

# Is it Time to Flip the Classroom?

G. Peter and Carolyn R. Wilson  
Boston College

North Carolina State University  
May 9, 2014

Slides posted at

[www.navigatingaccounting.com/presentation/presentations](http://www.navigatingaccounting.com/presentation/presentations)

# Is it Time to Flip the Classroom?

## Agenda

- Framing flipping
- What is flipping?
- Easier said than done
- Demonstrations
  - Allowance for bad debts
  - Judgments
  - Connecting financials
  - Analysis
- Wrap up

# Is it Time to Flip the Classroom?

## Framing Flipping: Our Biggest Challenges

- How do we accommodate students' differences?
- How do we put 20 pounds of sugar into a 5 pound bag?
- How do we respond to MOOC threats?



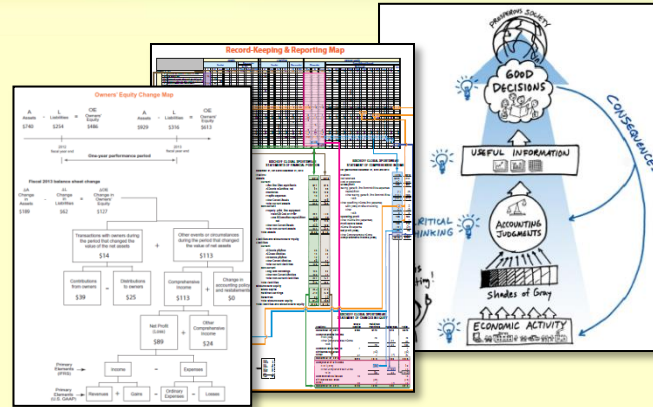
**coursera**



# Is it Time to Flip the Classroom?

## Framing Flipping: Levers We Use to Address Challenges

1. Robust concepts and frameworks



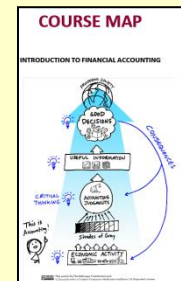
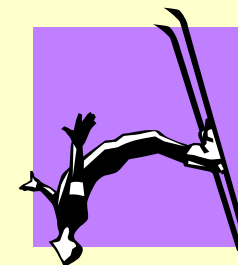
2. Technology



3. Incentives to motivate preparation and participation



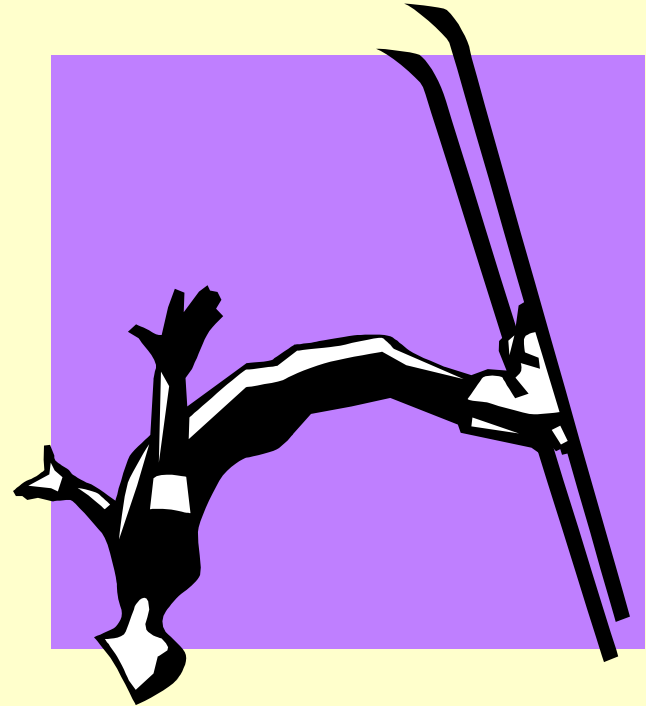
4. Flipping



# Is it Time to Flip the Classroom?

## What is Flipping?

“Students gain first exposure to new material outside of class ... and then use class time to do the harder work of assimilating that knowledge...”



# Is it Time to Flip the Classroom?

## What is Flipping: Peer Instruction



<http://www.youtube.com/watch?v=WwsIBPj8GgI>

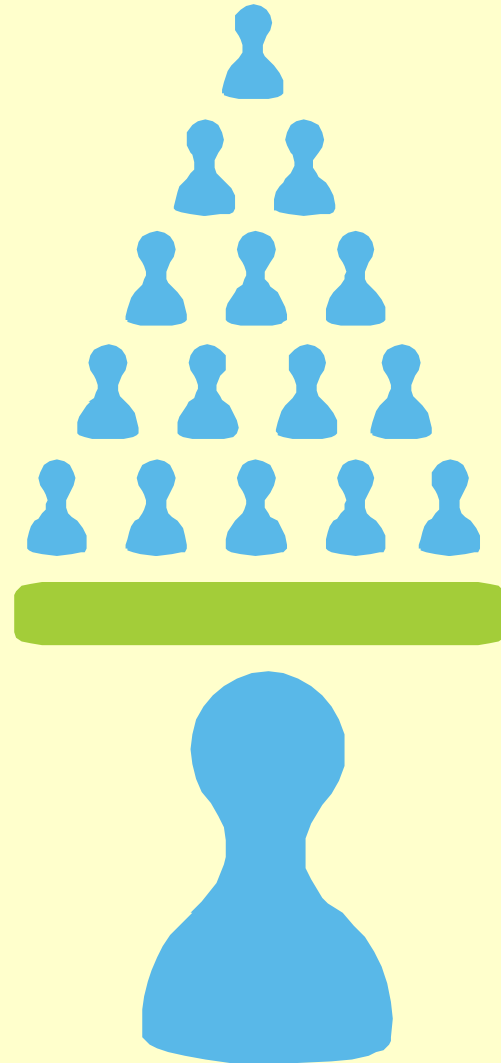
"I thought I was a good teacher until I discovered my students were just memorizing information rather than learning to understand the material. ....

It was my teaching that caused students to fail!"

# Is it Time to Flip the Classroom?

## What is Flipping: New Roles

- **Students' roles**
  - Move up the thinking hierarchy before class.
  - Move further up during class.
- **Faculty's roles**
  - Facilitate activities to move students up the hierarchy.
  - Develop ways to assess higher-level thinking.



# Is it Time to Flip the Classroom?

## What is Flipping: The Flip Continuum

### Keep learning new flips

- The boundary between what can and can't be learned effectively through electronic media will continue to evolve.



<http://www.fanpop.com/spots/jacob-black/images/8583965/title/taylor-lautner-flips-rolling-stones-photo>



<http://gymnastics.about.com/od/famousgymnasts/ig/Shawn-Johnson-Gallery/Shawn-Johnson-Flip-.htm>



# Is it Time to Flip the Classroom?

## Easier Said Than Done



<http://bestfunnyaccidents.com/gymnastics-fail-blog-funny-flip-bloopers-gone-wrong-accidents.html>

# Is it Time to Flip the Classroom?

## Easier Said Than Done: Motivation and Resources

### Motivation and Resources

- Students must be motivated to assume additional responsibilities and have resources to succeed.
- Faculty must be motivated to flip and have resources needed to succeed.



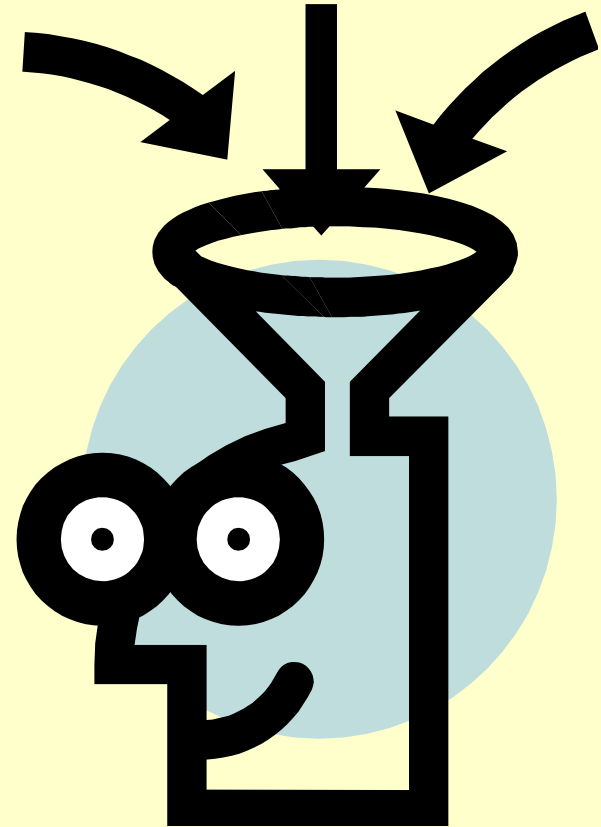
**Motivation and Resources  
are Both Key for Success**

# Is it Time to Flip the Classroom?

## Easier Said Than Done: Knowledge and Skills

### Knowledge and Skills

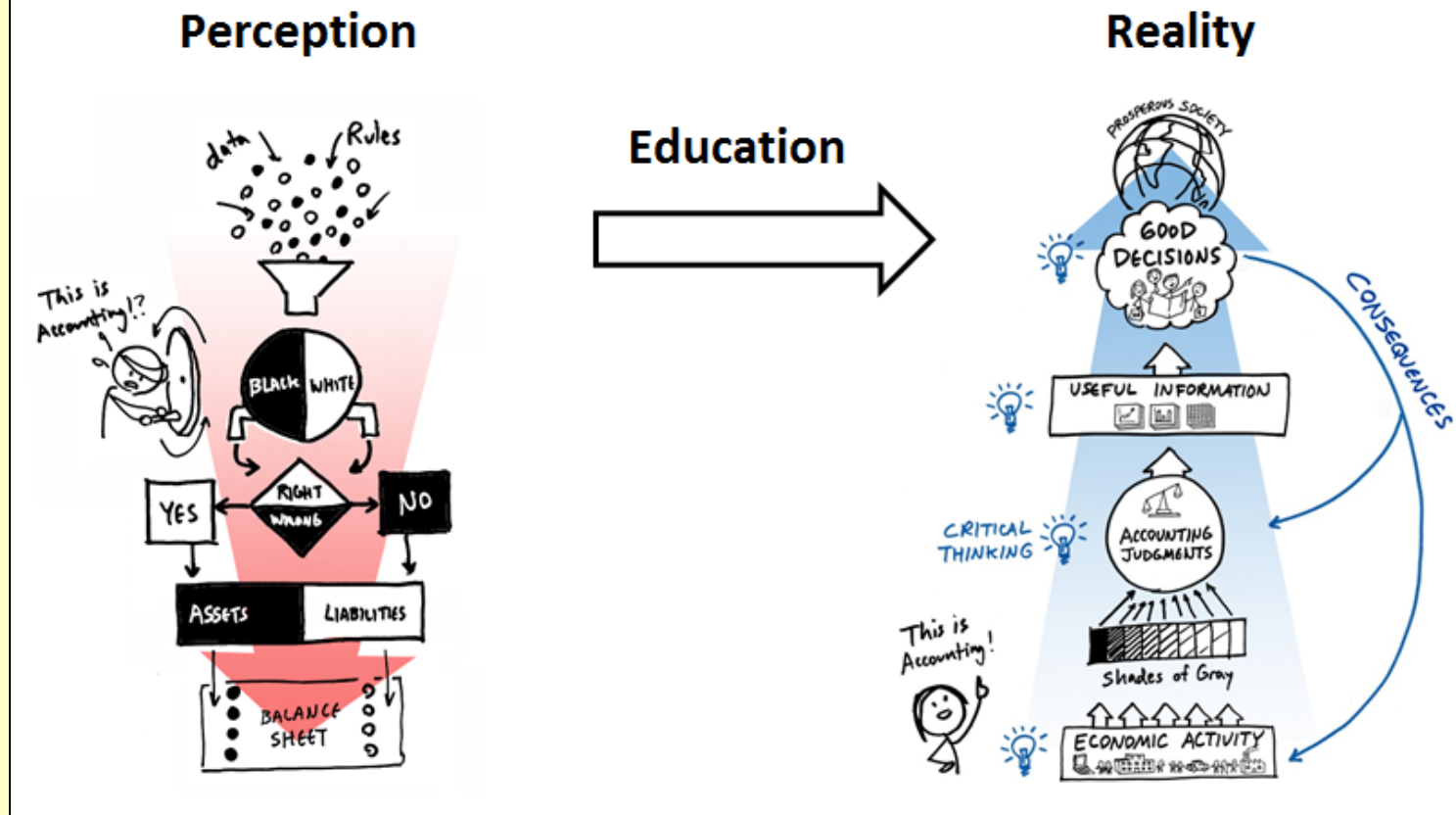
- Faculty must identify knowledge and skills to be learned prior to class.
- Faculty must have the skills to facilitate higher-level in-class activities.
- Students must learn how to learn prior to class and to participate in higher-level activities during class.



# Is it Time to Flip the Classroom?

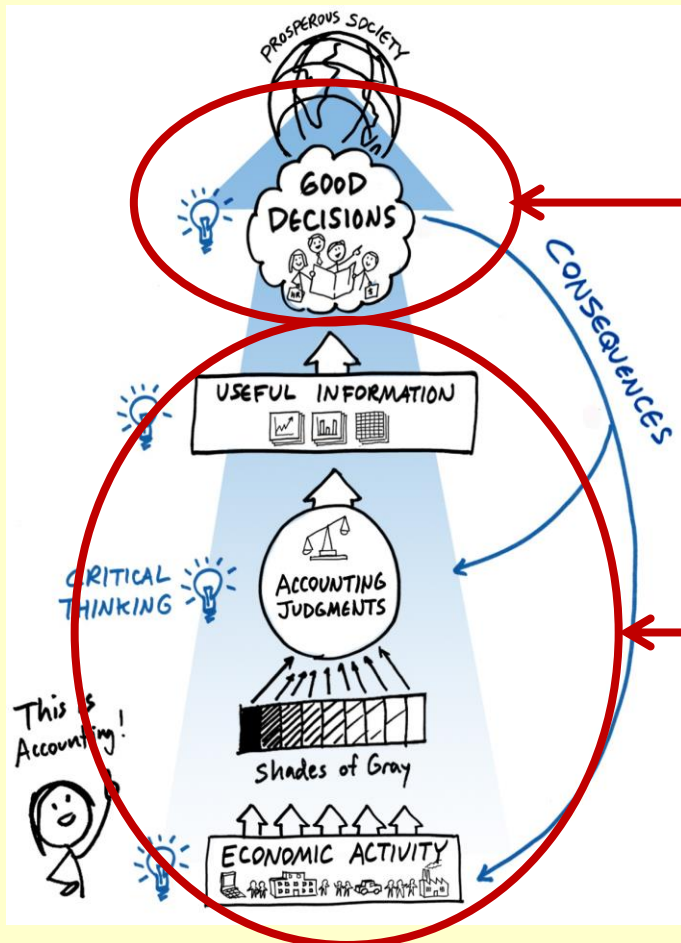
## Framing Flipping: Our Ultimate Goal

As educators, our goal is to shift the perception towards the reality.



# Is it Time to Flip the Classroom?

## Framing Flipping: Learning Framework



### Step 1

What do I see on the surface?

### Step 3

How do I use what I see and my understanding of what's behind what I see?

### Step 2

What's behind what I see?



This work is by The Pathways Commission and is licensed under a Creative Commons Attribution-NoDerivs 3.0 Unported License.

# Is it Time to Flip the Classroom?

## Discussion

- What are the challenges you hope flipping will address?
- What are your goals and objectives for this workshop?

# Is it Time to Flip the Classroom?

## Demonstrations: Allowance for Bad Debts

MARKETS

### Big Banks Are Padding Profits With 'Reserve' Cash

*As Revenue Slows, Some Banks Increasingly Use Loan-Loss Reserves to Boost Income*

By MICHAEL RAPOPORT

Updated Oct. 25, 2013 7:23 p.m. ET

Federal regulators have warned banks to be careful about padding their profits with money set aside to cover bad loans. But some of the nation's biggest banks did more of it in the third quarter than earlier this year.



J.P. Morgan Chase & Co., Wells Fargo & Co., Bank of America Corp. and Citigroup Inc., the nation's largest banks by assets, tapped a total of \$4.9 billion in loan-loss reserves in the third quarter, up by about a third from both the second quarter and the year-ago quarter after adjustments. All the banks except Citigroup showed significant increases compared with the second quarter.

The banks justify the releases. They cite improvements in credit quality and economic conditions—which make it less necessary for them to hold large amounts of reserves as a cushion against loans that go sour—and they say they are following accounting rules that require them to release funds as losses ease.

A Bank of America spokesman said "the significant impact in credit quality we've seen in the last 12 months" has driven the reserve releases. J.P. Morgan, Wells Fargo and Citigroup all pointed to previous comments their top executives recently made indicating that reserve releases were merited because of factors like improving credit quality and the recent increase in housing prices.

But the Office of the Comptroller of the Currency, which regulates nationally chartered banks and federal savings associations, is reiterating warnings to banks about overdoing it.

*Wall Street Journal, October 25, 2013*

Federal regulators have warned banks to be careful about padding their profits with money set aside to cover bad loans. But some of the nation's biggest banks did more of it in the third quarter than earlier this year.

The banks justify the releases. They cite improvements in credit quality and economic conditions – which makes it less necessary for them to hold large amounts of reserves as cushion against loans that go sour –

# Is it Time to Flip the Classroom?

## Demonstrations: Allowance for Bad Debts

MARKETS

### Big Banks Are Padding Profits With 'Reserve' Cash

*As Revenue Slows, Some Banks Increasingly Use Loan-Loss Reserves to Boost Income*

By MICHAEL RAPAPORT

Updated Oct. 25, 2013 7:23 p.m. ET

Federal regulators have warned banks to be careful about padding their profits with money set aside to cover bad loans. But some of the nation's biggest banks did more of it in the third quarter than earlier this year.



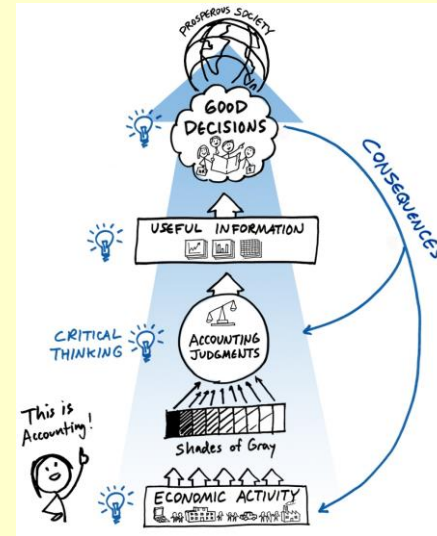
J.P. Morgan Chase & Co., Wells Fargo & Co., Bank of America Corp. and Citigroup Inc., the nation's largest banks by assets, tapped a total of \$4.9 billion in loan-loss reserves in the third quarter, up by about a third from both the second quarter and the year-ago quarter after adjustments. All the banks except Citigroup showed significant increases compared with the second quarter.

The banks justify the releases. They cite improvements in credit quality and economic conditions—which make it less necessary for them to hold large amounts of reserves as a cushion against loans that go sour—and they say they are following accounting rules that require them to release funds as losses ease.

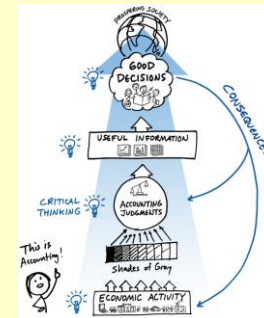
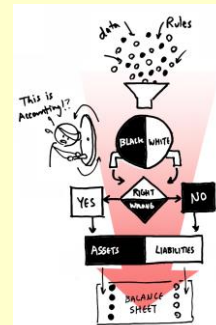
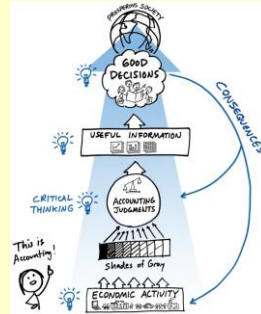
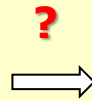
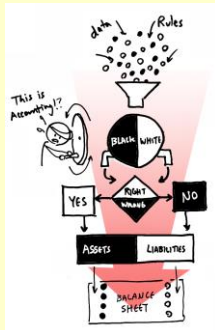
A Bank of America spokesman said "the significant impact in credit quality we've seen in the last 12 months" has driven the reserve releases. J.P. Morgan, Wells Fargo and Citigroup all pointed to previous comments their top executives recently made indicating that reserve releases were merited because of factors like improving credit quality and the recent increase in housing prices.

But the Office of the Comptroller of the Currency, which regulates nationally chartered banks and federal savings associations, is reiterating warnings to banks about overdoing it.

Wall Street Journal, October 25, 2013



What is the accounting reality?



How did readers perceive the article?

How do we prepare students?



# 17<sup>th</sup> Session

## Pre-class work

Begin to learn terms and concepts from on-line texts/videos

Apply concepts to fictitious companies

Learn how to locate and interpret real-company disclosures

Apply concepts to real companies

### Session 16: Customer-related allowances: Bad debts

#### Read

We have yet to create videos for customer-related allowances. However, these topics are covered in a written document, *Revenue and Customer-Related Balance Sheet Concepts*, along with other topics we will not be covering in this course:

[http://www.navigatingaccounting.com/sites/default/files/Posted/Chapters/Ch\\_07\\_rv/3\\_Wbn/5\\_txt/Documents/Acrobat/rv\\_wbn\\_revenue\\_and\\_customer\\_related\\_balance\\_sheet\\_concepts.pdf](http://www.navigatingaccounting.com/sites/default/files/Posted/Chapters/Ch_07_rv/3_Wbn/5_txt/Documents/Acrobat/rv_wbn_revenue_and_customer_related_balance_sheet_concepts.pdf)

- Skim: pages 4-8 (starting with Risks and Risk Sharing)
- Skim: pages 10-11 (starting with Accounting Implication of Risks)
- Skim: page 16 (through to the start of Discounts for Early Payments)
- Skim: pages 18-19 (return to the assumptions as needed to comprehend the examples)
- Grasp: pages 20-21 (parts (a) and (b) of the example – no collateral)
- Skim: pages 21-22 (parts (d) and (e) of the example – collateral)
- Master: page 22 (part (f) of the example – connection to credit risk)
- Skim: pages 22- 23 (starting with Recovering Write-offs)
- Master: pages 23- 26 (starting with Example)

#### Do

Practice exercises – Within course scope, but not discussed in class

- Exercise rv.wbn.rec.010 – Bischoff and Intel  
<http://www.navigatingaccounting.com/exercise/exercise-rvwbrec010>
- Exercise rv.wbn.rec.030 – Neal Company  
<http://www.navigatingaccounting.com/exercise/exercise-rvwbrec030>

#### Read

- Grasp: pages 27-30 (through Measuring and Calibrating Credit Risk)
- Skim: remainder of page 30 and page 31

#### Do

Assigned exercise – highest priority for class discussion

- Exercise rv.wbn.rec.020 – HP  
<http://www.navigatingaccounting.com/exercise/exercise-rvwbrec020>

Is it Time to Flip the Classroom?  
Demonstrations: Allowance for Bad Debts

# Is it Time to Flip the Classroom?

## Demonstrations: Allowance for Bad Debts

### 17<sup>th</sup> Session

### Typical Class Structure

- **Sample:** Basic assessment
  - “Know what you don’t know”
- **Respond:** Mini-lectures
  - Concepts
  - Homework problems
- **Apply and Extend:** Problem solving
  - New context
  - More complex context
- **Discuss:** Related risks & judgments

### Class OneNote Slides

- 01 Clicker: basics assessment rv.wbn.war: question 01
- 02 Clicker: basics assessment rv.wbn.war: solution 01
- 03 Clicker: basics assessment rv.wbn.war: question 02
- 04 Clicker: basics assessment rv.wbn.war: solution 02
- 05 Clicker: basics assessment rv.wbn.war: question 03
- 06 Clicker: basics assessment rv.wbn.war: solution 03
- 07 Clicker: basics assessment rv.wbn.war: question 04
- 08 concepts: allowances: key business and accounting issues
- 09 concepts: anticipate warranty claims
- 10 concepts: settle warranty claims
- 11 rv.wbn.war.010: exercise
- 12 rv.wbn.war.010: part I(a): question
- 13 rv.wbn.war.010: part I(a): accounts
- 14 rv.wbn.war.010: part I(a): Note 12: warranties table
- 15 rv.wbn.war.010: part I(a): blank JE template and inputs
- 16 rv.wbn.war.010: part I(a): solution
- 17 rv.wbn.war.010: part I(b): question
- 18 rv.wbn.war.010: part I(b): blank JE template and inputs
- 19 rv.wbn.war.010: part I(b): solution
- 20 rv.wbn.war.010: part II(c) question
- 21 rv.wbn.war.010: part II(c) R&R map: replenishing allowances
- 22 rv.wbn.war.010: part II(c): fs effects: BS
- 23 rv.wbn.war.010: part II(c): fs effects: IS
- 24 rv.wbn.war.010: part II(c): fs effects: SCOE
- 25 rv.wbn.war.010: part II(c): fs effects: SCF
- 26 rv.wbn.war.010: part II(c): solution
- 27 rv.wbn.war.010: part II(d) question
- 28 rv.wbn.war.010: part II(d) R&R map: replenishing allowances
- 29 rv.wbn.war.010: part II(d): fs effects: BS
- 30 rv.wbn.war.010: part II(d): fs effects: SCF
- 31 rv.wbn.war.010: part II(d): solution
- 32 Clicker: applications and extensions rv.wbn.war: question 01
- 33 Clicker: applications and extensions rv.wbn.war: question 02
- 34 Clicker: applications and extensions rv.wbn.war: solution 01
- 35 Clicker: applications and extensions rv.wbn.war: question 03
- 36 Clicker: applications and extensions rv.wbn.war: solution 02
- 37 Clicker: applications and extensions rv.wbn.war: question 04
- 38 Clicker: applications and extensions rv.wbn.war: solution 03
- 39 Clicker: applications and extensions rv.wbn.war: question 04

# Is it Time to Flip the Classroom?

## Demonstrations: Allowance for Bad Debts

### **Allowance for bad debts:**

### Revenue & Customer-related Balance Sheet Concepts

#### Assigned text

[http://www.navigatingaccounting.com/sites/default/files/Posted/Chapters/Ch\\_07\\_rv/3Wbn/5\\_txt/Documents/ Acrobat/rv\\_wbn\\_revenue\\_and\\_customer\\_related\\_balance\\_sheet\\_concepts.pdf](http://www.navigatingaccounting.com/sites/default/files/Posted/Chapters/Ch_07_rv/3Wbn/5_txt/Documents/ Acrobat/rv_wbn_revenue_and_customer_related_balance_sheet_concepts.pdf)

#### Assigned problem

<http://www.navigatingaccounting.com/exercise/exercise-rwbnrec020>

#### Related materials

<http://www.navigatingaccounting.com/book/revenue-customer-related-balance-sheet-concepts>

# Is it Time to Flip the Classroom?

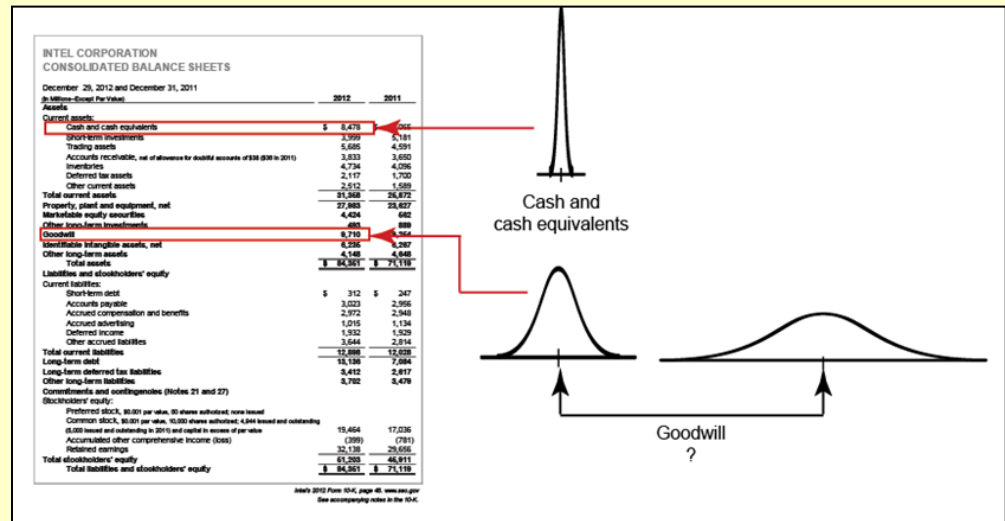
## Demonstrations: Judgments

### Class Structure:

- Discuss concepts using simple examples in settings students understand
- Illustrate how concepts apply to more complex real-world settings

You have a balance sheet:

- Measurement aside, what tends to be your 2-3 biggest assets?
- That is, what are the resources with probable future benefits you control as a result of past events or circumstances?



# Is it Time to Flip the Classroom?

## Demonstrations: Judgments

### **Balance sheet elements and measures**

#### Your Balance Sheet Exercise

<http://www.navigatingaccounting.com/exercise/exercise-bswis050>

#### PowerPoint and OneNote slides with teaching note video

<http://navigatingaccounting.com/content/instructors-forum#part-2-asset-liability-and-owners-equity-measures-anchor>

# Is it Time to Flip the Classroom?

## Discussion

- Would similar exercises be effective in other areas besides financial accounting?
- Outline an exercise for a topic in another area where students face similar learning challenges.

# Is it Time to Flip the Classroom?

## Demonstrations: Connecting Financials

### Class Structure:

- Build the map piece by piece, perhaps over several classes
- Illustrate how map applies to real companies
- Use map throughout the remainder of the course

A	L	OE	A	L	OE
Assets	Liabilities	= Owners' Equity	Assets	Liabilities	= Owners' Equity
\$8,089	\$2,644	\$5,445	\$84,351	\$33,148	\$51,203

Timeline: 1992 year end —————> 2012 year end

A	L	OE	A	L	OE
Assets	Liabilities	= Owners' Equity	Assets	Liabilities	= Owners' Equity
\$8,089	\$2,644	\$5,445	\$84,351	\$33,148	\$51,203

Timeline: 1992 year end —————> 2012 year end

← Twenty-year performance period →

ΔA	ΔL	ΔOE
Change in Assets	Change in Liabilities	Change in Owners' Equity
\$76,262	\$30,504	\$45,758

Transactions with owners during the period that changed the value of the net assets  
-\$83,066

Other events or circumstances during the period that changed the value of net assets  
\$128,824

Contributions from owners  
\$36,201

Distributions to owners  
-\$119,267

Comprehensive Income  
\$128,366

Change in accounting policy and restatements  
\$458

Net income  
\$128,566

Other Comprehensive Income  
-\$190

# Is it Time to Flip the Classroom?

## Demonstrations: Connecting Financials

### **Intel and Owners' Equity Change (OEC) Map**

#### Intel Exercise

<http://www.navigatingaccounting.com/exercise/exercise-iswisscoe022>

#### Owners' Equity Change (OEC) Map

[http://www.navigatingaccounting.com/sites/default/files/Posted/Common/Resources\\_web\\_book/OEC\\_map\\_and\\_template.pdf](http://www.navigatingaccounting.com/sites/default/files/Posted/Common/Resources_web_book/OEC_map_and_template.pdf)

#### PowerPoint and OneNote slides with teaching note video

<http://www.navigatingaccounting.com/content/instructors-forum#part-7-income-measures-anchor>

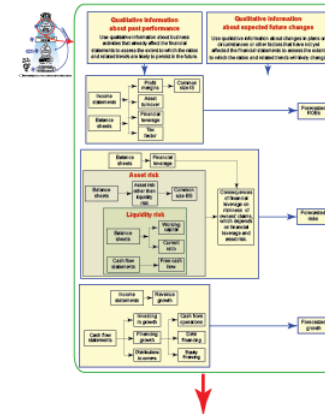


# Is it Time to Flip the Classroom?

## Demonstrations: Analysis

### Class Structure:

- Toulmin Model of Argumentation and Analysis Considerations Map
- Survey groups' initial claims
- Discuss supporting arguments, counterarguments and rebuttals
- Survey groups' ending claims
- What did you learn?



### Part I: Your qualified claim and opening remarks

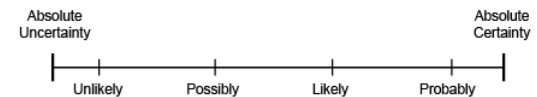
#### Claim:

Fill in the blank with either Home Depot or Lowe's:

\_\_\_\_\_ appears to have the better future prospects at the most recent balance sheet dates, taking into consideration expected future ROEs, growth rates, and risks.

#### Qualifiers:

Put an X at the spot on the scale below that indicates the likelihood your claim is correct, given the available information and concepts covered thus far.



The Toulmin Method of Argumentation: The Second Triad, Keith Green  
[http://www.youtube.com/watch?v=gRac\\_vzD08](http://www.youtube.com/watch?v=gRac_vzD08)

### Part II: Your arguments

Provide no more than three arguments in support of your claim in the space provided below, numbered and arranged according to your assessment of their strength (from strongest to weakest).

### Part III: Your counterarguments and rebuttals

Provide no more than three counterarguments to your claim, numbered and arranged according to your assessment of their challenge to the claim (from strongest to weakest). If possible provide rebuttals immediately below each counterargument.

# Is it Time to Flip the Classroom?

## Demonstrations: Analysis

### **Analysis: Toulmin Model of Argumentation**

#### Income Statement Exercise

<http://www.navigatingaccounting.com/exercise/exercise-cshunacf040>

#### Toulmin Method of Argumentation Handout

[http://www.navigatingaccounting.com/sites/default/files/Posted/Common/Resources\\_web\\_book/Toulmin\\_Model\\_of\\_Argumentation.pdf](http://www.navigatingaccounting.com/sites/default/files/Posted/Common/Resources_web_book/Toulmin_Model_of_Argumentation.pdf)

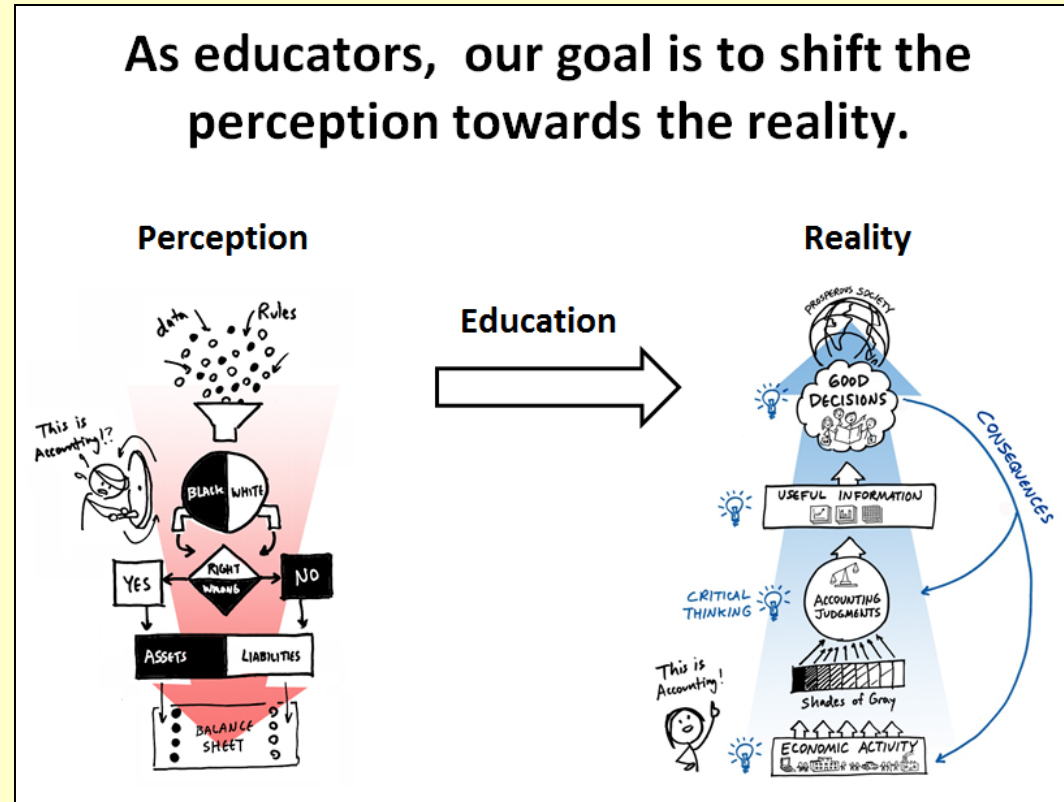
#### Analysis Considerations Map

[http://www.navigatingaccounting.com/sites/default/files/Posted/Common/Resources\\_web\\_book/Analysis\\_Considerations\\_Map.pdf](http://www.navigatingaccounting.com/sites/default/files/Posted/Common/Resources_web_book/Analysis_Considerations_Map.pdf)

# Is it Time to Flip the Classroom?

## Summary

- Goal
  - Shift the perception
- Levers
  - Robust concepts and frameworks
  - Technology
  - Incentives
  - Flipping



# Is it Time to Flip the Classroom?

## Discussion

- How could you get started with flipping?
- Are you ready and willing to seriously consider flipping?

# Is it Time to Flip the Classroom?

## Wrap Up: Aim High

### Gold medalist flippers

**Marva Collins**



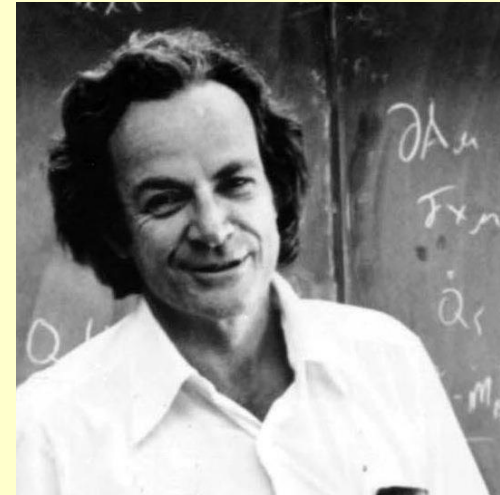
<http://www.marvacollins.com/biography.html>

**Eric Mazur**



<http://www.youtube.com/watch?v=WwsIBPj8GgI>

**Richard Feynman**



<http://uweanimation.blogspot.com/2011/03/interesting-scientist-richard-feynman.html>

# Is it Time to Flip the Classroom?

## Resources

### **NavigatingAccounting.com**

#### **Instructors' Forum: Course Maps (Syllabuses) and Teaching Videos**

<http://www.navigatingaccounting.com/content/instructors-forum>

#### **Critical Thinking Exercises Using Toulmin Model**

<http://www.navigatingaccounting.com/exercise/exercises-critical-thinking-using-toulmin-model>

#### **Analyzing Financial Statements Across Time and Industries**

<http://www.navigatingaccounting.com/content/analyzing-financial-statements-across-time-and-industries>

#### **Students' Materials: Videos and Exercises**

<http://www.navigatingaccounting.com/book/financial-accounting>

### **Peer Instruction Network**

<http://blog.peerinstruction.net/>

### **AAA Commons**

<http://commons.aaahq.org/>

### **Pathways Commission**

<http://pathwayscommission.org>