

MANAGEMENT 1B

PRINCIPLES OF ACCOUNTING
WINTER, 2011

Instructor: David Ravetch

Office: Anderson D-404

Office Hours: TR: 7AM, 12:10PM

Due to the large number of students in the class, there may be many students wishing to make use of office hours. Please be prepared by having questions written down, by having attempted problems ready when asking about homework, etc., to insure that we make efficient use of our time together.

E-Mail: david.ravetch@anderson.ucla.edu

(This should be used for brief correspondence only. Explanations of challenging concepts should be handled during office hours.)

There may be periodic emails sent out to enrolled students during the quarter. Students should make sure that the registrar's office has an updated email account.

Required Texts:

Principles of Accounting (1st ed.), Libby, Libby, et al

Course Web Site:

<https://ccle.ucla.edu/course/view/11W-MGMT1B-1>

...or go to <http://ccle.ucla.edu>, click on, "My Sites," and follow the directions.

Class Handouts: All class materials and outlines will be posted to the website. Chapter handouts are class notes, carefully organized to assist you in taking notes during class. You will need to download and print these materials and bring them to class each day.

Public Accounting Firms Are Sponsoring Teaching Assistants

Mgmt 1B...Your TA's:

Michael Gold Ernst & Young TA

Ivan Hsu Deloitte TA

Other sponsored TA's

1A	Conley Patton	Moss Adams TA
1A	Shawn Merani	PricewaterhouseCoopers TA
1A	Bryan Meyer	
1A	Martin Sobolewski	KPMG TA

Course Objectives:

1. To understand accounting principles and their applications.
2. To understand accounting for partnerships.
3. To understand accounting for a corporation, including stockholders' equity, bonds, consolidation, and the corporate financial statements.
4. To learn about investment choices.
5. To learn about individual taxation.
6. To understand the accounting and decision making processes for a manufacturing entity.

Instructor's Responsibilities:

1. To be on time for class.
2. To be prepared to teach students information in ways that will promote learning during class sessions.
3. To be available to students.

Students' Responsibilities:

1. This class is an **impacted** course. No drops will be allowed after **the second week**. Decide today that you are ready to commit the resources necessary to be successful in this class.
2. Attendance is mandatory. Punctuality is necessary. Please do not ask instructor for notes for missed class time. Office hours and emails are not to be used in lieu of going to class.
3. Homework must be completed on a timely basis. Assigned homework should be completed after the instructor has presented material in class. Homework will not be collected, but on every exam there will be something from homework. Accounting needs time to be digested. In most cases, cramming for exams will result in less than desired results.
4. Many students have found it helpful to read the chapter before instructor lectures on it.
5. Please turn off all cellular phones, beepers, and other distracting electronic devices when you enter the lecture hall. No laptop computers, iPhones, etc., should be used during class. No texting. No email. This is distracting for the instructor and other students.
6. **Do not fall behind.**

Prerequisites:

Management 1A or the equivalent. This should not be your first accounting course, nor should Management 1A and Management 1B be taken concurrently.

Grading:

Each of the three midterm exams will constitute one-third of the course grade. The exams are challenging, forcing you to understand accounting principles, not to memorize them. Accounting is a meticulous process. The process is as important as the solution. You will be required to show all work that leads to a solution in order to receive credit. **No make up exams will be given.**

Exam coverage will consist of material presented in class and homework problems. Material in the book, not presented in class, will not appear on exams.

You may use a **non-graphing** calculator to assist you on the examinations. No cell phones.

All exams must be completed in **pencil**.

Please bring a student ID to each examination.

Notes on Homework:

1. Review class materials, including the redoing of class problems. Review corresponding material in textbook. Do multiple choice (M/C) and Mini Exercises (M) as a warmup drill. During this time, you may use text and notes to help you. Then, go to the exercises (E) and problems (P) and do them as if you are taking an exam: no notes, no book.
2. Do not look at any solutions until you have completed each homework problem. Your goal is to get a high percentage of the homework correct the first time.
3. All problems (P) listed in the homework are from series A at the end of the chapter.

Note: What follows is a tentative schedule and is subject to revision, including dates of midterm examinations.

<u>Date</u>	<u>Topic and Assignments</u>
1-4	<u>Conceptual Framework of Accounting, Revenue Recognition</u> GAAP concepts and revenue recognition Do extra problems posted on the website Read Entire Syllabus
1-6	<u>Partnerships</u> Chapter 12: pp 504 - 532, 534 - 539, 539 (No Demo Case D) - 541 M/C 1-9, M1-16, E4, 6, 7, 9, P7
1-11	<u>Stockholders' Equity – The Balance Sheet</u> Chapter 13: pp 558 - 567, 570 - 571, 577- 578 M/C 1, 2, 4, 5, 9, M1-8, 15, E4, 16, P1, 3, CP4
1-13	<u>Stockholders' Equity – The Income Statement</u> Chapter 17 Supplement A, pp 746 - 747 M/C10 Chapter 13: pp 568 - 574, 575 - 581 M/C 3, 6, 8, M9-14, 16-18, E15, 20, P5
1-18	<u>Stockholders' Equity – The Final Topics</u> Chapter 13: pp 574 - 575 E19 <u>Long-Term Liabilities - Bonds</u> Chapter 14: pp 598 - 599, 604 - 608, 609 - 610, 614 - 615 (Case B) Supplement 14C: 622 - 624 M/C 1, 4-8, M5-9, 21, E6, 7, 19, 21, P2, 4 (parts 1-4 only)
1-20	Investments Special Guest, Jason Romano, Moss Adams, LLP, Wealth Advisors
1-25	<u>More Bonds</u> Chapter 14 Same Assignment

CUT-OFF POINT FOR MATERIAL COVERED ON FIRST MIDTERM

Additional Bond Topics

Appendix C: C1 - C11

M/C 1-10, M1-3

Chapter 14: pp 608 - 609

Supplement 14A: pp 616 - 619

M10, 11, 15-19, E10, 18, P9

1-27 **Midterm #1:** GAAP, Ch 12-14. (No bond conversion or retirement, effective interest method or present value.)

2-1 Bonds: Effective Interest Method of Amortization

Supplement 14B: pp 619 - 622

M20, E18, 20, P6, 8

Investments

Chapter 15: pp 640 - 644, 646 - 658, 661 - 665

M/C 1-8, M1, 3-8, E2, 5, 6, P3, 5

2-3 Consolidations

Read information provided on the website

Statement of Cash Flows: Introduction

Chapter 16

Read Appendix posted to the website

2-8 Individual Taxation

Materials will be posted to the website

2-10 Statement of Cash Flows: Mechanics

Chapter 16: pp 680 - 698, 699 - 700, 707

M/C 1-10, M1-10, E5, 6, 8, 13, P2-4, CP4

2-15 Financial Statement Analysis

Chapter 17: pp 728 - 732, 734 - 735, 741 (current ratio) - 742 (quick ratio)

M2, E2, 12, 14, 18

Midterm Review

2-17 **Midterm #2:** Ch 14(additional bond material), Ch 15-17, Personal Income Tax)

2-22 Managerial Accounting Concepts and Principles

Chapter 18: pp 764 - 782

M/C 1, 5-7, 9, 10, M1, 3-10, E5, 6, 8-10, P5

Job Order Cost Accounting

Chapter 19: pp 798 - 819

M/C 1, 4-10, M1-11, E6, 10, P2, 4

Homework Solution Error: P19-2, Adjusted gross profit = \$65,000 – (\$50,000 - \$1,300) = \$16,300, not \$13,700, as presented in the solution.

- 2-24 Process Cost Accounting - FIFO, only
Chapter 20: pp 840 - 856, 862 - 863
M/C 1-5, M1-4, E3, P1, 3

Chapter Note:

The Cost of Production Report is simply made up of the five steps presented in class.

- 3-1 Cost Volume Profit Analysis
Chapter 21: pp 882 - 901
M/C 1, 3-9, M1, 2, 4, 5, 7-9, E1, 7, 8, P3

Master Budgets and Planning
Chapter 23: pp 962 - 976
M/C 8, 10, M4-6, E5, P1 (parts 1-3)

Note: These homework problems can be solved by using what you have already learned. Techniques will be presented during the last class session. You should attempt these problems before then.

- 3-3 Flexible Budgets and Standard Costs
Chapter 24: pp 986 - 1007
Note: The text explains factory overhead variance using a 4-variance method. We are going to discuss only a 2-variance method. Refer to class notes.
M/C 1-3, 7-10, M4-7, 9 (volume variance, only), E3, 4, 8 (2-variance method), P1, 5

- 3-8 Capital Budgeting and Managerial Decisions
Chapter 22: pp 931 - 937, 938 - 940
M/C 8-10, M7, 8, E8, 9, P5

Homework Solution Error: PA 22-5, change useful life from 12 years to 10 years to match solution.

Mgmt 1B Concluding Remarks

- 3-10 A Few Problems From Chapter 23 and Review for Midterm #3
Please bring a #2 pencil to class.

- 3-12 **Midterm #3: Chapters 18-24**
Saturday, 11:30 am