

ACCT 203 – FINANCIAL ACCOUNTING (SECTION 05)
FALL 2017
COLLEGE OF CHARLESTON

Instructor: Thomas M. Spade, M.S. Accountancy, CPA (South Carolina #7426, Virginia #28142)

Class Time & Location: MWF 11:00-11:50, Beatty 218

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Email: spadetm@cofc.edu

Office Hours: Beatty 111, MW 3:30-5:15 PM, F 2:00-3:30 PM, or by appointment.

Required Texts: *Fundamentals of Financial Accounting, Fifth Edition* by Phillips, Libby and Libby, McGraw-Hill Irwin, 2016.

Recommended Texts/Supplements: *Study Guide for Fundamentals of Financial Accounting*

Other items: Your own basic four-function calculator is required. I recommend the Texas Instruments TI-503SV which is available at the campus bookstore (it's the best cheap calculator available). I also recommend a 12" ruler to use as a straight edge from time to time. Also, all assignments and examinations must be completed in pencil.

Instructional Support: The Accounting Lab, offered through the Center for Student Learning in the Addlestone Library, provides support for those who need supplemental instruction. Competent tutors are available to assist with your understanding of assigned materials.

Course Description: A survey of accounting information essential for parties to make business decisions about an organization.

Prerequisite: Sophomore Standing

Student Objectives:

After completing ACCT 203, students should be able to:

1. Understand the importance of financial accounting.
2. Analyze basic financial transactions in order to make proper journal entries.
3. Understand the accounting cycle and the production of the required financial statements including the Income Statement, Statement of Retained Earnings, Balance Sheet and Statement of Cash Flows.
4. Identify important attributes of internal controls and their importance to the integrity of financial information.
5. Account for the acquisition and disposal of long-lived tangible and intangible assets.
6. Demonstrate an understanding of allocation of costs through depreciation and amortization.
7. Understand cost flow assumptions relating to inventory and the subsequent application of Lower of Cost or Market (LCM) to ending inventory.
8. Account for current and long term liabilities, including interest and time value of money.
9. Demonstrate an understanding of stockholder's equity transactions involving common and preferred stock, cash and stock dividends, stock splits and treasury stock.

Learning Objectives relevant to this course:

The readings and assignments of ACCT 203 support the undergraduate accounting program's first learning goal of **conveying discipline-specific knowledge** of basic financial accounting. The course is consistent with the **quantitative fluency** learning goal of the School of Business.

“Accounting is known as the language of business. To most of you, it’s a foreign language, but not the first foreign language which you have studied. One key to understanding accounting is to think of it as a foreign language. You know when you can think in a foreign language, you are well on your way to mastering it. When you can think of transactions in terms of debits and credits, you are well on your way to mastering accounting.” – Thomas M. Spade, CPA

Grade Policy: Your course grade will be determined by the (tentative) total points earned from the following:

The First Exam (Part One- Concepts and Theory) (100 points) Chapters 1,2,3,4

The First Exam (Part Two- Application) (100 points) Chapters 1,2,3,4
(Similar to Comprehensive Problem C4-3)

The Second Exam (100 points) Asset Accounting / Inventory Valuation & Cost Flows
(Chapter 9, Chapter 6, Chapter 7)

The Inventory Project – 2% of your final grade

The Third Exam (100 points) Interest & Time Value of Money / Bonds / Bad Debts
(Appendix C, Chapter 10, Chapter 8)

The Payroll Project – 3% of your final grade, no partial credit.

The Final Exam (100 points) Cumulative, including Stockholder’s Equity / Statement of Cash Flows /
Cash and Internal Control
(Chapter 11, Chapter 12, Chapter 5, and all previously assigned chapters)

Other Assignments – Points to be determined

Homework, Quizzes, and Participation – 5% of Final Grade

The student’s final course grade will be determined by dividing the total points earned by total points possible with the following grading scale applied:

A =	=92%	C	=72%
A-	=90%	C-	=70%
B+	=87%	D+	=67%
B	=82%	D	=62%
B-	=80%	D-	=60%
C+	=77%	F	=Below 60%

Examinations and Quizzes- All examinations will be in class. Students are NOT permitted to use books, notes or any prepared materials. STUDENTS WILL NOT BE ALLOWED TO USE GRAPHING CALCULATORS OR THOSE BUILT INTO YOUR PHONE EITHER IN CLASS OR ON EXAMINATIONS. Also, once again, **ALL EXAMINATIONS AND ASSIGNMENTS MUST BE COMPLETED IN PENCIL.**

At the beginning of some classes, there will be a Relatively Ridiculously Easy Quiz. The quiz will be ridiculously easy as long as you did the homework and read the assigned chapter. On days when this quiz is administered, it will be used to take roll for that day, so if you miss the quiz, you will be counted as absent. In other words, if you come in late, you will be marked as absent for the day.

All students must take the final exam, at the time and on the date prescribed on the College’s final exam schedule. You can find the Final Exam schedule at <http://registrar.cofc.edu/pdf/exam-schedule-fall2017.pdf>. Students that miss the final exam will receive an F for the course regardless of previous performance in the class.

Academic Integrity- Each student must adhere to the College of Charleston Honor Code and Code of Student Conduct (see Student Handbook on these policies). Lying, cheating, attempted cheating, and plagiarism are violations of our Honor Code that, when identified, are investigated. Each incident will be examined to determine the degree of deception involved.

Incidents where the instructor determines the student's actions are related more to a misunderstanding will be handled by the instructor. A written intervention designed to help prevent the student from repeating the error will be given to the student. The intervention, submitted by form and signed both by the instructor and the student, will be forwarded to the Dean of Students and placed in the student's file.

Cases of suspected academic dishonesty will be reported directly by the instructor and/or others having knowledge of the incident to the Dean of Students. A student found responsible by the Honor Board for academic dishonesty will receive a XXF in the course, indicating failure of the course due to academic dishonesty. This grade will appear on the student's transcript for two years after which the student may petition for the XX to be expunged. The student may also be placed on disciplinary probation, suspended (temporary removal) or expelled (permanent removal) from the College by the Honor Board.

Students should be aware that unauthorized collaboration--working together without permission-- is a form of cheating. Unless the instructor specifies that students can work together on an assignment, quiz and/or test, no collaboration during the completion of the assignment is permitted. Other forms of cheating include possessing or using an unauthorized study aid (which could include accessing information via a cell phone or computer), copying from others' exams, fabricating data, and giving unauthorized assistance. I will consider having your phone out during an exam, including on your lap, as an honor code violation.

Research conducted and/or papers written for other classes cannot be used in whole or in part for any assignment in this class without obtaining prior permission from the instructor.

Students can find the complete Honor Code and all related processes in the *Student Handbook* at <http://studentaffairs.cofc.edu/honor-system/studenthandbook/index.php>.

This course covers the principles of the discipline of Accounting. It doesn't matter if you are an Accounting major or not, you are studying Accounting in this class, and the hallmarks of the profession include Independence, Integrity and Objectivity. You can't have Independence or Objectivity without Integrity. As a Certified Public Accountant in public practice, I take this very seriously. Accordingly, for things pertaining to this class, you will be expected to have the highest level of integrity and the penalties for noncompliance will be severe.

Attendance Policy

Attendance in this course is **mandatory**. Examinations and assigned materials will require attendance of all classroom lectures. In this class especially, each lecture builds upon the one before it, so missing a lecture will likely result in your not understanding subsequent lectures. Make-up examinations are not given. Late assignments are not accepted under any circumstance. If the student is to be absent, assignments must be submitted prior to the due date.

On days when a quiz is administered, it will be used to take roll for that day, so if you miss the quiz, you will be counted as absent. On days when a quiz is not administered, a roll attendance sheet will be passed around the class. Late arrivals who miss the attendance sheet will be counted as absent for that day. Any student with more than three undocumented absences may receive an F or a WA for the course and/or will be administratively dropped from the roll. Signing the roll for other students is prohibited, is considered academic dishonesty, and will be reported as an honor code violation.

In extreme cases exceptions to the absence policy may be made on an individual (case-by-case) basis. These exceptions will only be considered with appropriate documentation requested by the professor and a communication from the Absence Memo Office. For any absence to be considered under this policy, the absence must be indicated by the Absence Memo Office as a documented absence. Simply going to the Absence Memo Office and having them send me a message does not count, it must be documented!

I will not give a make up exam under any circumstance. If a student misses an exam with documentation that is deemed extreme (serious illness, death, hospitalization, etc) then the grade of the lowest test score for the semester will be substituted for the missed exam. This exception will only be made in extreme circumstances with proper documentation as noted above and approval of the professor. This is why it is important that you maximize your performance on each exam. An undocumented absence on an exam day will result in a zero for the exam.

Policy on Cell Phones, Computers and other electronic devices

The use of all electronic devices other than a basic four-function calculator is expressly forbidden in the classroom. This includes cell phones, computers, and yes, this includes the Apple watch. Seriously, you don't need to update your Facebook status to show that you're in Professor Spade's Accounting Class (besides, everyone will be jealous). The only exceptions to this policy are 1) if I instruct the class to bring a computer to the lecture or 2) if you have obtained the textbook via electronic format. If you have another program up at any time, you will be considered in violation of this policy.

Texting, receiving or sending messages, cell phone use, or unauthorized use of any other electronic devices will result in immediate dismissal from the lecture with an undocumented absence recorded. Use of any calculator other than a basic four function calculator in class will be considered a violation of this policy. (Leave your TI-84 or equivalent at home.) Also, for each violation of this policy, the penalty will be a reduction of the student's final grade by one letter grade. (For example if you violate this policy, this means that if you have earned a B for the course, you will be assigned a C for the course. If you earn a C+ for the course, you will be assigned a D+ for the course, etc.) Furthermore, students who violate this policy will automatically lose the benefit of any curve given during the semester, they will receive no points for participation, and their grade will be reduced by one letter grade after the curve has been taken away. Students must keep these devices turned off and out of sight during class. It is a violation of this policy to keep such devices on your lap. On the first violation, the student may also have assigned seating for the rest of the semester. There is no reason why you should need to use any electronic device other than a basic four-function calculator in this class.

IF I SEE YOUR PHONE OUT DURING CLASS, I WILL ASSUME YOU ARE TEXTING AND YOU WILL BE CONSIDERED IN VIOLATION OF THIS POLICY. IF I SEE YOU LOOKING DOWN AT YOUR LAP, I WILL ASSUME THAT YOU ARE LOOKING AT YOUR PHONE AND TEXTING AND YOU WILL BE CONSIDERED IN VIOLATION OF THIS POLICY.

The instructor reserves the right to assess an alternative penalty in the case of a first offense of this policy during a lecture. This determination rests solely with the instructor on a case-by-case basis.

Please note that this policy also applies if your phone rings during class. Additionally, if your phone rings during an exam, you will immediately be dismissed from the exam and you will receive a zero for the exam. No credit will be given for anything which you have completed on the exam to that point. Furthermore, having your phone out for any reason during an exam will be considered a violation of the Honor Code, and I will pursue your receiving an XXF and all available sanctions with the Honor Board.

Disability Statement: The College will make reasonable accommodations for persons with documented disabilities. Students should apply at the Center for Disability Services / SNAP, located on the first floor of the Lightsey Center, Suite 104. Students approved for accommodations are responsible for notifying me as soon as possible and for contacting me no later than one week before accommodation is needed. **If you will be taking your exam at the SNAP Alternate Testing Site, please get me your SNAP envelope no later than one week before any announced exam date.**

Students approved for accommodations must present the Instructor with a copy of their PNL as soon as possible.

Other Policies:

1. All recording media are forbidden in the classroom. Under no circumstance is it permissible to record lectures.
2. Students are never to walk in late for class or leave early unless prior arrangements have been made with the Instructor. Tardy students will not be permitted to take examinations. If you arrive late or leave early without explicit permission, you will be counted as absent for the day.
3. Any student who is considered by the Instructor to pose a disruption of instruction will be administratively withdrawn, dismissed from the class and/or receive a failing grade for the course. This determination shall rest absolutely with the Instructor.
4. Students must complete all assigned materials before coming to class, and bring all required materials (textbook, basic four-function calculator, and all handouts from the semester) to each class. The Instructor reserves the right to not address questions or comments by those not doing the assigned work prior to class. This is consistent with the College of Charleston Classroom Code of Conduct.
5. Accounting is really not that boring and naptime is not built into the curriculum. Therefore, if you fall asleep in class, you'll be dismissed from the lecture with an absence recorded.
6. **For examinations and in-class exercises, you will be required to have a basic four-function calculator. You may not use any other calculator, including, but not limited to, scientific, financial, or those integrated with other electronic devices.** If you don't have a basic four function calculator for the exam, you will be provided with paper for your calculations, but you will have to turn these in with the exam. The instructor may have extra calculators, however, there may not be enough to go around, and they sell for around \$5 at the bookstore. (I don't recommend the \$5 calculators from CVS. I have seen them break in the middle of exams.)
8. From time to time, the instructor may provide fresh baked goods to illustrate certain concepts. If you have any food allergies, please inform the instructor of this fact immediately.
9. Absences due to athletic travel will only be excused if the instructor receives notification directly from the Director of Student-Athlete Academic Services. However, I do expect Student-Athletes to notify me beforehand of any expected absences.
10. While I do teach other sections, I generally cannot allow you to take an exam with another section. All of my other sections are at capacity for the room and I must guarantee a seat to all those enrolled in that particular section.
11. This syllabus and policies noted therein may be amended, on a case-by-case basis or in the entirety, by the Instructor as needed or deemed appropriate by the instructor.

A few final thoughts:

1. This course is very different from most courses you have taken so far in your college career. You cannot be successful by memorizing and regurgitating information. This course requires you to develop an understanding of the material so that you can apply it.
2. Do not try to study by making flash cards. Study by getting practice with the material. The way that you do that is by doing the homework.
3. The homework will take hours of your time in some cases. Don't think you can get it all done an hour before class. Give yourself time to do the homework.
4. When you do the homework, think of the story which underlies each transaction, and ask yourself how it affects the financial statements. In other words, how will this particular transaction affect the story the numbers are trying to tell?
5. If you don't attempt the homework, you will not pass this course. Trust me on this.
6. When in doubt, ask questions during the lecture. Unlike most classes you've taken, I expect participation. This is one class where questions are not only welcome, they are expected. If you all are silent, then I will assume that you understand the material.
7. Just because many in the Accounting profession lack people skills, and the ability to speak up, doesn't mean you have to act like that. I want to hear from each of you, often, throughout the semester!
8. Another way to help you learn the material is by coming to class. That's why I have my draconian attendance policy. If you don't come to class, you will not pass, it's that simple.
9. Try to apply what you learn to the real world. I will try to help by providing examples throughout the semester.
- 10. If I'm writing something on the board and I'm not writing big enough for you to see, or if you can't see the color I'm using, stop me and let me know. I will be glad to change colors.**
- 11. If you don't understand a concept, stop me and let me know. Don't ever be afraid to stop me. I remember what it was like learning this stuff for the first time, and I've been an accountant since you were probably still in diapers watching Barney and Friends. In other words, I know this, and my job is to help you learn it.**
12. Come to office hours if you have questions. That's why I have office hours. I'm more than happy to help anyone who wants to understand this material.
13. Accounting is not the dull, boring subject you may expect. If you come to class, do the homework, participate in class, and come to office hours if you're struggling, you are going to enjoy this course more than you can possibly imagine, and you're going to master the basics of a very valuable skill which you can use regardless of your major.

ACCT 203- Financial Accounting
Schedule of Assignments to Achieve Learning Goals
Department of Accounting and Legal Studies
Fall 2017

Exam One

Chapter 1- *Business Decisions and Financial Accounting*

Questions: All

Exercises: E1-1 through E1-10

(Include a Statement of Retained Earnings with E1-9 as illustrated on page 15)

Chapter 2- *The Balance Sheet*

Questions: All

Exercises: E2-1 through E2-10

Problems PA 2-2 and 2-3

Chapter 3- *The Income Statement*

Questions: All

Exercises: E3-1 through E3-20

Chapter 4- *Adjustments, Financial Statements and Financial Results*

Questions: All

Exercises: E4-1 through E4-13; E4-16 through E4-18

Comprehensive Problem C4-3 (page 198)

Exam Two

Chapter 9- *Long-Lived Tangible and Intangible Assets*

Questions: 1 through 9 and 14

Exercises: E9-2 through E9-9

Chapter 6- *Merchandise Operations and the Multistep Income Statement*

Questions: All

Exercises: E6-3 to E6-15

Problem PA 6-3

Chapter 7- *Inventories and Cost of Goods Sold*

Questions 3-7 and 9

Exercises E7-1 through E7-10

Problem PA 7-3

Exam Three

Appendix C- *Present and Future Value Concepts*

Questions: All

Exercises: EC-1 through EC-5, EC-7

Chapter 10- *Liabilities*

Questions 1 through 14

Exercises E10-2 through E10-10 and EC-6 from Appendix C

Problems PA 10-3 and 10-4

Chapter 8- *Receivables, Bad Debt Expense, and Interest Revenue*

Questions: 1, 3, 4, 5, 7-9 and 11

Exercises: E8-1, 2, 4, 7, 10 and 11

Problem PA 8-4

Exam Four

Chapter 11- *Stockholders' Equity*

Questions: All

Exercises: E11-1 through E11-12

Exam Four (Continued)

Chapter 12- *Statement of Cash Flows*

Questions 1 through 14

Exercises E12-2 through E12-7

Problems PA 12-3 and 12-4

Chapter 5- *Fraud, Internal Control, and Cash*

Questions: 1 through 24

Exercises: E5-2 through 5-6 and 5-9

Problem PA 5-2 and 5-3

Spade will provide more about Bank Reconciliations

**ACCT 203- Financial Accounting
Fall 2017
Thomas M. Spade, M.S. Accountancy, CPA**

Acknowledgment of Syllabus and Classroom Conduct Policies

Name: _____
(Please Print)

Academic Major: _____

What year were you born? _____

Where do you consider home? _____

Why are you taking this course?

Have you taken this course previously? _____

I have received a copy of the Fall 2017 syllabus for ACCT 203 (Section 05) and have read and understand his policies. In particular, I understand the attendance policy and harsh penalty for the use of unauthorized electronic devices including computers, cell phones, and other such devices, as well as the attendance policy. I understand that my grade will be severely affected by violation of these and all classroom policies and agree that I will abide by the College of Charleston Student Code of Conduct at all times while enrolled in this course.

Also, I understand that I am required to do the assigned readings, questions and problems before class. Further, I understand that not doing the assigned work prior to class is a violation of the College of Charleston’s Classroom Code of Conduct and will result in my inability to ask questions or participate.

Signed _____

Date: _____