DAVID D. SHEALOR CPA, MBA, CVA

BSM 472.34

ACCOUNTING FOR MANAGERS

FALL, 2003

THURSDAY

6 P.M.-10 P.M.

SAN FERNANDO VALLEY CENTER

SYLLABUS
BSM 472.34 Accounting
Summer, 2003

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SYLLABUS

Course Description
This course defines the nature and purpose of accounting and includes measurement of income; underlying assumptions, flow of funds, and analysis of performance. Also studied are basic internal information needs of modern organizations for planning and control; characteristics of alternative cost systems and factors in their design, marginal analysis, responsibility accounting, and interpretation; and use of accounting, financial, and other data for management decisions. Particular emphasis is placed on applying the tools of accounting, cost control systems, and budgeting.

Course Objectives
Upon completion of this course, the student will have been exposed to the following skills:

- Gain an understanding of a financial statement and its building blocks
- Be able to communicate the business and accounting elements of a transaction
- Develop tools to analyze the performance and financial health of organizations
- Be able to compare the financial statements of one company to another
- Understand the role played by internal controls and their impact on financial statements
- Use costing systems to plan and control the business


Accounting is an information system often called "the language of business." People in the business world all use accounting terms and concepts to describe business resources and activities.
Accounting is a very demanding area of study. It requires staying up with the material. The first four chapters are stepping-stones and are essential to understanding later chapters.

You should be prepared for each session. Such preparation includes completing the readings and assignments. In this way, you will be able to contribute to the classroom coverage of the material as well as building knowledge of the material. You should ask a question when something is not clear. You should also be prepared to answer questions and discuss the subject matter for each session.

The completion of assignments is critical to understanding the course material and participating in classroom discussions.

Attendance is critical in helping you to understand the material. If you have to miss a class, have someone take notes for you. Unexcused absences result in a lower final letter grade or failure of the course. One unexcused absence (4 hours of class) will lower your final letter grade by one full letter. The second unexcused absence (8 hours of class) will lower your final letter grade by another full letter making a C the best result you can achieve if you score 100% on all other parts of the course. A third unexcused absence will result in your automatic failure of the course. Work related absences are considered as excused. If there are excessive work related absences it may also result in failure of the course so please check with me before you have to miss class. The attendance policy is not meant to be punitive. The purpose is to help you to understand the material.

Point distribution is comprised of three tests at 15% each, a final of 25%, participation of 14% and a project of 16%. There will be no extra credit.

Class participation relates to a student’s contribution to the advancement of the class’ objectives, including, for example answering questions posed by the instructor and active participation in group-assignments conducted during class, etc. There is one point available for each class.

No recording devices of any kind are allowed in the classroom.

The following table sets forth the grading scales:

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Grade</th>
<th>Grade</th>
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</thead>
<tbody>
<tr>
<td>100-92%</td>
<td>A</td>
<td>78.99-75%</td>
</tr>
<tr>
<td>91.99-89%</td>
<td>A-</td>
<td>74.99-70%</td>
</tr>
<tr>
<td>88.99-86%</td>
<td>B+</td>
<td>69.99-65%</td>
</tr>
<tr>
<td>85.99-83%</td>
<td>B</td>
<td>64.99-60%</td>
</tr>
<tr>
<td>82.99-79%</td>
<td>B-</td>
<td>59.99-55%</td>
</tr>
</tbody>
</table>

I welcome you to this class and I would like each of you to be an integral part. I encourage you to ask questions on anything that is unclear. We will all benefit from the questions. Feel free to contact me outside of class for help at any time, any day of the week. You can best contact me by email; however, you can also call me at (323) 571-1483. If I don’t answer you can leave a voice message and I will return your call as soon as I can.
Conduct

“The University expects from all of its students and employees the highest standard of moral and ethical behavior in harmony with its Christian philosophy and purposes. Engaging in or promoting conduct or lifestyles inconsistent with traditional Christian values is not acceptable.

The following regulations apply to any person, graduate or undergraduate, who is enrolled as a Pepperdine University student. These rules are not to be interpreted as all-inclusive as to situations in which discipline will be invoked. They are illustrative, and the University reserves the right to take disciplinary action in appropriate circumstances not set out in this catalog. It is understood that each student who enrolls at Pepperdine University will assume the responsibilities involved by adhering to the regulations of the University. Students are expected to respect order, morality, personal honor, and the rights and property of others at all times. Examples of improper conduct for which students are subject to discipline are as follows:

- Dishonesty in any form, including plagiarism, illegal copying of software, and knowingly furnishing false information to the University.
- Forgery, alteration, or misuse of University documents, records, or identification.
- Failure to comply with written or verbal directives of duly authorized University officials who are acting in the performance of assigned duties.
- Interference with the academic or administrative process of the University or any of the approved activities.
- Otherwise unprotected behavior that disrupts the classroom environment.
- Theft or damage to property.
- Violation of civil or criminal codes of local, state, or federal governments.
- Unauthorized use of or entry into University facilities.
- Violation of any stated policies or regulations governing student relationships to the University.

Disciplinary action may involve, but is not limited to, one or a combination of the alternatives listed below:

**Dismissal** – separation of the student from the University on a permanent basis.

**Suspension** – separation of the student from the University for a specific length of time.

**Probation** – status of the student indicating that the relationship with the University is tenuous and that the student’s records will be reviewed periodically to determine suitability to remain enrolled. Specific limitations to and restrictions of the student’s privileges may accompany probation.” See current catalog.

Policy on Disabilities

Assistance for Students with Disabilities

“Students with disabilities, whether mental or physical, are encouraged to contact the Equal Opportunity Office before the academic year begins or soon after classes are in session. This office will assist each student by providing general information about campus facilities and available resources. The office will assist in providing reasonable accommodation to students with disabilities pursuant to applicable laws. Inquiries should be directed to equal opportunity officer, at (310) 506-6500. (Students who wish to file a formal grievance should refer to the “Nondiscrimination Policy,” which is listed in the “Legal Notices” section of this catalog.)” GSBM Catalog, pg. 31.
SCHEDULE OF CLASSES

08/25 SESSION I----Introduction to accounting, an information system. The double-entry accounting system.

READ: pp. 2-29, 48-75
PROBLEMS TO BE PREPARED PRIOR TO CLASS: 1E9, 2E10

The nature of accounting
Accounting equation
Accounting statements
The account
Debits and credits
Trial balances

09/04 SESSION II----Business papers used in recording transactions. Adjusting the accounts, closing the accounts.

READ: pp. 92-113, 132-140
PROBLEMS TO BE PREPARED PRIOR TO CLASS: 4SE9, 4E2, 2P3, 3P3 (parts 1 & 2)

Journals
Adjustments
Posting
Ledgers
Worksheets
Closing
09/11 SESSION III—Accounting for merchandising concerns. Trade accounts and notes.

READ: pp. 179-182, 397-408

PROBLEMS TO BE PREPARED PRIOR TO CLASS: 9E7, 9E15

- Sales
- Purchases
- Discounts
- Transportation accounts
- Cost of goods sold
- Accounts receivable and bad debts
- Notes receivable

09/18 SESSION IV—Exam I, 15%. The exam will cover chapters 1, 2, 3, 4, 5, & 9. In addition to the exam, which will last approximately two hours, there will be a discussion on the corporate form of business, chapter 14.


READ: pp. 427-438, 467-475, 476-482, 587-603

PROBLEMS TO BE PREPARED PRIOR TO CLASS: 11SE7, 14E8, 10P2, 11P2(part 1), 14P1

- Lifo
- Fifo
- Weighted average
- Methods of depreciation
- Disposing of assets
- ACRS
- The nature of corporations
- Stocks
- Accounting for cash dividends
- Stockholders’ equity
- Retained Earnings
- Cash dividend distributions
10/02 SESSION VI----Corporations, stock dividends. Long-term liabilities.

READ: pp. 638-641, 671-675, 677&681, 686-687
PROBLEMS TO BE PREPARED PRIOR TO CLASS 15E9

Accounting for stock dividends
Bonds payable

10/09 SESSION VII----Statements of cash flow.

READ: pp. 713-715, 719,721-729
PROBLEMS TO BE PREPARED PRIOR TO CLASS: 17E9

Analysis of cash
Indirect method

10/16 SESSION VIII----Exam II, 15%... The exam will cover chapters 10,11,14,15,16, & 17. In addition to the exam, which will last approximately two hours, there will be a discussion on the master budget, chapter 24.

10/23 SESSION IX---- The master budget.

READ: pp. 1025, 1029,1031-1034,1040-1046
PROBLEMS TO BE PREPARED PRIOR TO CLASS TO BE ASSIGNED

Sales budgets
Purchase budgets
Cash budgets
Budgeted income statements
Budgeted balance sheets

READ: pp. 983-996
PROBLEMS TO BE PREPARED PRIOR TO CLASS 23E3, 23P4

Variable costs
Fixed costs
Contribution margins
Breakeven
Relevant range
Mixed costs
High-low

11/06  SESSION XI-------- Exam III, 15%. The exam will cover chapters 23 & 24. In addition to the exam, which will last approximately two hours, there will be a discussion on relevant analysis and capital budgeting, chapter 27.

11/13  SESSION XII--------Relevant costs and special decisions. Capital budgeting.

READ: pp. 1151-1163
PROBLEMS TO BE PREPARED PRIOR TO CLASS 27SE3, 27SE4, 27SE5, 27E3, 27E4

Relevant items
Differential costs
Historical costs
Opportunity costs
Sunk costs
Special orders
Make or buy
Sell or process- further
11/20  SESSION XIII-------- Capital budgeting.

READ:  pp. 1163-1170
PROBLEMS TO BE PREPARED PRIOR TO CLASS  CLASS PROJECT DUE /
CLASS PROJECT DUE / PRESENTATIONS

- Cutoff rates
- Net-present value
- Payback time
- Total project approach
- Tax shields
- ACRS

12/04  SESSION XIV  ----Final Exam, 25%. The exam will question everything in the class including at least one problem, which should have been prepared for class.