

SUMMER PREPARATION

MBA FINANCIAL ACCOUNTING

Table of Contents

Introduction	2
Navigating Accounting Videos	3
Part 1: Introduction to balance sheets	3
Part 2: Introduction to record keeping and reporting	4
Part 3: Introduction to income statements	5
Part 4: Record keeping and reporting related to income statements.....	6

Introduction

Welcome to the MBA accounting course. Shortly before the course starts, we will email you a “Course Map,” which will help you navigate the course. It will contain the course policies and detailed directions for each session, along with links to related videos, readings, and exercises.

In the meantime, if you haven’t taken a financial accounting course or would like a refresher, we suggest you work your way through the on-line videos and exercises linked to herein. These videos are assigned early in the course, along with others, and the exercises are similar to assigned exercises. However, in past years students who had not previously completed a financial accounting course sometimes fell behind early in the course. The primary goal of the summer preparation materials herein is to help create a level playing field for all students.

It's particularly important you get a general understanding of balance sheets and income statements and develop the basic record-keeping and reporting skills covered in the exercises as best you can, given your time constraints. You're going to learn that accounting is much more than record keeping and reporting. Still, you must know how to record entries and understand how they affect financial statements to gain the mastery of accounting needed to make informed judgments and analyze financial statements.

Record-keeping and reporting skills are not very challenging academically. In fact, they are taught at many high schools. However, like most skills, mastering them can require a good deal of practice. In this regard, don't commit the all too common fatal mistake of believing you can record entries because you understand how someone else recorded them. Accounting is not a spectator sport.

As indicated in the table of contents, there are four parts to the summer preparation. We recommend you plan on spending 2-3 hours per part and that you spread the parts over a few weeks to allow time to digest the terms, concepts, and applications. The actual time to complete the assignments will vary.

We hope you enjoy these summer preparation materials and look forward to meeting you at orientation. In the meantime, if you would like to get to know us, here are links to our bios:

http://navigatingaccounting.com/sites/default/files/Posted/Common/Web/Carolyn_Wilson_Bio.pdf

http://navigatingaccounting.com/sites/default/files/Posted/Common/Web/Pete_Wilson_Bio.pdf

Again, welcome to the MBA Program.

Pete and Carolyn

Navigating Accounting Videos

Here and throughout the course, you will be linking to videos and exercises at NavigatingAccounting.com:

- **Express videos** are executive summaries. View them to get the big picture prior to starting the exercises.
- **Scenic videos** are in-depth discussions of topics. View these if you find you need more detailed explanations to complete the exercises or if you seek a more comprehensive understanding of concepts or real-company applications.
- Use the video menus to go directly to a topic for a quick review or for help with concepts covered in an exercise. Menus require Flash.
- All videos have PDFs of the video slides and some have transcripts you can download, if you wish. The related links are at the bottom of the video web page.
- We highly recommend using the Mozilla's Firefox browser.
- **Controlling play speed:** Some of you will find the play speed of the videos too fast to comprehend, especially in the Balance Sheet chapter where with hindsight we recognize that we edited out too much white noise. There is a relatively low cost solution that allows you to slow down (or accelerate) the play speed: Enounce's MySpeed Variable Speed Video Player. Here is the link

<http://www.enounce.com/myspeed>

Part 1: Introduction to balance sheets

Watch

"What Do I See?" Express Route video on the balance sheet (16 minutes):

<http://www.navigatingaccounting.com/video/express-what-do-i-see-balance-sheets>

If you find you need more detailed explanations of concepts or examples of real-company applications to complete the exercises, view the relevant scenic route videos:

<http://www.navigatingaccounting.com/book/balance-sheets#wis>

Do

"What Do I See?" exercises

- Exercise bs.wis.010

<http://www.navigatingaccounting.com/exercise/exercise-bswis010>

Links to exercise, exercise materials, and solutions

For most *Navigating Accounting* exercises, including the ones herein, the exercises' master web pages have links to the exercises, the materials needed to complete them, and solutions.

- Exercise bs.wis.030

<http://www.navigatingaccounting.com/exercise/exercise-bswis030>

- Exercise bs.wis.040

<http://www.navigatingaccounting.com/exercise/exercise-bswis040>

Part 1: Learning Objectives and Key Take-Aways

- http://www.navigatingaccounting.com/sites/default/files/Posted/Chapters/Ch_02_bs/2Wis/Documents/Acrobat/bs_wis_lob_key_takeaways.pdf

Part 2: Introduction to record keeping and reporting

Watch

"What's Behind the Numbers?" Express Route video: Framing Record Keeping (12 minutes):

<http://www.navigatingaccounting.com/video/express-framing-record-keeping-and-reporting>

"What's Behind the Numbers?" Express Route video: Recording Entries Using BSE (12 minutes):

<http://www.navigatingaccounting.com/video/express-recording-entries-balance-sheet-equation>

Do

"What's Behind the Numbers?" BSE-entry exercises

- Exercise bs.wbn.bse.010

<http://www.navigatingaccounting.com/exercise/exercise-bswbnbse010>

- Exercise bs.wbn.bse.020

<http://www.navigatingaccounting.com/exercise/exercise-bswbnbse020>

Paper or Paperless

For many of the exercises in *Navigating Accounting*, including these ones, you have the option to complete the exercises on paper templates or in Excel templates.

To use the paper option, you will print templates from PDF files included with exercise materials at specified web sites. To use the paperless option, you will fill in the same templates in Excel workbooks. These contain some or all of the data needed to complete the exercise.

If you are new to Excel or want to review the basics, watch Using Excel 1: Basics (26 minutes):

<http://www.navigatingaccounting.com/spreadsheet/using-excel-1-basics>

If you have a basic understanding of Excel, but do not know how to use the "new window," "arrange all windows," "freezing panes" features to efficiently link cells across worksheets, we suggest you watch Using Excel2: Linking Cells Across Worksheets (9 minutes):

<http://www.navigatingaccounting.com/spreadsheet/using-excel-2-linking-cells-across-worksheets>

Watch

"What's Behind the Numbers?" Express Route video: Recording Entries Using JE (13 minutes)

<http://www.navigatingaccounting.com/video/express-recording-journal-entries>

Do

"What's Behind the Numbers?" JE exercises

- Exercise bs.wbn.je.010

<http://www.navigatingaccounting.com/exercise/exercise-bswbnje010>

- Exercise bs.wbn.je.020

<http://www.navigatingaccounting.com/exercise/exercise-bswbnje020>

PDF templates and Excel workbooks are included with the exercise materials. However, these exercises ask you to record journal entries for the events you recorded with the BSE matrix in bs.wbn.bse.010 and bs.wbn.bse.020. For this reason, you will likely find it more convenient to use the same Excel files here as you used earlier.

Part 2: Learning Objectives and Key Take-Aways

- http://www.navigatingaccounting.com/sites/default/files/Posted/Chapters/Ch_02_bs/3Wbn/1_fra_rr/Documents/ Acrobat/bs_wbn_fra_rr_lob_key_takeaways.pdf
- http://www.navigatingaccounting.com/sites/default/files/Posted/Chapters/Ch_02_bs/3Wbn/2_rec_ent_bse/Documents/ Acrobat/bs_wbn_bse_lob_key_takeaways.pdf
- http://www.navigatingaccounting.com/sites/default/files/Posted/Chapters/Ch_02_bs/3Wbn/3_rec_ent_je/Documents/ Acrobat/bs_wbn_je_lob_key_takeaways.pdf

Part 3: Introduction to income statements

Watch

"What Do I See: Income Statements?" Express Route video (31 minutes)

<http://www.navigatingaccounting.com/video/express-what-do-i-see-income-statements>

If you find you need more detailed explanations of concepts or examples of real-company applications to complete the exercises below, view the relevant scenic route videos:

http://www.navigatingaccounting.com/book/income-statements#wis_is

Do

"What Do I See: Income Statements?" exercises.

- Exercise is.wis.is.010

<http://www.navigatingaccounting.com/exercise/exercise-iswis010>

- Exercise is.wis.is.020

<http://www.navigatingaccounting.com/exercise/exercise-iswis020>

Part 3: Learning Objectives and Key Take-Aways

- http://www.navigatingaccounting.com/sites/default/files/Posted/Chapters/Ch_03_is/2Wis/1_is/Documents/ Acrobat/is_wis_is_lob_key_takeaways.pdf

Part 4: Record keeping and reporting related to income statements

Watch

"What's Behind the Numbers: Income Statements?" Express Route: select menu items (26.5 minutes)

<http://www.navigatingaccounting.com/video/express-whats-behind-income-statements>

Recommended menu items:

- Introduction (0.5 minutes)
- Revenues (11.5 minutes)
- Expenses (7.5 minutes)
- Accrual accounting: accounting cycle (2.5 minutes)
- Accrual accounting: accruals (1.5 minutes)
- Accrual accounting: deferrals (0.5 minutes)
- Creating income statements (2.5 minutes)

If you find you need more detailed explanations of concepts or examples of real-company applications to complete the exercises below, view the relevant scenic route videos:

http://www.navigatingaccounting.com/book/income-statements#wbn_is

Do

"What's Behind the Numbers: Income Statements?" exercises

- Exercise is.wbn.is.bse.010

<http://www.navigatingaccounting.com/exercise/exercise-iswbnisbse010>

- Exercise is.wbn.is.bse.020

<http://www.navigatingaccounting.com/exercise/exercise-iswbnisbse020>

- Exercise is.wbn.is.je.010, part (a) only

<http://www.navigatingaccounting.com/exercise/exercise-iswbnisje010>

- Exercise is.wbn.is.je.020, part (a) only

<http://www.navigatingaccounting.com/exercise/exercise-iswbnisje020>

Part 4: Learning Objectives and Key Take-Aways

- http://www.navigatingaccounting.com/sites/default/files/Posted/Chapters/Ch_03_is/3_Wbn/1_is/Documents/ Acrobat/is_wbn_is_lob_key_takeaways.pdf