INTRODUCTION TO FINANCIAL ACCOUNTING

THERE IS AN ASSIGNMENT FOR THE FIRST CLASS!

SEE THE SESSION 1 ASSIGNMENT

You are welcome to customize this for your course. Click the links below for three instructor videos with teaching tips. Just be sure to edit the Word version of this Map to remove these links prior to distributing to your students:

Teaching Note for Session 1 exercise (bs.wis.050): Asset, Liability, and Owners’ Equity Measures

www.navigatingaccounting.com/content/instructors-forum#part-2-asset-liability-and-owners-equity-measures-anchor

Teaching Note for Session 3 exercise (bs.hun.afc.030): Risks and Rewards: Mall Exercise & Credit Crisis

www.navigatingaccounting.com/content/instructors-forum#part-5-risk-and-rewards-application-mall-exercise-credit-crisis-anchor

Teaching Note for Session 5 exercises (is.wis.scoe.021 & is.wbn.is.bse.060): Income measures

www.navigatingaccounting.com/content/instructors-forum#part-7-income-measures-anchor

You are welcome to explore other videos and materials in the Instructor Forum:

www.navigatingaccounting.com/content/instructors-forum
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Course Policies and Administrative Issues

Introduction
This section describes the goals, guiding principles, grading processes, and learning strategies. We hope it will give you a sense for our commitment to our collective effort to make the course a rewarding experience.

The source of our motivation is the thought that during your careers you will collectively make decisions that will affect the flow of billions of dollars of resources and the lives of countless individuals, and that the quality of these decisions can be improved, in part, by what you learn in this course.

Course Goals
The course goals are the same as those stated in the Preface of Navigating Accounting:

1. To help you acquire a broad conceptual framework for understanding and preparing financial, managerial, and tax reports that will serve as a solid foundation for your career and other courses.
2. To help you become reasonably proficient at interpreting numbers in financial statements and assessing their usefulness for your decisions.

You can learn more about these goals by you reading the Preface at Navigating Accounting:


The goals can be met at several levels of proficiency that span a very broad continuum. While there are course performance standards, past experience suggests that most of you will be motivated more by your career goals and intrinsic interests than by grades.

Your individual goals will differ depending on several factors including your past experience and your career plans. We will respect and often admire these differences, even if you earn a lower grade than most of your classmates.

Guiding Principles
Here are some principles that will help you achieve the course goals. They are central to our teaching philosophy and have proven to be very beneficial in the past. If you have any questions about them, you can address them to us via email or set up an office appointment.

- The course will be challenging but hopefully you will find it even more rewarding. We teach tough, demanding classes, but we are committed to creating supportive learning environments that make it possible to set high standards. We take pride in the accomplishments of our students and provide opportunities for exceptional students to distinguish themselves. At the same time, we measure our success by how well we can take the entire class to the next level, trusting that our students are highly motivated and bring a wide range of skills and aspirations to our courses.
• **Working together, we can make the course a great learning experience.** We have spent countless hours over forty years thinking about ways to improve our teaching and along the way we have become pretty good. This is not bragging. Indeed, being pretty good after forty years of sleepless nights is rather humbling, especially because for most of these years we wanted to be great. However, somewhere along the way we realized we just don’t have what it takes to be great at anything on our own, and our shared experiences with our students are only great if everyone involved is fully committed to this end. This is our goal and we hope it is shared by the entire class. If so, we can create something extra special together.

• **Preparation and attitude are the two biggest success factors to creating a great learning experience.** Everyone involved must come to class as prepared as possible. This very detailed course map will help you do your part. Bringing a great attitude to class means showing up on time, focusing on and participating constructively in class discussions, and more generally embracing the core values of the school.

• **The exams will cover a significant amount of foundational material not discussed in class but covered in assigned exercises.** This gives you an incentive to learn basic terms, concepts, and procedures largely on your own so we can pursue topics during class that will better prepare you for other courses, job interviews, and your career.

• **You will be graded on class participation.** Our responsibility is to increase your capacity and willingness to prepare for class and participate effectively in discussions. This is critical to the class’ success, and perhaps to your careers. In both endeavors, you will succeed to the extent you can organize your ideas concisely and convey them persuasively. For this reason, a portion of your grade is based on class participation. Our objective is to ensure that you are highly energized before class when you are preparing and relaxed during class when you need an environment that is “soft on people but hard on ideas.”

• **Our past experience suggests that if you spend several hours preparing and the class environment is intellectually vibrant, but not intimidating, you will want to participate.** If you are reluctant to express your ideas in front of groups, come by our office early in the course so we can help you develop a strategy to involve you in class discussions.

• **Confusion often precedes enlightenment.** You will not be penalized for giving “good” incorrect answers or asking “good” questions that reflect confusion. By “good” answers and questions, we mean those that reflect solid preparation. Some of the homework assignments are very demanding and we fully expect most of you to come to class still struggling to gain closure and some of you to come totally confused. If you come to class prepared but confused, you may not feel comfortable, but there is a good chance you will leave with closure on most of the learning objectives. By contrast, if you come feeling comfortable but not prepared, you will surely leave totally confused.
• **A significant portion of you course grade will be based on group work.** This will include group written reports and group class participation (where one group member is randomly selected to present the group’s answer to an assigned question during class, as described later). Contrary to what you might be thinking, students who have participated in this process in the past have generally agreed that being randomly selected to represent your group is not an intimidating experience: the group knows the questions in advance and everyone works together prior to class to make certain that everyone is ready to participate if selected. This is an example of how preparation promotes confidence and success!

• **Learning is more important than grades, but the correct balance of grades and peer competition can improve your learning.** We recognize grades are important to you: they can significantly impact your career and graduate school opportunities and your sense of fulfillment. They also can motivate you to work harder to attain your goals and provide valuable feedback on your progress. We have tried to create a comprehensive, transparent grading system that provides fair and objective evaluations, robust incentives and timely feedback.

So, what do we mean by learning is more important than grades? Three things:

• First, grades are not perfectly correlated with learning because exams and other evaluation methods are far from perfect sampling mechanisms. We try our best to ensure our exams, graded assignments, and participation evaluations are fair and comprehensive but we recognize the limitations of these assessments.

• Second, grades can help you land jobs; but ultimately your success in these endeavors and more generally the quality of your life depends on how much you learn.

• Third, grades tend to be correlated with learning within courses but they are not necessarily correlated with learning across courses. In particular, students frequently tell us they learned a great deal more in our course than they did in other courses where they received higher grades. We suspect you have had similar experiences.

Arguably, one of the key reasons students claimed they learned more is they were more motivated, both intrinsically by a desire to learn the material and extrinsically by an incentive to earn a good grade in a competitive course. We believe you should be more motivated by a desire to learn than by grades and we are continually seeking ways to peek your interest in the course. In this regard, grades should be a small incentive relative to your desire to learn. You should view them as a push on the margin to ensure you perform effectively at peak capacity.

Grade pressure is pervasive in businesses where it is called performance evaluation. Designing incentive systems that optimally balance extrinsic performance incentives such as compensation with intrinsic incentives such as pride and satisfaction is currently one of the toughest management challenges. The notion that too much competition can hamper cooperation does not mean that competition should be eliminated in schools, nor amongst employees within businesses, nor amongst players on sports teams. Balancing competition and cooperation is one of the toughest challenges faced by managers, coaches, and college professors.
Similarly, designing an incentive system that balances grades and intrinsic incentives to learn is one of our most demanding challenges. While grades and exams can benefit your learning, experience suggests that faculty and students promote unnecessary angst and inappropriate behavior when we pay too much attention to them. Here are some guidelines to keep grades in perspective:

- We will try not to discuss exams and grades during class and request you do likewise. This document describes our grading philosophy and policies thoroughly. If you want to know more about these policies or your grade, drop by our office, or make an appointment to discuss these issues.

- *Never ask “will this be on the exam?”* We are not here to prepare you for exams. We are here to prepare you for your careers. We take great pride when we sense that you are learning with this end in mind, rather than to simply pass exams and get a credential. It is this pride, not our compensation, that motivates us to put more effort into teaching.

- You have the right to appeal the way your exams and class participation are graded and we encourage you to set up an office appointment when you feel there are material grading mistakes.

### Grades

Grades are determined by a five-step process.

**Step 1— Determine Course Scores**

Course scores out of 100 points have three components:

- Four exams (60 points)
- Eight group assignments, including class participation of group assignments (30 points)
- Participation other than group assignments (10 points)

We will provide details about these components in later sections of this course map.

**Step 2— Determine the Benchmark Course Score for all Grades (TPCS)**

At the end of the course, grades are determined relative to the Tenth Percentile Course Score (TPCS). This benchmark is determined by first ranking the course scores from highest to lowest for the sections we are currently teaching – the class size – and then selecting the score that is 10% of the way down the list. When 10% of the class size has a decimal, we round up to the next whole number. For example, if there are 88 students, the TPCS is the 9th highest score, which is 90.9 points out of 100 in our example. We will be using this example throughout the discussion of the 5-step process for determining grades.

**Step 3— Determine the Initial Grades**

Grades are initially assigned based solely on cut-offs that are a percentage of the TPCS. For example, 100% of the TPCS is the cutoff for an A and 88% of the TPCS is the cut-off for a B. Providing the course scores are distributed similarly to prior years, the percentages multiplied by TPCS to determine the initial grade cutoffs ensure: (1) the grades will be consistent with grades for recent years and (2) the grades will be consistent with the Accounting Department's grading guidelines.
This initial grade assignment is based on relative performance – your grade depends on how well you perform relative to the TPCS. While only 10% of the class can earn A’s under the initial grade assignment, there are no restrictions on the distribution of the remaining grades. For example, the remaining 90% of the class could earn an A- based on the initial grade assignment.

The table on the next page illustrates the general rules for determining the initial grade-cutoffs. It also extends the example by illustrating cutoffs that are representative of prior years’ courses.

<table>
<thead>
<tr>
<th>Step 4— Adjust for Possible Measurement Errors</th>
</tr>
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<tr>
<td>A valid argument against assigning grades based solely on step 3 is the “clone” argument: If all students were clones and performed identically throughout the course but their course scores still differed because of measurement error, only 10% of the class would receive A’s. Thus, 90% would end up with a lower grade than they deserve. Step 4 addresses this concern by allowing a two point margin for measurement error.</td>
</tr>
</tbody>
</table>
More precisely, if your course score is within two points of the average score of the next grade level up (based on step 3), your grade is adjusted to the next level up. If there are no students in the next grade level up based on the initial cutoffs, your grade is moved up if you are within 2 points of the initial lower cutoff for the next grade up. This adjustment for measurement error means that in principle all students can earn an A.

Combining this adjustment with the initial grade cut-offs in step 3, we get a rule for the final grade cut-offs: they are the minimum of: (1) the initial cut-offs from step 3 and (2) the average scores for the next level up based on step 3 less 2 points. The table below illustrates how the cutoffs were adjusted for the example. It also shows a final distribution of grades that is representative of prior years.

### Example: Initial and Final Cutoffs and Representative Final Grades Distribution

<table>
<thead>
<tr>
<th>Cut-off factors (step 3)</th>
<th>Initial cutoffs (step 3)</th>
<th>Average Score (step 4)</th>
<th>Final cutoffs (step 4)</th>
<th>Students in range</th>
<th>Percent</th>
<th>Cum.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.00</td>
<td>A</td>
<td>90.90 ≤ Score = 100.00</td>
<td>92.76</td>
<td>90.76 ≤ Score = 100.00</td>
<td>9</td>
<td>10.2% 10.2%</td>
</tr>
<tr>
<td>0.96</td>
<td>A-</td>
<td>87.26 ≤ Score &lt; 90.90</td>
<td>88.42</td>
<td>86.42 ≤ Score &lt; 90.76</td>
<td>13</td>
<td>14.8% 25.0%</td>
</tr>
<tr>
<td>0.92</td>
<td>B+</td>
<td>83.63 ≤ Score &lt; 87.26</td>
<td>85.15</td>
<td>83.15 ≤ Score &lt; 86.42</td>
<td>21</td>
<td>23.9% 48.9%</td>
</tr>
<tr>
<td>0.88</td>
<td>B</td>
<td>79.99 ≤ Score &lt; 83.63</td>
<td>81.98</td>
<td>79.98 ≤ Score &lt; 83.15</td>
<td>16</td>
<td>18.2% 67.0%</td>
</tr>
<tr>
<td>0.84</td>
<td>B-</td>
<td>76.36 ≤ Score &lt; 79.99</td>
<td>78.14</td>
<td>76.14 ≤ Score &lt; 79.98</td>
<td>16</td>
<td>18.2% 85.2%</td>
</tr>
<tr>
<td>0.80</td>
<td>C+</td>
<td>72.72 ≤ Score &lt; 76.36</td>
<td>74.39</td>
<td>72.39 ≤ Score &lt; 76.14</td>
<td>7</td>
<td>8.0% 93.2%</td>
</tr>
<tr>
<td>0.76</td>
<td>C</td>
<td>69.08 ≤ Score &lt; 72.72</td>
<td>71.96</td>
<td>69.08 ≤ Score &lt; 72.39</td>
<td>2</td>
<td>2.3% 95.5%</td>
</tr>
<tr>
<td>0.72</td>
<td>C-</td>
<td>65.45 ≤ Score &lt; 69.08</td>
<td>68.27</td>
<td>65.45 ≤ Score &lt; 69.08</td>
<td>2</td>
<td>2.3% 97.7%</td>
</tr>
<tr>
<td>0.68</td>
<td>D+</td>
<td>61.81 ≤ Score &lt; 65.45</td>
<td>62.91</td>
<td>60.91 ≤ Score &lt; 65.45</td>
<td>2</td>
<td>2.3% 100.0%</td>
</tr>
<tr>
<td>0.64</td>
<td>D</td>
<td>58.18 ≤ Score &lt; 61.81</td>
<td>none</td>
<td>58.18 ≤ Score &lt; 60.91</td>
<td>0.0%</td>
<td>0.0% 100.0%</td>
</tr>
<tr>
<td>0.60</td>
<td>D-</td>
<td>54.54 ≤ Score &lt; 58.18</td>
<td>none</td>
<td>54.54 ≤ Score &lt; 58.18</td>
<td>0.0%</td>
<td>0.0% 100.0%</td>
</tr>
<tr>
<td>0.56</td>
<td>F</td>
<td>Score &lt; 54.54</td>
<td>Score &lt; 54.54</td>
<td></td>
<td>0.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

### Step 5— Unlikely Adjustment for Collusion

In the highly unlikely event the entire class colludes to ensure everyone gets 0 course points or another artificially low score, grades will be assigned based on the previous year's course-score cutoffs. This means everyone receives an F. The consequences will be similar if the class attempts to collude in this way and a single student defects: that student will receive an A and everyone else an F. You now know why we are confident step 5 will never need to be enforced.

### Rationale behind the Grading Policy—Balancing Competition and Cooperation

The grading policy aims to raise the course bar and thus learning by balancing incentives to compete with even greater incentives to cooperate. Because grades are based on relative performance, students who are already highly motivated to learn for learning’s sake have a competitive incentive on the margin to work even harder to keep up with their classmates. Based on prior years’ experience, we are very
confident most students will act on this incentive and in the process work with us to raise the performance bar to a new level.

The grading policy also promotes cooperation: because all grades are pegged to the TPCS, everyone has an incentive to work together to get their course scores as close as possible to those in the top decile. In fact, as indicated earlier, the entire class could earn at least an A-grade by working effectively together and in the process greatly exceed the Accounting Department's grading guidelines. Step 4 amplifies this incentive by making it possible for everyone to earn an A.

**Exams**

Four exams constitute 60% of the total course score (15 course points each). Prior to each exam, we will distribute an announcement to clarify expectations and help you successfully prepare for the exam. All exams are comprehensive and *may include questions similar to assigned exercises and practice problems that were not discussed in class.*

**Group Assignments**

Group assignments constitute 30% of the total course score. See group assignment grading, page 16.

**Group Membership**

**Group size**

Generally, groups must have 4-6 members. Special consideration may be given to new groups formed after session 11, as discussed later.

**Groups for Sessions 1-11**

Students stay in the same group for Sessions 1-11. You can form your own group or get assigned to one. Students who wish to be in the same group can do so by informing us of the names of the members in their preferred group prior to the start of the first session (preferably by email). If your preferred group has fewer than four members, we will randomly select additional members or merge your group with another small group. Students who do not specify group preferences prior to the start of class will be randomly selected to groups.

**Groups for Sessions 12-27**

Students stay in the same group for Sessions 12-27. You can stay in your original group, form a new one on your own, or get assigned to one. This decision should be guided by feedback your original group gets back in Session 11 related to a 360-peer assessment members of the group will submit at the start of Session 10. These peer assessments are discussed later in this document.
Your group needs to decide by the start of session 12 whether it’s best to continue working together or instead to disband. Considering the way group work will be graded (discussed later); differences in students’ learning styles, course and work experiences, aptitudes, and ambitions; and the coordination and free-rider problems that can occur within groups, we decided that once you get an opportunity to get to work with each other, you will be in the best position to determine the classmates you can work with most effectively.

If your group disbands, you can form a new group with others (subject to the 4-6 member size limitation discussed earlier). Groups that are satisfied with their membership by the start of session 12 (including groups that don’t disband) must notify us of their membership by the start of session 12 via email. If you are not in a group by the start of session 12 or your group has fewer than four members, we will help you regroup. However, you must notify us of your status prior to the start of session 12.

**Deliverables**

There are two parts to most assignments, corresponding to two deliverables, Microsoft Excel and Word files: (1) Part 1 involves locating information in annual reports, recording it into Excel templates, computing ratios, and sometimes recording entries and determining their financial-statement consequences. (2) Part 2 centers on analyzing information from Part 1, completing a related written report in Word, and presenting and defending your results during class.

The written reports should be concise notes you can reference during class when contributing to the discussions. Generally, you should organize your responses to assigned questions hierarchically in bullet form: The highest level of the hierarchy should list a few key points you wish to make, arranged from most important to least important. Where appropriate, succeeding bullet levels should elaborate on these key points or substantiate them. You can also provide appendices that include illustrations, financial statements, or other supporting information. **Keeping in mind that the response formats will vary with the questions**, see the example of a written report on the next page.
Question

Compare and contrast profit margin trends across the three companies in the Excel template for 2004-2012 and explain these trends in terms of things happening to the companies or economy during this period.

Response

- All three companies’ profit margins oscillated around their historical averages until 2007, when they decreased. The size of the 2007 decreases and the extent to which the profit margins improved from 2008 to 2012 differed significantly.
  - Company 1’s profit margin declined 7% in 2007, from 9% to 2%, and gradually increased to 3.5% by 2012.
  - Company 2’s profit margin declined 5% in 2007, from 7% to 2%, and gradually increased to 7% by 2012.
  - Company 3’s profit margin declined 1% in 2007, from 9% to 8%, recovered quickly to 9% in 2008 and gradually increased to 11% in 2012.
- We have identified three hypotheses that could possibly explain these trend differences and secured information that has helped us confirm or refute each.
  - **Hypothesis 1**
    - Supporting fact or argument 1
      - See the oil prices graph in appendix 1
    - Supporting fact or argument 2
      - Source: Page 78 of Company 1’s annual report
  - **Hypothesis 2**
    - Refuting fact or argument 1
      - See the steel prices graph in appendix 2
    - Supporting fact or argument 1
      - Source: Page 26, Business Week, June 5, 2008
  - **Hypothesis 3**
    - Refuting fact or argument 1
      - Cite source of refuting fact
    - Refuting fact or argument 2
      - Cite source of refuting fact
- Our overall conclusion is that while all three hypotheses might explain part of the trend differences, the most significant explanation is likely hypothesis 1.
Submitting Reports: 5:00 AM

Submit your group assignment (Excel and Word files) via email before 5:00 AM on the group assignment due date.

- Choose a group member to be responsible for emailing the assignment.
- This group member should submit an email with Excel and Word attachments containing the group’s responses to the assigned questions. See the Session Maps for related details.
  - The email subject should be Graded Assignment [assignment number]: [group member’s name].
  - CC all members of the group. This facilitates returning graded assignments to all group members via reply email.
  - Prior to 7:00 AM, we will confirm receipt of this email via return email using “reply all.” This will ensure all group members will be notified, providing they were CC’d on the submission as indicated above.
  - If you submitted your report prior to 5:00 AM as directed and your submission is not confirmed by 7:00 AM, submit it again prior to 8:00 AM and notify us via phone to be doubly sure we get it. Generally, reports emailed after 8:00 AM will receive a score of 0 points.

Declining an Opportunity to Participate: 7:00 am

To allow for absences, tardiness, and unusual circumstances that would make it difficult for individuals to prepare adequately for the assigned questions or otherwise hinder their performance, each student has one free pass – an opportunity during the course to elect not to be included in the random selection procedure without any negative consequences on the participation scores he or she and others in his or her group receives.

However, students must inform us that they will be absent or otherwise not participating in the random selection via email no later than 7:00 AM on the day the assignment is scheduled to be discussed in class. The participation scores of students who do not notify us by this time and the scores of others in their group will be reduced significantly if these students are subsequently selected to answer an assigned question and they are late for class, absent, or not prepared to give a respectable performance.

Students can elect not to participate in the random selection more than once but they must notify us no later than 7:00 AM on the assignment due date. If they notify us in time, their participation scores (but
not those of others in their group) will be reduced but this penalty will be considerably smaller than the one they and others in their group will receive if they don’t notify us, are subsequently selected to open the discussion, and are late for class, absent, or not prepared to give a respectable performance.

**Preparation Tips**

*Develop and Continually Refine Your Process*

There is not a one-size-fits-all process for completing the group assignments and preparing to present and defend them during class. Some groups have found it beneficial to meet at least twice for each assignment (or otherwise communicate as a group via email or phone):

- During the first meeting, divide the assignment into parts and assign these to various group members or subgroups. In this way, everyone doesn’t need to complete all of the assignment on their own. If some parts are prerequisites for others, be sure to schedule delivery dates for the prerequisite parts that are early enough to ensure the assignment can be completed on time.

- During the second meeting, check the quality of each other’s work and combine and integrate your answers into a cohesive analysis.

Other groups have successfully followed a different process: Rather than splitting the work up and working separately before getting back together to combine their work, these groups have preferred to work through the entire assignment together.

*Learn from Each Other*

Regardless of the process you follow, be sure to incorporate a strategy for ensuring everyone in the group is prepared to explain the group’s analyses and thoroughly understands related concepts, procedures, and processes. The primary reason we randomly draw a student to represent the group is to give groups an incentive to participate in this sharing of knowledge. We also ask exam questions on concepts and procedures introduced or refined in the assignments, which is another reason to share what you learn.

Explaining something to other group members doesn’t mean they grasp it well enough to explain it during class. After someone in the group explains something, we recommend a couple of other group members share their interpretations of what they heard or suggest alternative explanations. Viewing the same thing from different perspectives generally provides a deeper understanding.
Capitalize on Your Strengths and Mitigate Your Weaknesses

Understanding group members’ strengths and weaknesses, coordinating work effectively to ensure the group capitalizes on members’ strengths and helping each other mitigate weaknesses is essential for success. This requires clear and honest communication of strengths and weaknesses and a strong commitment to meeting deadlines and building a highly effective group. Here are some critical areas where group members can contribute: writing skills, analytical skills, computer skills, organizational skills, research skills, and, of course, accounting skills and general business knowledge.

Bring Appropriate Supporting Documents to Class

Generally, students find they need electronic or hard copies of the following to participate effectively in the class discussions, with most students preferring hard copies:

- The assigned questions and your written report.
- Source documents that are not in your report but might be referenced during class. For example, the financial statements and referenced footnotes for companies in the Excel template.

Group Assignment Grading

Your group score out of 30 course points is your total score for two assessment periods. The first assessment period covers Sessions 1-10, which includes three of the eight graded assignments. You can earn a maximum of 11.25 course points during this period (= 30 *(3/8)). The second assessment period covers Sessions 12-27, which includes five of the eight graded assignments. You can earn a maximum of 18.75 course points during this period (= 30 *(5/8)). The period assessment scores are each determined following a three step process.

Step 1— Determine the group’s raw score out of 100 for each assignment in the assessment period

A group can earn a maximum of 100 raw (un-scaled) points on each of the assignments. For most assignments, there are two parts worth 50 points each: (1) The Excel file for the assignment, with points earned based on correct responses. (2) The Word file with the group’s analysis for the assignment, with points earned based primarily on class participation, with possible compensating adjustments (explained below). There are no Excel files for assignments 3 and 8: all 100 points are assigned to analysis.
For each assignment, a group’s analysis raw (un-scaled) score is determined in three steps:

1.1 Groups receive points for their members’ combined class participation contributions to the class discussion (50 points for assignments 1-2 and 4-7, and 100 points for assignments 3 and 8). To learn more about these discussions, see the group class participation section, page 19.

1.2 The average points awarded in step 1.1 (across all groups) is determined.

1.3 Groups with below average points may have their scores adjusted upward to the extent their written report compares favorably to the report of the group with the top score. The adjusted score can’t exceed the average. The intent of this step is to partly compensate for class time constraints that create differences in participation opportunities or for participation contributions that don’t reflect the overall quality of a group’s written report. Thus, the quality of your written report can’t lower your analysis score; but it may improve it if your group’s class participation score is below average and your report is comparable to the top group’s report.

Step 2— Determine the group’s baseline score for the assessment period
The group’s baseline score out of 11.25 for the first assessment period is the sum of the raw scores for assignments 1-3 (each out of 100) multiplied by 30/800. Similarly, the group’s baseline score out of 18.75 for the second assessment period is the sum of the raw scores for assignments 4-8 (each out of 100) multiplied by 30/800.

Step 3— Determine each group member’s assignment score for each assessment period
For each assessment period, members of the same group can have group assignment scores that are less than, equal to, or greater than the group’s baseline score determined in step 2, depending on their contributions to the group’s performance.

Each member’s score for the period is the lesser of the maximum score for the period (11.25 or 18.75) and the group’s baseline score multiplied by the member’s 360-peer assessment factor for the period. These peer-assessment factors are determined in 4 steps:

3.1 Each student is required to submit completed confidential 360-peer assessment forms for each assessment period (details later). The first period 360-peer assessment form is to be submitted at the start of Session 10 and the second at the start of Session 27. For each assessment, each student is to evaluate each of their group member’s overall contribution on a scale from 0 to 100 during the assessment period. This includes assessing their own contributions. The score for
each member should reflect an assessment of the combined contributions to all group work during the assessment period: Excel files, written reports, and class discussions.

3.2 For each assessment period, each member’s total assessment score is determined by adding the assessments of this member by all members of the group. For example, six scores will be totaled for each member in a six-member group.

3.3 For each assessment period and each group, the average of the total assessment scores in step 3.2 is determined. For example, for a six-member group, six totals (one per member) will be averaged.

3.4 A member’s 360-peer assessment factor for each assessment period is determined by dividing the individual member’s total assessment score by the average assessment score for the group. Thus, if the member’s contribution is assessed by the group to be above (below) the group average, the member’s assessment factor will be greater than (less than) 1.

Thus, the 360-peer assessments can significantly affect members’ assignment scores and reflect members’ level of contributions to the group’s overall performance.

Making the Most of the 360-Peer Assessments
The 360-peer assessments can help groups identify potential problems and otherwise improve performance during the course. To be effective, both assessments must be based on thoughtful, honest reflection. This is more likely to occur when members expect the 360-peer assessments will remain strictly confidential. To this end, we will confidentially distribute only the following information to each group member: (1) his or her 360-peer assessment factor for the assessment period and (2) the distribution of the groups’ assessment factors (without identifying individual group members). We expect group members to respect this confidentiality by not sharing their 360-peer assessment factors with others.

Groups should discuss the distribution of their group’s first assessment factors (without connecting them to individual group members) with the goal to improve performance. For example, a wide dispersion of factors may signal real or perceived imbalances in members’: (1) share of the workload, (2) ability to comprehend accounting concepts, search for or analyze information, write reports, or present findings, (3) availability for meetings, (4) respect for one another, or (5) other issues that affect communication or collaboration. Regardless, groups with or without a wide dispersion of assessment
factors may also want to discuss ways to improve performance based on more effective or efficient processes.

Past experience tells us that when issues are not addressed and resolved, group performance gradually deteriorates. By contrast, when groups have honest and respectful conversations that address issues in a timely manner, their performance improves significantly and group work becomes more enjoyable. If your group would like us to help you identify problems and develop solutions, we will gladly meet with you.

**Group Class Participation**

Everyone in the group receives the same participation score for classes when group assignments are discussed. These are out of 50 raw points for assignments 1-2 and out of raw 100 points for assignments 3 and 8. Here is the process we will follow for these classes:

- Numbers on Bingo balls will be assigned to groups prior to class, with more numbers assigned to groups that have been selected fewer times in the past. For the first assignment, this procedure guarantees that every group has the same probability of being selected. Thereafter, the probability of being selected decreases the more a group has been selected previously.

- For each part of a question to be discussed during the class, a group will be randomly selected by drawing a Bingo ball from a cage. No group can be selected twice during the same class unless all groups have been selected at least once.

- Within the selected group, a student will then be randomly selected to represent the group by the toss of a die. Everyone in the group gets this student’s participation score. No one else in this group can address this question thereafter.

- By contrast, when there is enough time, other groups can volunteer to correct or elaborate on answers provided by the selected group representative. By doing so, they can earn group participation points without foregoing the opportunity to be selected randomly for another part of the assigned question. However, groups must rotate their representatives such that a specific student can not represent the group again until all group members have had a turn.

- The individual who will represent his or her group for the first part of the first question will be selected 5-10 minutes before class. This will give this person an opportunity to discuss the group’s answer to this part of the question.
No Sharing Work Across Groups
You can’t share information across groups when preparing your responses to the group assignments. Doing so is considered cheating. Any violation of this policy will be considered a violation of the honor code and to ensure fairness to students who comply with the policy, we will do everything possible to ensure such actions have grave consequences.

Participation Other Than Group Assignments
Participation other than group assignments constitutes 10% of the total course score. Your participation score out of 10 course points is determined following a 4-step process:

1. Your Class Participation Points out of 10 is determined for sessions other than when group assignments are discussed.
2. Your On-Line-Forum Participation Points out of 10 is determined.
3. Your Clicker Points out of 10 is determined.
4. Your overall participation score out of 10 points is determined by totaling:
   - 50% of your highest score from your class participation, on-line-forum, or clicker points as determined in steps 1-3 above.
   - 30% of your second highest score from steps 1-3.
   - 20% of your lowest score from steps 1-3.

Class Participation Points
For each class session, students will be classified into one of five categories according to their combined individual and/or group discussion contributions during the session, and raw (un-scaled) points will be assigned to each category. The raw points are combined and scaled to a 10-point score at the end of the course. Here is how the raw points are determined each session:

- **Exceptional contributions** that will give us and your classmates a whole new perspective on an important issue (these are rare but rewarded highly and greatly appreciated). 5 raw points

- **Excellent contributions** that: (a) offer compelling substantiated arguments, hypotheses, analyses, or perspectives or (b) identify and further develop connections among others’ contributions or (c) offer clear and correct answers to challenging assigned questions. 4 raw points
• **Solid contributions** that advance the discussions — these can include basic facts, correct answers to relatively straightforward assigned questions, clarifying questions, solid but not compelling arguments, or other contributions that provide the essential mortar for excellent discussions (most contributions fall into this category). 2-3 raw points

• **No contributions** — this category pertains to students who do not comment during the session either because they are absent, do not wish to participate, are not called on to participate (cold called), or are not invited to participate when they raise their hands to indicate that they would like to join the discussion. We will keep track of students who participate in the discussions each session and try to find ways to get students involved in a session if they attended the prior session but were not involved in the discussion. 0 raw points

• **Non-compensated participation penalty** — this category pertains to students who do not make enough good contributions during the session to compensate for: (a) making one or more outlandish comments during the session that suggest they probably did not prepare for class adequately, if at all, or otherwise significantly disturb the flow of the class discussion with unsubstantiated comments, or (b) being late for class, absent, or otherwise not prepared to give a respectable performance and failing to notify us in advance of these problems. *These penalties are extremely rare.* In fact, we have not penalized anyone in years. However, in fairness to others who are working diligently to build great discussions, we will penalize students who do not contribute positively to the learning environment. -1 to -8 raw points (depending on the circumstances)

At the end of the course, the total raw points will be summed. These totals will then be ranked and participation scores out of 10 points awarded. The precise distribution of these scores will depend on several factors including the distributions of scores for the exams and group assignments and our overall sense of how well the combined participation points awarded reliably measure differences in students’ contributions to the learning environment.

**On-Line-Forum Participation Points**
The process for determining on-line participation scores out of 10 points is similar to the process for determining class participation points (see page 20). On-line-forum participation raw (un-scaled) points are assigned whenever students post messages or comments in the course BlackBoard-Vista blogs. These may be questions, responses to others’ questions, alternative ways to think about concepts, procedures, or processes discussed in class or the assigned videos or other suggestions or comments that facilitate learning. The criteria for determining the raw points assigned to each posting are the
same as those used to determine raw class participation points (excellent, solid, etc.). The raw points are combined and scaled to a 10-point score at the end of the course, also following the same process as for the class participation points.

**Clicker Points**
The process for determining clicker scores out of 10 points is similar to the process for determining class participation points (see page 20). One raw point is awarded for each correct answer to a graded clicker question (there are also anonymous clicker questions that are not graded). At the end of the course, the raw points are combined and scaled following the same process as for the class participation points.

On some occasions, you will be encouraged to discuss clicker questions in small groups prior to submitting your response. These may or may not be graded. On other occasions, you will be instructed to respond without consulting others, in which case, consulting others when instructed not to do so is a violation of the school’s core values. More generally, you may not use other students’ clickers nor ask another student to submit answers for you; doing so is a violation of the school core values.

Clickers will be used during the regular class sessions, so please bring your clicker to all our sessions.

**Suggested Learning Strategy**
The recommended learning strategy for each session follows a 7-step process:

1. **Session Maps**
The session maps are highly detailed navigation aids that will help you lay out step-by-step directions to locate, prioritize, and use the related resources. Trying to find your way through the course without using the session maps is like trying to find a street in a major city without directions: **you will soon be hopelessly lost if you do not follow the maps!**

2. **Assigned Readings: Levels of Intensity**
Complete the assigned readings described in the session maps, paying attention to the recommended level of intensity:

   - **Skim**: indicating that you should try to see the big picture - pick up the essential vocabulary and understand the basic issues,
   - **Grasp**: indicating that you should try to understand the computations and concepts underlying the issues,
   - **Master**: indicating that this material is extremely important so you should try to comprehend it as fully as possible before moving on to the next task,
• **Optional**: indicating that you should only read this material if you find it interesting.

**3. Class Preparation Questions**

Try to complete the assigned preparation questions on your own, being careful not to get bogged down on any one of them. Solutions are available for most of the exercises we will not be discussing during class. You will be directed to these in the session section of the course map or in directions included in the exercises. For example, solutions for many of the exercises at NavigatingAccounting.com are posted to this site and solutions for many of the exercises in the text chapters are located at the end of the chapters. The solutions to most of the exercises discussed during class will be posted to Blackboard Vista after they have been discussed in class.

**4. Check with Friends**

If you have time before class, check your solutions with friends, your group, or with others via the online forum. However, make sure you spend considerable time trying the questions on your own before doing so. *Also, recall that students can’t discuss graded written assignments outside their groups before the assignment reports are submitted.*

**5. Come Prepared To Participate**

Come to class ready to participate in the class discussion. If you follow steps 1-4 diligently, you will be prepared to participate. Do not be concerned with whether you have the correct answers to the questions. You and your classmates will often learn more from “representative” wrong answers than from correct ones, as we work together to sharpen your understanding.

**6. Gauge Your Progress**

After class, take a few moments to gauge your progress. We will often help you complete this self-assessment by summarizing the key points you should have mastered by a certain point in the course and the ones that will be refined later.

*Accounting is not a spectator sport: Get in the game!*

Generally, a distinguishing feature of students who excel in the course is they discover what they don’t know in time to take corrective actions before exams. By contrast, students who struggle with the course often discover what they don’t know when their exams are returned.
There are two important steps to discovering what you don’t know: First, try exercises on your own without referencing related readings, videos, or solutions. This doesn’t mean you shouldn’t reference related materials when you first try exercises. Rather, when it comes time to discover what you don’t know, you need to try the exercises without these resources. Second, compare your answers to the solutions: identify places where they differ, including those that may seem insignificant to you.

To take corrective actions, first ask yourself whether, after checking the solution, you know what you did wrong. If so, make a mental note to avoid the error next time you try a practice exercise. If you don’t understand the solution, reread related examples in the text or watch related menu items in the scenic route videos. If you are still confused, it’s time to get help from classmates, the teaching assistants (TAs) or the instructors.

7. Get help from others
The illustration on the next page outlines a three stage process for getting help from others.

- First, check the on-line forum. There may already be postings that address your concern. If not, ask for help by explaining the challenges you are confronting as clearly as possible.
- Second, attend a help session that covers topics where you are having difficulties.
- Third, if you still find yourself falling behind after participating in the on-line forum and TA sessions or otherwise wish to discuss a strategy to improve your performance, set up a private office appointment with the instructors: send an email suggesting three possible times we could meet. We will choose one and inform you of our choice or seek additional alternatives.

You can also schedule an office meeting to discuss topics that are beyond the scope of the course. In contrast to the office meetings where we discuss private issues, the sessions that address topics that are beyond the scope of the course are open to any students who wish to attend.
GETTING HELP

PARTICIPATE IN ON-LINE FORUM

Faculty Roles
- Post responses to questions posed by students that have not been responded to within 48 hours
- Correct or clarify student postings
- Pose questions students can address
- Survey students to identify topics where additional help is needed

Student Roles
- Post questions
- Post responses to other students' questions
- Post alternative approaches to explain concepts or exercises
- Suggest topics for TA help sessions
- Participate in polls to help TAs pick topics for help sessions

ATTEND TA HELP SESSIONS

TA Roles
- Elaborate on concepts and exercises discussed during class or in the on-line forum.
- Cover topics proposed by students in the on-line forum.
- Respond to additional questions posed by students during TA sessions.

Student Roles
- Suggest topics for TA help sessions
- Participate in polls to help TAs pick topics for help sessions

MEET WITH FACULTY

Group Lunches
- Get to know each other
- Discuss ways to improve course
- Discuss group dynamics

Open Office Sessions
- Extend the course—discuss accounting-related issues outside the scope of the course
- Private Office Sessions
- Discuss grades or strategies to improve your performance
Session Maps

Session 1: Course policies and Introduction to balance sheets

Blackboard-Vista
Unless specified otherwise, course specific materials are on Blackboard-Vista

Navigating Accounting Videos
This assignment references videos and exercises at www.NavigatingAccounting.com:

- **Express videos** are executive summaries. View these to get the big picture or as a review after the Scenic videos. Express videos should be the top priority if you are pressed for time.

- **Scenic videos** are in-depth discussions of topics. View these to get a more comprehensive understanding of concepts by seeing real company disclosure examples and detailed explanations.

- High, Medium, and Low connection speed versions of videos have menus. Use the menus to go directly to a topic for a quick review or for help with concepts covered in an exercise. Menus on the H, M and L versions require Flash.

- All videos have PDFs of the video slides and some have transcripts you can download, if you wish.

- We highly recommend using the Mozilla's Firefox browser or Internet Explorer 9.

- **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](http://www.enounce.com/myspeed)

- **Exercises** are indicated under the **Express** videos for each section.

Read

- Read the Policies and Other Administrative Issues at the beginning of this Course Map and reference throughout the course as needed.

Watch

"What Do I See?" videos on the balance sheet:


Here and in subsequent assignments, view the express route or scenic routes depending on your learning style, aspirations, and time constraints. Alternatively, you can read transcripts when they are available. They are located near the bottom of the page where you choose a connection speed.
Do
"What Do I See?" exercises.
   Go to the exercise link under the Express video on the web page.

- **Assigned problem**
  
  Exercise bs.wis.050

  *The class discussion will center on this exercise so be sure to do it before class.*

- **Additional practice problems**
  
  Exercises bs.wis.010, bs.wis.020, bs.wis.030, bs.wis.040
Session 2: Balance sheets

Watch

"What's Behind the Numbers?" video: Framing Record Keeping


"What's Behind the Numbers?" video: Recording Entries Using BSE.


Do

"What's Behind the Numbers?" BSE-entry exercises.
Go to the exercise link under the Express video on the web page.

- Practice problem
Interactive Exercise: bs.wbn.bse.001 Recording BSE Entries for Bischoff E1 - E5.
Requires Adobe's Flash Player.

- Assigned
Exercises bs.wbn.bse.010, bs.wbn.bse.020
The class discussion will center on these exercises so be sure to do them before class.

Paper or Paperless

For many of the exercises in Navigating Accounting, including this one, 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 or included in chapters you can link to from Blackboard Vista. For the balance sheet and income statement chapters, these templates and the Excel workbooks discussed next are included with the exercise materials on 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, you can watch Using Excel 1: Basics located at:
http://www.navigatingaccounting.com/content/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 Excel 2: Linking Cells Across Worksheets located at:
http://www.navigatingaccounting.com/content/using-excel-2-linking-cells-across-worksheets
• Additional practice problems

Exercises bs.wbn.bse.030, bs.wbn.bse.040, bs.wbn.bse.050

PDF templates and Excel workbooks are included with the exercise materials.

Watch

"What's Behind the Numbers?" video: Recording Entries Using JE


Do

"What's Behind the Numbers?" JE exercises.

Go to the exercise link under the Express video on the web page.

• Assigned

Exercises bs.wbn.je.010, bs.wbn.je.020

The class discussion will center on this so be sure to do it before class.

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. The same will be true for other exercises that ask you to record journal entries.

• Additional practice problems

Exercises bs.wbn.je.030, bs.wbn.je.040, bs.wbn.je.050

PDF templates and Excel workbooks are included with the exercise materials.
Session 3: Balance sheets

Watch

"How Do I Use the Numbers?" Analyzing Financial Conditions: Basics videos on the balance sheet.

You are only responsible for the Basics videos for this assignment (Express and 3 Scenic videos):

Do

"How Do I Use the Numbers?" exercises.

Go to the exercise link under the Express video on the web page.

- Assigned
  Exercise bs.hun.afc.030
  The class discussion will center on this exercise so be sure to do it before class.

- Additional practice problems
  Exercises bs.hun.afc.010, bs.hun.afc.020
Session 4: Group assignment 1

Watch

"How Do I Use the Numbers?" Analyzing Financial Conditions: Basics videos on the balance sheet.

You are only responsible for the Basics videos for this assignment (Express and 3 Scenic videos):


In preparing your analyses for the graded assignment, you might find it useful to review the first two scenic routes and the "Intel analysis" menu item in the third scenic route.

Do

- Assigned

Industry Comparisons Exercises: Series 04

Exercise 1: Analyzing Balance Sheets

This exercise will be posted to the following web site within one week of the due date:


Before going to this site, read the group assignment guidance carefully (see link below).

Report Guidance and Submission Process

Follow the directions on pages 12 - 16.
Session 5: Income statements and statement of changes in owners’ equity

Watch

"What Do I See: Income Statements?" videos

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

Additional guidance: When preparing for Session 5, we recommend you: (1) watch the express route paying particular attention to the last take-away: “What should you do next?” (2) Try the exercises following the guidance in the “What should you do next?” take-away.

Do

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

Go to the exercise link under the Express video on the web page.

- Practice problems
  Exercises is.wis.is.010, is.wis.is.020, and is.wis.is.040

- Assigned problem
  Exercise is.wis.is.030

  We will go over this exercise during class if we have time left after discussing is.wis.scoe.021.

Watch

"What Do I See: Statements of Changes in Owners’ Equity?" videos

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

Additional guidance: When preparing for Session 5, we recommend you watch the express route only before tackling the exercises, paying particular attention to the “What should I do next?” take-away.

Do

"What Do I See: Statements of Changes in Owners’ Equity?" exercises.

Go to the exercise link under the Express video on the web page.

- Practice problems
  Exercises is.wis.scoe.010 and is.wis.scoe.030

- Assigned problem
  Exercise is.wis.scoe.021

  The class discussion will mostly center on this exercise so be sure to do it before class.
Session 6: Income statements and statement of changes in owners’ equity

Watch

"What’s Behind the Numbers: Income Statements?” video

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

**Additional guidance:** There is a tremendous amount of fundamental content in this module that you need to understand for Exam 1. For the most part, we urge you to learn by doing rather than by watching. To this end, we recommend you only watch the express route before starting the exercises. As you do so, try to gain a general understanding of the terms and concepts and identify the related menu items so you can find them later when you are working on the exercises. Similarly, the last take-away in the express route, “What Should You Do Next?”, explains how you can reference specific menu items in the scenic routes to get help recording related events in the exercises.

Do

"What’s Behind the Numbers: Income Statements?” exercises.

Go to the exercise link under the Express video on the web page.

- **Practice problems**
  Exercises is.wbn.is.bse.010, is.wbn.is.bse.020, is.wbn.is.bse.040, is.wbn.is.bse.050, and Part (a) of is.wbn.is.je.010, is.wbn.is.je.020 & is.wbn.is.je.040

  **Additional guidance:** These exercises are a low priority prior to class and high priority for Exam1. ABC Company, CreativeABCs Company, and Bryan’s Health and Fitness exercises, as extended in chapters 1-3, will be candidates for Exam 1. However, the exam will only cover chapters 1 and 2.

  Your only objective in is.wbn.is.je.010, is.wbn.is.je.020 and is.wbn.is.je.040 is to convert BSE entries to journal entries. Parts of these exercises associated with T-accounts are optional.

- **Assigned problems:**
  Exercise is.wbn.is.bse.030 and is.wbn.is.je.030: part (a)
  *The class discussion will mostly center on this exercise so be sure to do it before class.*

  Exercise is.wbn.is.bse.060

  *We will go over this exercise during class if we have time left after discussing is.wbn.is.bse.030.*

  Regardless of whether we discuss it, a solution will be included in the class notes posted to Blackboard Vista after class.
Session 7: Income statements and statement of changes in owners’ equity

Watch
"What’s Behind the Numbers: Statement of Changes in Owners’ Equity?" video

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

Additional guidance: Similar to the last module, for the most part, we urge you to learn by doing rather than by watching. To this end, we recommend you only watch the express route before starting the exercises. As you do so, try to gain a general understanding of the terms and concepts and identify the related menu items so you can find them later when you are working on the exercises. Similarly, the last take-away in the express route, “What Should You Do Next?”, explains how you can reference specific menu items in the scenic routes to get help recording related events in the exercises.

Do
"What’s Behind the Numbers: Statement of Changes in Owners’ Equity?" exercises.
Go to the exercise link under the Express video on the web page.

• Practice problems
  Exercises is.wbn.scoe.bse.010, is.wbn.scoe.bse.020, is.wbn.scoe.je.010 and is.wbn.scoe.je.020

  Additional guidance: These exercises are a low priority prior to class and high priority for Exam 1. ABC Company, CreativeABCs Company, and Bryan’s Health and Fitness exercises, as extended in chapters 1 - 3, will be candidates for the exam. However, the exam will only cover chapters 1 and 2.

• Assigned problems
  Exercises is.wbn.scoe.bse.030, is.wbn.scoe.bse.040, and is.wbn.scoe.je.030

  The class discussion will center on these exercises so be sure to do them before class.
Session 8: Exam 1

Location

• Regular class room

Time

• Regular class time

Points towards grade

• 15 points — 15% of the total possible points used to determine the course grade.

Exam Format

• Prior to each exam, we will distribute an exam announcement to clarify expectations and help you successfully prepare for the exam. All exams are comprehensive and may include exercises and practice problems not discussed in class.

• You may use a basic calculator during the exams. However, your calculator must not contain course related information. Additionally, your calculator must not be capable of storing “text” or communicating with others (no cell phones or other text messaging devices are permitted).

• Exams are closed book and closed notes.

• Generally partial credit will be limited, so check your answers carefully.

• To protect the vast majority of students who will not cheat on the exam, there will be alternative versions of the exam that are the same in all respects except the questions contain some numbers that differ or are arranged differently.

• Regardless of one’s intent, staring at classmates’ exams is inappropriate. If you wish to take a break from staring at your exam, stare directly ahead or to either side without looking down.

• More generally, you are to honor the school’s core values in all respects.
Session 9: Group assignment 2

Watch

"How Do I Use the Numbers: Analyzing Financial Performance: Basics?" video

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

Additional guidance: As you work your way through the assignment, you might find it useful to watch menu items (related to topics you are working on) in the scenic route videos for the “What Do I See?” modules. To this end, you can use the descriptions below the scenic routes in the Chapter Map to locate appropriate scenic routes.

Do

Industry Comparisons Exercises: Series 04

Exercise 2: Analyzing Income Statements


This link takes you to the Industry Comparisons Exercises: Series 04 web page. Scroll down the page and click on Exercise 2: Analyzing income statements.

Report Guidance and Submission Process

Follow the directions on pages 12 - 16.
Session 10: Group assignment 3

Watch

"How Do I Use the Numbers: Analyzing Financial Performance: Basics?" video

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

Additional guidance: As you work your way through the assignment, you might find it useful to watch menu items (related to topics you are working on) in the scenic route videos for the “What Do I See?” modules. To this end, you can use the descriptions below the scenic routes in the Chapter Map to locate appropriate scenic routes.

Do

Industry Comparisons Exercises: Series 04

Exercise 3: Financial Reporting Environment


This link takes you to the Industry Comparisons Exercises: Series 04 web page. Scroll down the page and click on Exercise 3: Financial Reporting Environment.

We will notify you about additional instructions on locating conference call transcripts, analyst reports, and archived media reports using the library’s online research databases.

Report Guidance and Submission Process

Follow the directions on pages 12 - 16.
Session 11: Cash flow statements

Watch

"What Do I See: Cash Flow Statements?” videos


Additional guidance: When preparing for Session 11, we recommend you: (1) watch the express route paying particular attention to the last take-away: “What should you do next?” (2) Try the exercises following the guidance in the “What should you do next?” take-away.

Do

"What Do I See: Cash Flow Statements?” exercises.

Go to the exercise link under the Express video on the web page.

- Practice problem
  Exercises cs.wis.010

- Assigned problem
  Exercise cs.wis.020

  We will go over this exercise during class if we have time left after discussing cs.wbn.bas.01.

Watch

"What’s Behind the Numbers: Cash Flow Statements: Basics?” videos


Additional guidance: When preparing for Session 11, we recommend you watch the express route only before tackling the exercises, paying particular attention to the “What should I do next?” take-away.

Do

- Assigned problem
  Exercise cs.wbn.bas.010

  Class discussion will focus mostly on this exercise. We will try to save time for Exercise cs.wis.020.

- Practice problem
  - Exercise cs.wbn.bas.020
Session 12: Cash flow statements

Watch

"What’s Behind the Numbers: Cash Flow Statements: SCF Entry Map?" videos


Additional guidance: When preparing for Session 12, we recommend you watch the express route only before tackling the exercises, paying particular attention to the “What should I do next?” takeaway.

Do

- Assigned problems
  Exercise cs.wbn.map.010 and Exercise cs.wbn.map.020

  Our highest priority during class will be Exercise cs.wbn.map.010. Any remaining time will be devoted to Exercise cs.wbn.map.020.
Session 13: Cash flow statements

Do
The exercise below is in "What’s Behind the Numbers: Cash Flow Statements: SCF Entry Map?"


- Assigned problem
  Exercise cs.wbn.map.030
  
  *Class discussion will mostly focus on this exercise.*

  **Additional guidance:** If you prefer using paperless templates, there are Excel files in the Exercises Materials below the exercise.

Read

"How do I Use the Numbers: Analyzing Cash Flow Statements: Basics"


The assigned reading is below the exercises: “Excerpt: Analyzing Cash Flows Basics”

- Grasp: page 2
- Skim: pages 3 - 5 (until the start of Cash Flow Analysis and Company Life Cycles)
- Grasp: pages 5 - 8

Do

- **Assigned problem**
  cs.hun.acf.010
  
  *We will discuss this exercise during class if we have time left after discussing cs.wbn.map.30*

- **Practice problems**
  cs.hun.acf.020 and cs.hun.acf.021
Session 14: Group assignment 4

Read

Reread the assigned reading for Session 13 as needed to complete the assignment:

“How do I Use the Numbers: Analyzing Cash Flow Statements: Basics”


Do

● **Assigned**
  
  Industry Comparisons Exercises: Series 04

  Exercise 4: Analyzing Cash-Flow Statements

  This exercise will be posted to the following site within one week of the due date:


  This link takes you to the Industry Comparisons Exercises: Series 04 web page. Scroll down the page and click on Exercise 4: Analyzing Cash-Flow Statements.

  **Report Guidance and Submission Process**

  Follow the directions on pages 12 - 16.
Session 15: Exam 2

Location
- Regular class room

Time
- Regular class time

Points towards grade
- 15 points — 15% of the total possible points used to determine the course grade.

Exam Format
- Prior to each exam, we will distribute an exam announcement to clarify expectations and help you successfully prepare for the exam. All exams are comprehensive and may include exercises and practice problems not discussed in class.
- You may use a basic calculator during the exams. However, your calculator must not contain course related information. Additionally, your calculator must not be capable of storing “text” or communicating with others (no cell phones or other text messaging devices are permitted).
- Exams are closed book and closed notes.
- Generally partial credit will be limited, so check your answers carefully.
- To protect the vast majority of students who will not cheat on the exam, there will be alternative versions of the exam that are the same in all respects except the questions contain some numbers that differ or are arranged differently.
- Regardless of one’s intent, staring at classmates’ exams is inappropriate. If you wish to take a break from staring at your exam, stare directly ahead or to either side without looking down.
- More generally, you are to honor the school’s core values in all respects.
Session 16: Revenue and customer-related balance sheet concepts

Read
All reading assignments and exercises for this session are from Chapter 7 of *Navigating Accounting*. You will find a hard copy in the Session 16 section of Course Packet and a PDF at the following URL:

http://navigatingaccounting.com/sites/default/files/Course/Chapter_07_recv.pdf

- Skim: pages 3-12

Do
- **Assigned problem**
  Exercise 7.01, page 13

Read
- Master: pages 14 - 16

Do
- **Practice problem**
  Exercise 7.02, pages 17 - 21
- **Assigned problem**
  Exercise 7.03, page 22

Read
- Optional: pages 23 - 24
- Master: pages 25 - 33

Do
- **Practice problem**
  Exercise 7.04, page 34.

Read

Do
- **Assigned problem**
  Exercise 7.05, page 40.

Read
- Skim: page 41- start of the last paragraph on page 42.
• Grasp: last paragraph on page 42 – page 54.
• Skim: pages 55-57.
• Grasp: page 58 - 65

Do

• **Practice problem**
  Exercise 7.06, pages 66-68

• **Assigned problem**
  Exercise 7.07, page 69.

_We will start the class by quickly going over Exercises 7.01 and 7.03. We will spend most of the time on Exercise 7.05 and cover Exercise 7.07 if time allows._
Session 17: Group assignment 5

Read

- Reread the Revenue and Customers-Related Balance Sheet Concepts chapter as needed to complete the exercise.

Do

- **Assigned**
  Industry Comparisons Exercises: Series 04
  
  Exercise 5: Receivables, Product Returns, and Ratio Analyses

  This exercise will be posted to the following site within one week of the due date:


  This link takes you to the Industry Comparisons Exercises: Series 04 web page. Scroll down the page and click on Exercise 5: Receivables, Product Returns, and Ratio Analyses.

  **Report Guidance and Submission Process**

  Follow the directions on pages 12 - 16.
Session 18: Cost of sales and supplier-related balance-sheet concepts

Watch

"What's Behind the Numbers?” video: Inventory Cost Outflows


Do

"What's Behind the Numbers?” Inventory cost outflows exercise.

- **Assigned problem**
  Exercise in.wbn.outs.010


  *The class discussion will center on this exercise so be sure to do it before class.*

**Paper or Paperless**

You have the option to complete the exercise on paper or in Excel. To use the paper option, you will need to print the templates in the exercise PDF. Alternatively, the Excel file templates are provided with the exercise materials on the web site.
Session 19: Group assignment 6

Do

- **Assigned**
  
  Industry Comparisons Exercises: Series 04
  
  Exercise 6: Inventories and Ratio Analyses

  This exercise will be posted to the following site within one week of the due date:


  This link takes you to the Industry Comparisons Exercises: Series 04 web page. Scroll down the page and click on Exercise 6: Inventories and Ratio Analyses.

  **Report Guidance and Submission Process**

  Follow the directions on pages 12 - 16.
Session 20: Cost of sales and supplier-related balance-sheet concepts

Read
All reading assignments and exercises for this session are from Chapter 8 of Navigating Accounting. You will find a hard copy in the Session 20 section of Course Packet and a PDF at the following URL:

http://navigatingaccounting.com/sites/default/files/Course/Chapter_08_inven.pdf

- Grasp pages 2-5

Do

- **Assigned problem**
  Exercise in.wbn.ins.010: do parts I and II for event E26 only.
  

- **Practice problem**
  Exercise 8.01: Download the Eagle model from the following site:
  

  You can learn how to use the Eagle model by first clicking the Eagle Excel Model and Related Materials link at the above site and then clicking Eagle Model Reference.

Read

- Grasp pages 7-9 (of Chapter 8)
- Skim pages 10-14 and reread if needed to complete the assigned exercise
- Grasp page 16

Do

- **Assigned problem**
  Exercise in.wbn.ins.010: do parts I and II for events E27-E32.

- **Practice problem**
  Exercise 8.02
  Exercise 8.03
Session 21: Exam 3

Location

- Regular class room

Time

- Regular class time

Points towards grade

- 15 points — 15% of the total possible points used to determine the course grade.

Exam Format

- Prior to each exam, we will distribute an exam announcement to clarify expectations and help you successfully prepare for the exam. All exams are comprehensive and may include exercises and practice problems not discussed in class.

- You may use a basic calculator during the exams. However, your calculator must not contain course related information. Additionally, your calculator must not be capable of storing “text” or communicating with others (no cell phones or other text messaging devices are permitted).

- Exams are closed book and closed notes.

- Generally partial credit will be limited, so check your answers carefully.

- To protect the vast majority of students who will not cheat on the exam, there will be alternative versions of the exam that are the same in all respects except the questions contain some numbers that differ or are arranged differently.

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- More generally, you are to honor the school’s core values in all respects.
Session 22: Interest expense and creditor-related balance-sheet concepts

Watch

"What's Behind the Numbers?" Present Values and Future Values video [29 min]


Additional guidance: If you have studied present and future value concepts in the past, you may skip this video, watch it as a review, or come back later if needed. Present and future value tables are at the bottom of the web page.

Do

• Assigned problem
  Exercise db.wbn.pv.010.


Additional guidance: Present and future value tables are with the above video materials at the bottom of the web page.

  Much of the class discussion will center on this exercise so be sure to do it before class.

• Practice problems
  Exercise db.wbn.pv.020, db.wbn.pv.030 and db.wbn.pv.040.


Additional guidance: Present and future value tables are with the above video materials at the bottom of the web page.

Watch

"What's Behind the Numbers?" Debt Basics video [19 min]


Additional guidance: This video assumes you understand the concepts in the above Present Value video.

Do

• Assigned problem
  Exercise db.wbn.basics.010.


  Much of the class discussion will center on this exercise so be sure to do it before class.

• Practice problem
  Eagle Excel model debt entries (parts (a) and (b) on next page)
If you didn’t do so for Session 20, download the Eagle model from the Navigating Accounting site: http://www.navigatingaccounting.com/book/cost-sales-and-supplier-related-balance-sheet-concepts

You can learn how to use the Eagle model by first clicking the Eagle Excel Model and Related Materials link at the above site and then clicking Eagle Model Reference.

a) Record Eagle events Eag3, 5, 20, 21, 22, and 25 manually using the balance-sheet-equation or debits-credits approach. See the Eagle model’s EntryInputs worksheet for event descriptions and amounts and the Accts worksheet for Eagle’s chart of accounts. Check your answers in the Eagle Excel model.

b) Identify the line items on Eagle’s balance sheet, income statement, and statement of cash flows that are affected by each entry in part (a). Check your answers in the Eagle Excel model by using the 'Focus on Event' button on the BSE worksheet.
Session 23: Interest expense and creditor-related balance-sheet concepts

Watch
"What's Behind the Numbers?" Bonds video [20 min]


Additional guidance: This video assumes you understand the concepts in the Present Value and Debt Basics videos in Session 22

Do

- **Assigned problem**
  Exercise db.wbn.bonds.011.
  
  *The class discussion will center on this exercise so be sure to do it before class.*

- **Practice problems**
  Exercise db.wbn.bonds.010, db.wbn.bonds.020 and db.wbn.bonds.030.
Session 24: Lease expenses and related balance-sheet concepts

Watch

"What's Behind the Numbers?" Capitalizing Operating Leases video [45 min]

Do

- **Assigned problem**
  Exercise db.wbn.leases.010.
  *The class discussion will center on this exercise so be sure to do it before class.*

- **Practice problems**
  Exercise db.wbn.leases.020 and db.wbn.leases.030.
Session 25: Group assignment 7

Do

- **Assigned**
  
  Industry Comparisons Exercises: Series 04

  Exercise 7: Leases and Ratio Analyzes

  This exercise will be posted to the following site within one week of the due date:


  This link takes you to the Industry Comparisons Exercises: Series 04 web page. Scroll down the page and click on Exercise 7: Leases and Ratio Analyzes.

  *Report Guidance and Submission Process*

  Follow the directions on pages 12 - 16.
Session 26: Group assignment 8

The Big Accounting Picture

Watch
“Reporting Incentives and Challenges” scenic route video of the “Connecting Preparers’ and Users” module of the "How do I use the numbers?" section of the balance sheet chapter

“Factors Driving the Dispersion of Actual Measures” scenic route video of the “Factors Driving the Dispersion of Measures” module of the "How do I use the numbers?" section of the balance sheet chapter

Additional guidance: As you view these videos, look for connections to concepts you have learned in your statistics course (if you have taken one): confidence intervals and hypothesis testing, for example. Also, the take-aways in the two videos are particularly important for framing the course.

The Bigger Picture

Watch
“Live Your Life to the Fullest” playlist on the Navigating Accounting YouTube channel:
http://www.youtube.com/user/navigatingaccounting?feature=mhum

— Optional: This playlist is based on the final lecture we have given in this and other courses for well over a decade. In response to requests from past students, we posted the principles to YouTube recently. Students have frequently told us that the principles helped them gain perspective going into the final exams.

Do

• Assigned
Industry Comparisons Exercises: Series 03

Exercise 8: Time to Reflect

This exercise will be posted to the following site within one week of the due date:

Report Guidance and Submission Process

Follow the directions on pages 12 - 16.
Session 27: Course wrap up

_Do_

Nothing!

_Agenda_

You shared your reflections about the course during Session 26. We will share ours during Session 27 by identifying and discussing our list of the ten top things we hope you learned from the course.
Session 28: Exam 4

Location

- Regular class room

Time

- Regular class time

Points towards grade

- 15 points — 15% of the total possible points used to determine the course grade.

Exam Format

- Prior to each exam, we will distribute an exam announcement to clarify expectations and help you successfully prepare for the exam. All exams are comprehensive and may include exercises and practice problems not discussed in class.

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- Exams are closed book and closed notes.

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- More generally, you are to honor the school’s core values in all respects.