu12/10 | M12/2 | M12/2 |  | WThF11/27,28,29 No Class; Project Due W12/4 |
| 12 | WFM12/4,6,9 | Tu12/10 | Tu12/10 | Tu12/10 | Ch10-12:(for class)F12/13 9am (10am),M12/16 1130am (11am) | W12/11 Study Day,Th12/19Commencement, F12/20 Grades Due 430pm |

**Evaluation Standards/Course Grading Policy:** You are responsible for all the material in Chapters 1-12 whether or not the Chapter material is specifically covered in class. Your grade for this course will be based on the following points that will be available during the semester:

1. Examinations (4) 400
2. On-line Quizzes (top 10 of 12) 100 **Percentage of total cumulative points**
3. On-line Homework (12) 120 **A:90%, B+:87%-89%, B:84-86%;**
4. Project (1) 45 **B-:80%-83%, C+:77%-79%, C:74%-76%,**
5. Participation (1 point for each class attended/participated in; 35 max) 35 **C-:70%-73%, D+:67%-69%, D:60%-66%,**

Total Points 700 **F:<60%**

On-line LearnSmart (up to 3 points Extra Credit per chapter) 36

Participation in Collegiate DECA (up to 5 points Extra Credit) 5

Participation in MSUM Accounting Club (up to 5 points Extra Credit) 5

Keep a personal record of scores for all examinations, quizzes, homework, projects, and extra credits. You can calculate your grade at any time by dividing your points earned to date by total points possible to date. Periodically, the Instructor will post student point totals in D2L (your scores in Connect will not automatically show up in D2L). If any error has been made, it is the student’s responsibility to present written proof of the correct point total as soon as possible after the posting. *That means you should* ***SAVE******ALL*** *of your work until the end of the semester.* If your grade falls below what is acceptable to you, take immediate action. DO NOT WAIT UNTIL THE LAST FEW WEEKS OF THE SEMESTER TO SEEK HELP. Consider the following, not necessarily in this order:

(1) Are you working more hours and studying less? Can you correct that situation?

(2) Form a study group.

(3) Complete the LearnSmart extra credits,

(4) Complete the other extra credit opportunities,

(5) Work extra problems and see the Instructor for solutions,

(6) Get a tutor by seeking assistance through the Academic Assistant Program. Go to Flora Frick Room 154 and pick up a Tutor Request Form. Tutors are available on a first come, first serve basis; however, if they do not have tutors available they will locate one for you. For more information on MSUM’s tutoring program, check out their website at <http://www.mnstate.edu/asc/academicassistantprogram.aspx>, and

(7) Finally, the most important, see the Instructor on a regular basis.

If you are repeating this course, note that only the higher grade will be used to compute your grade point average (GPA). Repeating a course more than once will result in the removal of only one previous grade from the student’s GPA computation. To assure that the GPA is correct, the student must submit a “Repeated Course” form to the Records Office. All course attempts will remain on the student’s permanent academic record.

**Examinations:** Examinations will be given in class on the dates indicated on the Class and Chapter Schedule. The examinations might include true/false, multiple choice, matching, fill in the blank, short essay, or problem-solving type questions. The last examination will be considered your final examination but will not be comprehensive. The exact time of your final examination is listed above. The exact location of your final examination is in your regular classroom. A simple-function calculator, which will be provided by Instructor, must be used for all examinations.

**On-line Quizzes:** You will be using Connect to submit twelve (12) on-line quizzes, of which you can throw out the two (2) lowest scores. All on-line quizzes are **DUE BY 1155pm ON THE ON-LINE QUIZ DUE DATE** for each Chapter as per the Class and Chapter Schedule. Late quizzes will be scored zero. The on-line quizzes will generally consist of worksheet, problem-solving type questions (for example, some might require that you fill-in-the-blank, others might involve you choosing the best answer from the alternatives given). You are expected to do the on-line quizzes on your own without the help of others. You will be allowed only one attempt and will be subject to a time limit on all quizzes.

Note that many of the questions in Connect (whether in exams, quizzes or homework) are algorithmic (meaning your current version of the question has the same words as another student, but your numbers are different).

You can review your answers and the solutions from a previously submitted on-line quiz ***for which the due date has passed*** by clicking on the particular quiz in the Connect gradebook. Note that a particular quiz (or homework) in Connect might be worth (for example) 90 points according to Connect. However, when Instructor transfers that particular score over to D2L, he will convert to a 10-point scale (since all quizzes and homework are worth 10 points each per the syllabus).

**On-line Homework***:* You will be using Connect to submit twelve (12) on-line homework sets. All homework is **DUE BY 1155pm ON THE ON-LINE HOMEWORK DUE DATE** for each Chapter as per the Class and Chapter Schedule. You are expected to do the homework in a study group or on your own. Each student must submit his/her own homework to get credit. Late homework will be scored zero. **NOTE:** You can print out the homework in advance. You can check your answers as you go. You can review your answers and the solutions from a previously submitted on-line homework by clicking on the particular homework in the Connect gradebook (this feature is available before the due date has passed, in the event you want to see what you did wrong and how to solve the problem, before retrying for a better grade). You can attempt the homework an unlimited number of times (but remember the numbers may change in algorithmic problems).

**Project:** Instructor will post information regarding a financial statement project, which will be worth 45 points.

**Participation:** Since participation is important for success in business and life, it will be considered in determining your grade. Student participation will consist of attending class and either volunteering or being called upon to share your understanding, thoughts, opinions, or solutions to the course materials and problems. On-time attendance to all classes is expected of each student. Attendance will be taken, with one (1) point awarded for each non-exam class of participation (35 points maximum). If a student will miss a class for a valid reason (death in family, sickness, or University activity—all require documentation) and notifies the Instructor before class, the student may be given the participation point.

**Online LearnSmart Extra Credits:** LearnSmart is an adaptive learning system designed to help students learn faster, study more efficiently, and retain more knowledge for greater success. You can learn up to 3 points extra credit by completing the chapter LearnSmart exercise in Connect. Each chapter LearnSmart exercise has been designed by the publisher to take approximately ½ hour to complete; actual time will vary by student. All LearnSmart extra credits are **DUE BY 1155pm ON TUESDAY 12/10/13**. You are expected to do these on your own. Late submissions will be scored zero. There are no time limits for LearnSmart exercises.

**Other Extra Credits Opportunities:** Instructor will award up to 5 points extra credit if you “actively participate” in MSUM Collegiate DECA, and up to 5 points extra credit if you “actively participate” in MSUM Accounting Club. Active participation will be determined by Instructor. Each time you attend an activity for one of these organizations, be sure to ask the faculty representative present to sign a note indicating you were present, then give the note to the Instructor.

**Course Outline:**

1. Accounting Information and Decision Making - Measuring business activities, communicating with the four financial statements, multiple-step income statement, classified balance sheet, accounting standards, ethical issues, careers
2. The Accounting Information System - Business transactions and effects on the accounting equation (debits/credits)
3. The Financial Reporting Process - Accounting principles, accrual basis, cash basis, accounting cycle, adjusting entries, closing entries
4. Cash and Internal Controls - Cash equivalents, Sarbanes-Oxley Act, COSO framework for designing internal controls, bank reconciliations, petty cash
5. Receivables and Sales - Credit sales, discounts, returns, allowances, allowance method (aging), direct write-off method, notes receivable, account analysis (receivables turnover ratio, average collection period)
6. Inventory and Cost of Goods Sold - Choice of cost methods (specific identification, FIFO, LIFO, average cost), choice of systems (periodic and perpetual), lower-of-cost-or-market method, account analysis (inventory turnover ratio, average days in inventory, gross profit ratio)
7. Long-Term Assets – Accounting for acquisitions of property, plant and equipment, intangible assets, accounting for expenses on long-term assets after acquisition, cost allocation methods (straight-line, declining-balance, and units of production), dispositions, account analysis (return on assets ratio, profit margin and asset turnover)
8. Current Liabilities - Classification, notes payable, accounts payable, payroll liabilities, other current liabilities, contingencies, liquidity analysis (working capital, current ratio, acid-test/quick ratio)
9. Long-Term Liabilities & Time Value of Money - Types of bonds, time value of money, pricing bonds, recording bonds, other long-term liabilities, leases, debt analysis (debt-to-equity ratio, times-interest-earned ratio)
10. Stockholders’ Equity - Common stock, preferred stock, treasury stock, retained earnings, dividends, statement of stockholders’ equity, equity analysis (return on equity, earnings per share, price-earnings ratio)
11. Statement of Cash Flows - Classification of transactions, statement preparation, cash flow analysis (return on assets, return on cash assets)
12. Financial Statement Analysis - Vertical analysis, horizontal analysis, risk and profitability analysis (review of ratios previously covered in course), earnings persistence and quality
13. International Financial Reporting Standards (IFRS) - Reasons for differences in accounting practices throughout world and need for convergence.

**Other:**

**MSUM School of Business Mission:** We provide a quality business learning experience designed to prepare students for successful and responsible careers.Faculty intellectual contributions are focused on learning and pedagogical research, discipline-based scholarship, and contributions to practice. Through involvement in professional activities, the faculty also serves students, the University, and the community.

**MSUM School of Business Vision:** The School of Business will provide a quality business learning experience designed to prepare students for successful and responsible careers.

**MSUM School of Business Student Learning Goals:** Students who graduate from Minnesota State University Moorhead with a major from the School of Business should be able to:

-Exhibit basic knowledge of business principles and processes

-Write in a clear and professional manner

- Prepare and deliver an effective business presentation

-Identify and analyze ethical issues in a professional context

-Demonstrate basic understanding of business from a global perspective

**Time Requirements:** Each student should expect to spend a minimum of 8-9 hours per week outside of class in preparation. This includes preparing for class, reading the text, completing the homework, quizzes, projects, and reviewing for examinations; anything less and you will be depriving yourself from obtaining your best grade.

**Food and Drink:** Please **no** food and drink in the classroom.

**Communication Devices:** Cell phones and pagers and other communication devices **must be turned off** while in the classroom. A communication device going off in the classroom is disturbing and may result in your being suspended from that day’s class. Repeated offenses can result in being dropped from the class with cause.

**Emergency Procedures:** If required to evacuate a classroom or building, students are to proceed to a clear and safe area away from the evacuated site. Take all personal belongings with you. If the emergency procedure occurs during an examination, the examination may be suspended and a new examination may be given at a later date.

**General:** The course syllabus is subject to change. In particular, use the due dates in D2L and/or Connect if different than the dates in this syllabus. In the event of a change, an announcement will be made in class, on D2L, or through an email. It is the responsibility of the student to keep current and develop a clear understanding of all course policies. Classes missed or cancelled for any reason do not relieve the student of the responsibility for the material and/or assignments due that day or on any future class meeting dates.

**Attendance Policy:** Students are expected to attend all class meetings unless they are ill or officially excused as the result of participation in a university function. In the case of individual absence due to jury duty or other legal obligations, the student must notify me prior to the absence. In the case of individual absence due to health or other emergency, the student must notify me as soon as feasible.

**Academic Honesty:** The University expects all students to represent themselves in an honest fashion. In academic work, students are expected to present original ideas and give credit to the ideas of others. The value of a college degree depends on the integrity of the work completed by the student. When an Instructor has convincing evidence of cheating or plagiarism, the following actions may be taken: assign a failing grade for the course in which the student cheated or Instructors may choose to report the offense, the evidence, and their action to the Dean of their college or the Vice President for Academic Affairs. If the Instructor (or any other person) feels the seriousness of the offense warrants additional action, the incident may be reported to the Student Conduct Committee through the Student Support Services Office. The Student Conduct Committee will follow procedures set out in the Student Conduct Code. After its review of the case and a fair, unbiased hearing, the Student Conduct Committee may take disciplinary action if the student is found responsible (see Student Conduct Code for details).

A student who has a course grade reduced by an Instructor because of cheating or plagiarism, and who disputes the Instructor’s finding, may appeal the grade, but only using the Grade Appeal Policy, which states that the student must prove the grade was arbitrary, prejudicial, or in error.

**Flood Policy:** In the event of short-term campus closure, and unless otherwise notified, all instructors are required to continue engaging their enrolled students in instruction by using alternative methods of interaction. For this class, the methods of communication with students will be via D2L, or email. I would encourage students to make sure they have access to both D2L and email, and that they check them periodically for updates. Future assignments (homework, quizzes, projects, and LearnSmart extra credits) will be assigned through D2L, Connect, and/or email. If students are unable to come to campus, they can submit assignments using D2L (if applicable), Connect (if applicable), email (as an attachment if applicable) or by US mail. Students will still need to complete homeworks, quizzes, projects, and LearnSmart extra credits by the applicable dates as specified in D2L, Connect, and/or email.

If you have not already done so, you are encouraged to sign up for the E2Campus emergency notification system (<http://www.mnstate.edu/security/>) which will be used to notify students about class cancellations and other emergency-related information.

**Special Accommodations:** Students with disabilities who believe they may need an accommodation in this class are encouraged to contact Greg Toutges, Coordinator of Disability Services at 477-4318 (Voice), 1-800-627-3529 (MRS/TTY), toutges@mnstate.edu, Flora Frick 154C, as soon as possible to ensure that accommodations are implemented in a timely fashion.

I hope you have an enjoyable learning experience. Good luck!