

Readings and Handouts

Required Text:	<i>Financial Accounting in an Economic Context</i> , 6 th Edition, by Jamie Pratt, Southwestern Publishing. (This is the text used in the MBA Core.)
Supplemental text:	<i>Financial Reporting and Analysis</i> , 2 nd Canadian Edition (2004), by Revsine, Collins, Johnson, and Amernic
Course Package:	No
WebCT?	Yes

The Pratt textbook provides an excellent presentation of the link between business activities and the accounting system. It is important to note that the text is based on U.S. GAAP, with additional discussion of international issues. GAAP in Canada and the U.S. are very similar (though not identical), and both are similar to International Financial Reporting Standards (IFRS). All three sets of standards are evolving over time and converging. Indeed, in four years' time, Canada will adopt IFRS, as has already occurred in many countries around the world. Where there are significant differences between U.S. and Canadian accounting rules, I will provide you with additional detail on the Canadian treatment.

The supplemental text is an additional reference book for students interested in developing a more thorough understanding of some of the accounting issues normally covered in an intermediate accounting course. It is well suited for students who expect to be readers rather than producers of financial reports

WebCT will contain a considerable amount of course material. Specifically, it will have the following:

- Andres Wines financial statements
- Loblaw's financial statements
- Solutions for end-of-chapter textbook questions

Organization of class and student preparation

Readings: The course schedule that follows lists the reading assignments corresponding to each lecture. I expect you to complete the readings prior to class.

Suggested Practice Questions: These problems are provided to help you understand how the lecture material. Whenever possible, you should attempt these problems before the lecture in which the topic will be covered. These questions will not be graded. Solutions are available on WebCT.

T-accounts and Journal Entries: The course will make frequent use of T-accounts and journal entries to illustrate how economic events affect the accounting system. We will also use these tools to help infer information that is not directly given by the reported figures. Please make sure that you are comfortable with using these T-accounts and journal entries. Chapter 4 of the Pratt textbook covers these topics and is worth reviewing. The techniques shown in Appendix 4A are especially useful for this course, and you should understand the review problem in that appendix (p. 135-139).

Lecture & Readings Schedule (Subject to change):

Week	Lecture #	Date	Topic	Readings in Pratt textbook	Suggested Practice Questions
1 *	None				
2	1	March 5	Introduction	Review Ch. 1; Skim Andres Wines annual report	E6-6, P6-3, P6-6, P6-7, Mini case 1
			Accounts receivable	Chapter 6	
	2	March 7	Accounts receivable - continued	Chapter 6	E7-6, E7-10, E7-11, E7-12, Mini case 2
			Inventories	Chapter 7	
3*	Thurs, Mar 8 8:30-10:30am in ED 125	Inventories - continued	Chapter 7	See class 2	
		March 9	Tutorial		
3	4	March 12	Property, plant and equipment (PPE); Intangible assets	Chapter 9	E9-3, E9-7, E9-9, E9-11, E9-16, Mini case 3
	5	March 14	PPE - continued Investment in equity	Chapter 8	HBS Case: Depreciation at Delta and Pan Am E8-1, E8-3, E8-12, ID8-4, Mini case 4 (part 1)
		March 16	Tutorial		
4	6	March 19	Investment in equity - continued Quiz		Quiz covers chapters 1, 6, 7, and 9
	7	March 21	Introduction to Liabilities	Chapter 10	E10-6, E10-7, E10-8, E10-9, E10-10, P10-3, Mini case 4 (part 2) HBS Case: Accounting for Frequent Fliers
	8*	Thurs, Mar 22 8:30-10:30am in ED 125	Notes, bonds, and leases	Chapter 11	E11-21, E11-22, P11-9, P11-15, ID11-1, ID11-6, Mini case 5 (parts 1 to 3)
		March 23	Tutorial		
5	9	March 26	Notes, bonds, and leases - continued	Chapter 11	See class 8
	10	March 28	Shareholders' equity	Chapter 12	E12-1, P12-1, ID12-7, Mini case 6 (part 4)
		March 30	Tutorial		
6			Final Exam		

While every attempt will be made to keep to this schedule, the instructor reserves the right at all times to make changes in the material to be covered including, but not limited to, the cases and the reading material. The MBA Office reserves the right to change the location and time of the module. Advance notice of changes will be provided on WebCT.

* I will be away for Week 1 attending a student case competition at the Copenhagen Business School. These classes will be made up on Thursday, March 8, and Thursday March 22.

Evaluation:

Your grade for the course will be based on the following:

Class Participation	10%
Quiz	30%
Final Exam	<u>60%</u>
	100%

Exams: There is a quiz scheduled for the sixth class. It will be about one hour in duration. The final examination will cover all material in the course, including material covered by the quiz.

Preparation for the first class:

Please review Chapter 1 of the Pratt textbook (it was previously covered in the Core). Bring the financial statements of Andres Wines and Loblaws, and continue to bring them to all remaining classes. These documents are available on WebCT or from the companies' websites.

Note that you do not need to print the entire annual report.

For Andres Wines, print: financial statements and footnotes, plus MD&A.

For Loblaws, print: financial statements and footnotes.

As noted earlier, you should ensure that you are familiar with the mechanics of journal entries and T-accounts. Please review Chapter 4 of the text. For practice, you can work on questions P4-3, P4-4, P4-8, P4-17, and P4-20 (you should do only as many as you feel you need to be comfortable with the mechanics of accounting).

We will also begin Chapter 6 on accounts receivable. Please read this chapter before the first class.