PEPPERDINE UNIVERSITY
THE GEORGE L. GRAZIADIO
SCHOOL OF BUSINESS AND MANAGEMENT

David Burkitt
MBFE 652.24
Financial and Managerial Information Systems
Fall 2003

6 PM – 10 PM
Culver City Center

SYLLABUS

July 24, 2003
Financial and Managerial Information Systems
MBA 652.24
Fall 2003

Day/Class time: Thursday / 6 PM – 10 PM
Location: Culver City Center

Instructor’s Name: David Burkitt
E-mail address: dcburkitt@aol.com
Home Phone: 323-953-2770

Course Description

This course covers both financial and managerial information systems. Financial accounting topics include financial analysis, financial reporting, and ethical issues in accounting. Students will be shown how to use accounting data as an effective management tool for coordinating managerial and organizational activities. Managerial accounting topics include manufacturing costs, budgets, and costs relevant to decision making.

Course Objectives

Specific course objectives include:

- learning the fundamentals of financial reporting, financial analysis, and financial markets
- identifying ethical responsibilities in the accounting environment
- enhancing skills in written and oral communication
- enhancing computer skills

Texts and Course Materials


Optional materials:


The prefaces to the texts discuss various additional supplements you may elect to purchase. The prefaces also describe products on the Wiley web site.

Some supplemental readings will be handed out in class or made available using the Pepperdine portal.

**Grading**

Letter grades will be based on:

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Midterm #1</td>
<td>25%</td>
</tr>
<tr>
<td>Midterm #2</td>
<td>25%</td>
</tr>
<tr>
<td>Final Exam</td>
<td>25%</td>
</tr>
<tr>
<td>Homework</td>
<td>10%</td>
</tr>
<tr>
<td>Project</td>
<td>5%</td>
</tr>
<tr>
<td>Class participation</td>
<td>10%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>

The group project, described below, involves the analysis of data and submission of a paper.

If you miss four classes, you will lose one letter grade in the class. For each additional class you miss, you will lose one additional grade.

The grading system is:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>90%-100%</td>
<td>Superior Work</td>
</tr>
<tr>
<td>B</td>
<td>80%-89%</td>
<td>Solid Graduate Level Work</td>
</tr>
<tr>
<td>C</td>
<td>70%-79%</td>
<td>Below Graduate Level Expectations</td>
</tr>
<tr>
<td>D</td>
<td>60%-69%</td>
<td></td>
</tr>
<tr>
<td>F</td>
<td>Below 60%</td>
<td></td>
</tr>
</tbody>
</table>

Within the grading categories, plus and minus grades are available as shown in the school catalog. If necessary, I will adjust the grade cutoffs to obtain a reasonable distribution of grades.

Grades in this class typically average 3.3 on a 4.0 scale.
Attendance Policy

Attendance at all class meetings is expected. Assignments may be given in class and be due the next class.

I recommend that you exchange phone numbers with other students. If you miss a class, these other students, as your partners, can update you on assignments and the class.

Class Procedures

I use a variety of approaches. In-class activities include lecture, discussion, question and answer sessions (Socratic method), and group presentations.

It is important that you come to class prepared. You are expected to participate effectively in class discussions. The reading assigned for a day, along with the assigned homework problems, should be completed before class. On average, you should allow two hours of preparation time for each hour of class time. In individual cases, more or less time may be required.

If you are unprepared for class, you should turn in a note at the start of class. If I do not receive a note, I will assume you are prepared.

Examinations

Exams will be given at the times indicated on the schedule of classes.

If you must miss an exam for a legitimate reason as defined in the university rules, contact me in advance of the exam and I will explain your options. I require a written explanation for an absence from an exam.

Homework

A large volume of homework will be assigned with specific due dates for handing in during class. Classmates may help each other by discussing homework issues but otherwise the materials you turn in must be your own work.

If you must miss a class, please mail the homework for that class by ordinary first class mail to:

    David Burkitt
    2018 Griffith Park blvd. #111
    Los Angeles, CA 900039
Please do not use registered mail or any other form of special mail. The postmark (but not postage meter) will be counted as the day homework is turned in. For example, if an assignment is due on the 15th and is postmarked on the 15th, it will be counted as on time no matter when I receive it.

All homework will be due at the beginning of class. You might want to copy your homework. You must turn in the original and then can use the copy as you wish. I will review the originals and return them the following week.

**Spreadsheet Homework: P6-2A and P6-4A in the Managerial Accounting Text**

There are special instructions for P6-2A and P6-4A in the Managerial Accounting text. You should start this homework early because it requires your reading of the chapter and the completion of two substantial problems. You must complete these two problems using regular spreadsheet software such as Excel. Microsoft Excel is available for student use at Pepperdine’s education centers. If you are unprepared to complete this spreadsheet work, I urge you to obtain training at one of Pepperdine’s computer labs early in the trimester. Your answers should demonstrate maximum use of cell formulas and show you know how to use spreadsheets effectively. I suggest loading all the raw data into one location and then using cell references to process the data. There are exhibits in Chapter 6 that can help you see how to set up your answer.

**Academic Dishonesty**

Academic honesty is expected. Violations of academic honesty will lead to sanctions as described in the university catalog.

**Revisions to Syllabus**

All dates, assignments, and details listed in this syllabus are tentative and based on my expectations regarding the progression of the course. I reserve the right to change this syllabus. Any changes will be announced in class. If you need to miss a class, you are responsible for finding out about class announcements.

**Office Hours**

I plan to be available in the classroom or in a nearby office from 5 PM to 6 PM on days we have class. I am also available during breaks and after class.

**Telephone Hours**

Please feel free to call anytime between 9 AM and 9 PM. If I do not answer, please leave a message and I will return your call.

If I fail to return your call or email message within 24 hours, please telephone me because there may be a technical failure.
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 specified 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.” GSBM 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) 506-4208. (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.
There are abbreviations for the homework. P1-3A indicates Chapter 1, Problem 3A on page 38. BYP 2-2 indicates Broadening Your Perspective, Chapter 2, Problem 2. Be aware of the differences among Problems, Exercises, Broadening Your Perspective, and other types of study materials.

Suggested homework is not turned in but is strongly recommended. When studying for an exam, the suggested homework and the required homework have equal importance. Unless otherwise indicated, read the appendices for the assigned chapters.

The first chapters (1-14) are in the Financial Accounting text. The subsequent chapters are in the Managerial Accounting text.

<table>
<thead>
<tr>
<th>Week</th>
<th>Topics</th>
<th>Readings-Chapters in Text and Study Guide</th>
<th>Assignments-Required</th>
<th>Suggested Homework</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aug. 28</td>
<td>Financial Statements</td>
<td>1</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td></td>
<td>Financial Statements, cont.</td>
<td>2</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Sept. 4</td>
<td>Acctg. Information Systems</td>
<td>3</td>
<td>P1-3A</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Accrual Accounting</td>
<td>4</td>
<td>P2-2A</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>BYP2-2</td>
<td></td>
</tr>
<tr>
<td>Sept. 11</td>
<td>Merchandising</td>
<td>5</td>
<td>P3-4A</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Inventory</td>
<td>6</td>
<td>P3-6A</td>
<td>P4-1A</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>P4-3A</td>
<td></td>
</tr>
<tr>
<td>Sept. 18</td>
<td>Internal Control and Cash</td>
<td>7</td>
<td>P5-6A</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Receivables</td>
<td>8</td>
<td>P6-1A</td>
<td>P6-3A</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>P6-6A</td>
</tr>
</tbody>
</table>
Sept. 25 Midterm #1: Chapters 1-8

- P7-5A
- P8-2A
- P8-5A

Long-Lived Assets

Oct. 2 Long-Lived Assets
- 9 Start

Liabilities

Oct. 2 Long-Lived Assets
- 9
- 10

Appendix C
- P9-2A

Oct. 2 Long-Lived Assets
- 10

Oct. 9 Stockholders’ Equity
- 11

Investments
- 12

Oct. 9 Stockholders’ Equity
- 12

P9-7A
- P10-7A
- BEC-5 (p. C-17)
- BEC-8

Oct. 16 Cash Flows
- 13

Financial Analysis
- 14

Oct. 16 Cash Flows
- 14

P11-2A
- BE 11-7 (p.544)

P12-3A
- P12-5A
- E12-4

Oct. 23 Midterm #2: Chapters 9-14

Managerial Accounting
- 1 Start
- Omit Appendix to Ch. 1

Oct. 30 Managerial Accounting
- 1

Job Order Cost Acctg.2
- P1-1A
Nov. 6          Cost-Volume-Profit      5
               Budgetary Planning      6
                      P1-4A
                      P2-3A

Nov. 13        Incremental Analysis   9
               Capital Budgeting       10
                      P5-2A
                      P6-2A*
                      P6-4A*

(Note:  The * indicates problems are special spreadsheet assignments.)

Nov. 20        Activity-Based Costing  4
                      P9-2A
                      P9-3A
                      P10-1A

Nov. 27        Thursday, Nov. 27 is the Thanksgiving Holiday.  No class.

Dec 4.          Final Exam: Chapters 1,2,5,6,9,10,4
                      P10-3A
                      P4-3A
Project: Financial Statement Analysis

To begin, choose a group of 2-5 students to work together on this project. Next, select a firm your group would like to study in depth. Your firm should be listed on the New York Stock Exchange, the American Stock Exchange, or NASDAQ. Then use the Internet to obtain the most recent annual report for your firm and also the most recent annual report for at least one of your firm’s competitors. As discussed in Chapter 14, you can use the competitor’s data to draw comparisons. At your option, you can also use library sources to draw comparisons using industry data.

You can next begin your financial statement analysis as discussed in Chapter 14. Prepare a written report that discusses the issues raised in Chapter 14. Also, in a background section of your report, include your firm’s ticker symbol and a description of your firm’s products and services. Much of the background information is available in the annual report. Prepare an appendix that includes Illustrations 14-7 through 14-11, plus 14-17 through 14-27, plus 14-29 through 14-39. Number your Illustrations using the same numbers as shown in Chapter 14. For example, your first Illustration is numbered 14-7. Arrange your appendix of Illustrations in the same sequence as shown in Chapter 14.

As you can see in the Illustrations, you need approximately three to five years of data on your firm. Normally, one annual report can contain this data but you might need to use two annual reports.

If data is missing, just indicate this in your report. Your report should contain: 1) an essay approximately 5-10 pages in length double-spaced; 2) an appendix for the Illustrations; and 3) an appendix containing the annual report of your selected firm.

I recommend that you prepare all your Illustrations before you begin writing your essay. You can obtain your annual report and begin constructing your Illustrations well before we reach Chapter 14 on the syllabus. The Illustrations are the most important part of your report. I will be checking your Illustrations to determine whether you have properly analyzed your firm’s data.

The report is due on or before our class meeting during the week of July 21-25. Notice that papers can be turned in early and I encourage you to finish your project early so that you have time to prepare for finals.

During your analysis you have the option of utilizing commercially printed copies of your annual reports. But I also want you to experience accessing at least one annual report on the Internet. If you utilize a commercially printed report on your firm, add an Internet annual report to your appendix, even if the Internet report concerns a competitor.

The report counts 100 points and is weighted as shown in the syllabus. Reports lose 10 points for each business day they are late. Reports that are more than five business days late receive a grade of zero. If your report is not handed in during class, please mail it to me following the same rules as shown in the syllabus for homework.

We will discuss this project in class and I will answer any questions you might have. You may feel your analysis of your firm is somewhat incomplete because you have not yet taken Finance. Your task is to go as far as our Accounting course takes you.

You should keep a copy of your report because I will retain the original.
Project: Accessing Annual Reports on the Internet

This page describes two ways to access annual reports on the Internet. There are of course many other ways to access annual reports. If you do not find your annual report in 30 minutes, stop, avoid frustration, and obtain help from a classmate or me.

1.
Start Netscape
Type www.yahoo.com
Enter keywords for a search. (e.g. Microsoft)
There are then typically many choices. Select a choice that indicates financial information. Follow the links until you find the most recent annual report, assuming it is available.

2.
Start Netscape
Type www.yahoo.com
Enter Edgar as the keyword for your search.
There are many choices.
Choose the link indicating SEC and Edgar. (Edgar is a database that collects filings with the SEC.)
Choose Free Edgar.
Choose basic document search.
Enter your company’s name as the keyword(s) for your search.
View filings.
Look for “annual report” or “10-K report.”
Next print out those parts of the report that are similar to the annual report for Tootsie Roll in the appendix of your text. The 10-K can be very long and I suggest focusing on those parts that are similar to the Tootsie Roll report. In Free Edgar, you can use the table of contents along the left side to isolate parts of the 10-K. Your printing should include, at a minimum, the following sections: the four financial statements, notes to the financial statements, the management discussion, and selected financial data.

An Option Using Edgar: You can register with Edgar Online, pay a fee, and obtain some extra services. You will see references to Edgar Online as you follow the above directions for Free Edgar.

* * * * *

I have recently used these two methods myself. But because Internet steps can change over time, you might have to modify your steps. Check with a classmate or me if you are having difficulty. Avoid frustration.