Flipping the Classroom to Up Our Game

G. Peter and Carolyn R. Wilson
Boston College

2014 Kentucky Accounting Educators Conference
May 16, 2014

Slides will be posted at

www.navigatingaccounting.com/presentation/presentations
Flipping the Classroom to Up Our Game

Agenda

- Framing flipping
- What is flipping?
- Easier said than done
- Our ultimate goal
- Demonstrations
  - Allowance for bad debts
  - Judgments
  - Connecting financials
  - Analysis
- Wrap up
FLIPPING THE CLASSROOM TO UP OUR GAME

FRAMING FLIPPING: OUR BIGGEST CHALLENGES

- How do we accommodate students’ differences?
- How do we put 20 pounds of sugar into a 5 pound bag?
- How do we respond to MOOC threats?
Flipping the Classroom to Up Our Game

Framing Flipping: Levers We Use to Address Challenges

1. Robust concepts and frameworks
2. Technology
3. Incentives to motivate preparation and participation
4. Flipping
“Students gain first exposure to new material outside of class … and then use class time to do the harder work of assimilating that knowledge…”

http://cft.vanderbilt.edu/guides-sub-pages/flipping-the-classroom/
"I thought I was a good teacher until I discovered my students were just memorizing information rather than learning to understand the material. .... It was my teaching that caused students to fail!"

http://www.youtube.com/watch?v=WwsIBPj8GgI
Flipping the Classroom to Up Our Game

What is Flipping: New Roles

- Students’ roles
  - Move up the thinking hierarchy before class.
  - Move further up during class.

- Faculty’s roles
  - Facilitate activities to move students up the hierarchy.
  - Develop ways to assess higher-level thinking.
Keep learning new flips

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


http://gymnastics.about.com/od/famousgymnasts/ig/Shawn-Johnson-Gallery/Shawn-Johnson-Flip-.htm
Flipping the Classroom to Up Our Game

Easier Said Than Done

Motivation and Resources

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

Motivation and Resources are Both Key for Success
Knowledge and Skills

- Faculty must identify knowledge and skills to be learned prior to class.
- Faculty must have the skills to facilitate higher-level in-class activities.
- Students must learn how to learn prior to class and to participate in higher-level activities during class.
As educators, our goal is to shift the perception towards the reality.
Step 1
What do I see on the surface?

Step 2
What’s behind what I see?

Step 3
How do I use what I see and my understanding of what’s behind what I see?
Federal regulators have warned banks to be careful about padding their profits with money set aside to cover bad loans. But some of the nation's biggest banks did more of it in the third quarter than earlier this year.

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

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

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

Wall Street Journal, October 25, 2013
Flipping the Classroom to Up Our Game

Demonstrations: Allowance for Bad Debts

Big Banks Are Padding Profits With 'Reserve' Cash

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

By MICHAEL RAPOPORT
Updated Oct. 25, 2013 7:33 p.m. ET

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

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

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

How did readers perceive the article?

What is the accounting reality?

How do we prepare students?
16th Session

Pre-class work

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

Apply concepts to fictitious companies

Learn how to locate and interpret real-company disclosures

Apply concepts to real companies

Session 16: Customer-related allowances: Bad debts

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


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

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

- Exercise rv.wbn.rec.010 – Bischoff and Intel
  http://www.navigatingaccounting.com/exercise/exercise-rvwnnrec010
- Exercise rv.wbn.rec.030 – Neal Company
  http://www.navigatingaccounting.com/exercise/exercise-rvwnnrec030

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

Do
Assigned exercise – highest priority for class discussion

- Exercise rv.wbn.rec.020 – HP
16th Session

Typical Class Structure

- **Sample**: Basic assessment
- “Know what you don’t know”
- **Respond**: Mini-lectures
- Concepts
- Homework problems
- **Apply and Extend**: Problem solving
- New context
- More complex context
- **Discuss**: Related risks & judgments
16\textsuperscript{th} Session
Sample: Basic clicker question

**Question**

What adjusting entry did BB record on (or shortly after) December 31, 2013 to replenish the allowance for doubtful accounts (assuming this was the first time the allowance was replenished in 2013)?

<table>
<thead>
<tr>
<th>Burke's Bikes</th>
<th>Valuation and Qualifying Accounts (Schedule II)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>For fiscal years ended December 31</td>
</tr>
<tr>
<td></td>
<td>2013</td>
</tr>
<tr>
<td><strong>Allowance for doubtful accounts</strong></td>
<td></td>
</tr>
<tr>
<td>Balance beginning of the period</td>
<td>$12,100</td>
</tr>
<tr>
<td>Additions</td>
<td>13,200</td>
</tr>
<tr>
<td>Deductions</td>
<td>(12,000)</td>
</tr>
<tr>
<td>Balance, end of the period</td>
<td>$13,300</td>
</tr>
</tbody>
</table>

**Which of the following is the best response?**

- (a) Replenishing allowance  
  Debit | Credit
  Bad debt expense  | $13,200 |
  Allowance for doubtful accounts | $13,200 |

- (b) Replenishing allowance  
  Debit | Credit
  Bad debt expense  | $13,200 |
  Gross accounts receivable | $13,200 |

- (c) Replenishing allowance  
  Debit | Credit
  Allowance for doubtful accounts  | $13,200 |
  Gross accounts receivable | $13,200 |

- (d) none of the above
16th Session
Respond: Review key concepts

**Burke's Bikes**
**Valuation and Qualifying Accounts (Schedule II)**
For fiscal years ended December 31

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance for doubtful accounts</td>
<td>$12,100</td>
<td>$11,600</td>
<td>$10,000</td>
</tr>
<tr>
<td>Additions</td>
<td>13,200</td>
<td>11,700</td>
<td>11,300</td>
</tr>
<tr>
<td>Deductions</td>
<td>(12,000)</td>
<td>(11,200)</td>
<td>(9,700)</td>
</tr>
<tr>
<td>Balance, end of the period</td>
<td>$13,300</td>
<td>$12,100</td>
<td>$11,600</td>
</tr>
</tbody>
</table>

**Replenishing allowance at end of 2012**

<table>
<thead>
<tr>
<th></th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bad debt expense</td>
<td>$11,700</td>
<td></td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td></td>
<td>$11,700</td>
</tr>
</tbody>
</table>

During the current period the entity concludes it is probable there will be an adverse future event.

Current Period 2012

Future Periods 2013
16th Session

Respond: Review select homework problems

Part II

Question

(c) Determine the financial-statement effects of replenishing the allowances:

<table>
<thead>
<tr>
<th>Replenish bad debt allowance</th>
<th>CONSOLIDATED BALANCE SHEETS</th>
<th>CONSOLIDATED STATEMENTS OF INCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Line Items</td>
<td>Increases</td>
<td>Decreases</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>-----------</td>
<td>-----------</td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
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<tr>
<td></td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CONSOLIDATED STATEMENTS OF STOCKHOLDERS’ EQUITY</th>
<th>STATEMENT OF CASH FLOWS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Line Items</td>
<td>Increases</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
16th Session
Respond: Review select homework problems

Solution

Replenish bad debt allowance

<table>
<thead>
<tr>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bad debt expense: accounts receivable &amp; financing receivables</td>
<td>$142</td>
</tr>
<tr>
<td>Allowance for bad debts: accounts receivable</td>
<td>$100</td>
</tr>
<tr>
<td>Allowance for bad debts: financing receivables</td>
<td>$42</td>
</tr>
</tbody>
</table>

HEWLETT PACKARD COMPANY AND SUBSIDIARIES
Valuation and Qualifying Accounts

For the fiscal years ended October 31

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allowance for doubtful accounts accounts receivable:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance, beginning of period</td>
<td>$470</td>
<td>$525</td>
<td>$629</td>
</tr>
<tr>
<td>Increase in allowance from acquisitions</td>
<td>27</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Addition of bad debt provision</td>
<td>100</td>
<td>23</td>
<td>80</td>
</tr>
<tr>
<td>Deductions, net of recoveries</td>
<td>(106)</td>
<td>(105)</td>
<td>(191)</td>
</tr>
<tr>
<td>Balance, end of period</td>
<td>$464</td>
<td>$470</td>
<td>$525</td>
</tr>
</tbody>
</table>

| Allowance for doubtful accounts financing receivables: |      |      |      |
| Balance, beginning of period | 130  | 140  | 108  |
| Additions to allowance |      | 58   | 76   |
| Deductions, net of recoveries | (23) | (68) | (44) |
| Balance, end of period | $149 | $130 | $140 |
16th Session
Respond: Review select homework problems

Applying Completed Concept Maps
Demonstrations: Allowance for Bad Debts
Apply and Extend: Clicker question

Refer to r.v.wbn.rec Clickers Reference Information.

### Question

Identify correct entries for Coach’s “Allowance for Bad debts” for the year ended June 29, 2013.

Which of the following is the best response?

<table>
<thead>
<tr>
<th></th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(a)</strong> Provision for bad debt</td>
<td>$529</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Allowance for doubtful accounts</td>
<td>$529</td>
</tr>
<tr>
<td><strong>(b)</strong> Allowance for doubtful accounts</td>
<td>$1,651</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Gross accounts receivable</td>
<td>$1,651</td>
</tr>
<tr>
<td><strong>(c)</strong> Gross accounts receivable</td>
<td>$1,651</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Allowance for doubtful accounts</td>
<td>$1,651</td>
</tr>
<tr>
<td><strong>(d)</strong> (a) and (b)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Applications and Extensions: Allowance Information

### COACH INC

**Schedule II -- Valuation and Qualifying Accounts**

For Fiscal Years Ended June 29, 2013, June 30, 2012, and July 2, 2011

(amounts in thousands)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Balance at Beginning of Year</th>
<th>Provision Charged to Costs and Expenses</th>
<th>Write-offs/Allowances Taken</th>
<th>Balance at End of Year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fiscal 2013</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allowance for bad debts</td>
<td>$3,318</td>
<td>($529)</td>
<td>($1,651)</td>
<td>$1,138</td>
</tr>
<tr>
<td>Allowance for returns</td>
<td>2,810</td>
<td>8,644</td>
<td>(4,431)</td>
<td>7,023</td>
</tr>
<tr>
<td>Allowance for markdowns</td>
<td>3,685</td>
<td>22,484</td>
<td>(17,845)</td>
<td>8,324</td>
</tr>
<tr>
<td>Valuation allowance 1</td>
<td>53,503</td>
<td>29,252</td>
<td>(3,156)</td>
<td>79,599</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$63,316</td>
<td>$59,851</td>
<td>($27,083)</td>
<td>$96,084</td>
</tr>
<tr>
<td><strong>Fiscal 2012</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allowance for bad debts</td>
<td>$3,431</td>
<td>($117)</td>
<td>$4</td>
<td>$3,318</td>
</tr>
<tr>
<td>Allowance for returns</td>
<td>2,196</td>
<td>1,752</td>
<td>(1,138)</td>
<td>2,810</td>
</tr>
<tr>
<td>Allowance for markdowns</td>
<td>3,917</td>
<td>10,267</td>
<td>(10,499)</td>
<td>3,685</td>
</tr>
<tr>
<td>Valuation allowance 1</td>
<td>21,800</td>
<td>31,703</td>
<td>(10,633)</td>
<td>53,503</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$31,344</td>
<td>$43,605</td>
<td>($11,633)</td>
<td>$63,316</td>
</tr>
<tr>
<td><strong>Fiscal 2011</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allowance for bad debts</td>
<td>$1,943</td>
<td>$1,495</td>
<td>($7)</td>
<td>$3,431</td>
</tr>
<tr>
<td>Allowance for returns</td>
<td>1,371</td>
<td>3,837</td>
<td>(3,012)</td>
<td>2,196</td>
</tr>
<tr>
<td>Allowance for markdowns</td>
<td>3,651</td>
<td>7,233</td>
<td>(6,967)</td>
<td>3,917</td>
</tr>
<tr>
<td>Valuation allowance 1</td>
<td>1,217</td>
<td>20,583</td>
<td></td>
<td>21,800</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$8,182</td>
<td>$33,148</td>
<td>($9,986)</td>
<td>$31,344</td>
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</tbody>
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### Applications and Extensions Clicker: Solution

#### COACH INC
Schedule II -- Valuation and Qualifying Accounts
For Fiscal Years Ended June 29, 2013, June 30, 2012, and July 2, 2011

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<td><strong>$96,084</strong></td>
</tr>
</tbody>
</table>

---

**Debit** | **Credit**
---|---
(a) Provision for bad debt  | $529  
  Allowance for doubtful accounts  | $529  

---

**Debit** | **Credit**
---|---
(b) Allowance for doubtful accounts  | $1,651  
  Gross accounts receivable  | $1,651  

---
16th Session

Discuss: Connect to WSJ Article

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<td>1,644</td>
<td>4,431</td>
<td>7,023</td>
</tr>
<tr>
<td>Allowance for markdowns</td>
<td>9,625</td>
<td>2,454</td>
<td>17,946</td>
<td>8,924</td>
</tr>
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<td>Valuation allowance 1</td>
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</tr>
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<th>Balance at Beginning of Year</th>
<th>Provision Charged to Costs and Expenses</th>
<th>Write-offs/ Allowances Taken</th>
<th>Balance at end of Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal 2011</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allowance for bad debts</td>
<td>$1,943</td>
<td>$1,456</td>
<td>($7)</td>
<td>$3,431</td>
</tr>
<tr>
<td>Allowance for returns</td>
<td>1,371</td>
<td>3,637</td>
<td>(3,012)</td>
<td>2,196</td>
</tr>
<tr>
<td>Allowance for markdowns</td>
<td>3,651</td>
<td>7,233</td>
<td>(6,967)</td>
<td>3,895</td>
</tr>
<tr>
<td>Valuation allowance 1</td>
<td>1,217</td>
<td>20,683</td>
<td>21,800</td>
<td>53,503</td>
</tr>
<tr>
<td>Total</td>
<td>$8,152</td>
<td>$33,148</td>
<td>($9,083)</td>
<td>$31,344</td>
</tr>
</tbody>
</table>
1st Session

- Explore measurement judgments in settings students understand
- Illustrate how lessons apply to more complex real-world settings
- Grasp that judgments can create ‘fuzziness’

You have a balance sheet:
- Measurement aside, what tends to be your 2-3 biggest assets?
- That is, what are the resources with probable future benefits you control as a result of past events or circumstances?
Owners’ Equity Change Map

Conceptual primacy of assets and liabilities

\[ \Delta A \] Change in Assets - \[ \Delta L \] Change in Liabilities = \[ \Delta OE \] Change in Owners’ Equity

Transactions with owners during the period that changed the value of the net assets + Other events or circumstances during the period that changed the value of net assets

Contributions from owners - Distributions to owners + Comprehensive Income + Change in accounting policy and restatements

Net Profit (Loss) + Other Comprehensive Income

Income - Expenses

Revenues + Gains - Ordinary Expenses - Losses
Flipping the Classroom to Up Our Game

Demonstrations: Connecting Financials

Process to Record Any Entry

- Determine if net assets was affected by an event:
  - Should an asset be recognized?
  - Should an asset be de-recognized?
  - Should a liability be recognized?
  - Should a liability be de-recognized?
- If net assets, and thus owners' equity, changed, use this map to identify what's affected.
Completing Intel’s OEC Map helps students understand:

- Elements of statements of comprehensive income
- Elements of statements of change in owners’ equity
- How balance sheets, income statements, and statements of owners’ equity are connected

5th Session

Flipping the Classroom to Up Our Game

Demonstrations: Connecting Financials

Owners’ Equity Change Map Intel 2012: Solution

Fiscal 2011 balance sheet change:

- ΔA in Assets = $13,232
- ΔL in Liabilities = $7,940
- ΔOE in Owners’ Equity = $5,292
19th Session
Analysis Considerations Map (Completed)

Flipping the Classroom to Up Our Game

Qualitative information about past performance
Use qualitative information about business activities that already affect the financial statements to assess the extent to which the ratios and related trends are likely to persist in the future.

- Income statements
- Balance sheets
- Profit margins
- Asset turnover
- Financial leverage
- Tax factor

Common size IS

Forecasted ROEs

Qualitative information about expected future changes
Use qualitative information about changes in plans or circumstances or other factors that have not yet affected the financial statements to assess the extent to which the ratios and related trends will likely change.

Balance sheets
Financial leverage
Asset risk

Asset risk other than liquidity risk
Common size BS
Consequences of financial leverage on riskiness of owners' claims, which depends on financial leverage and asset risk.

Liquidity risk

Balance sheets
Free cash flow
Working capital
Current ratio

Forecasted risks

Income statements
Revenue growth

Investing in growth
Cash from operations

Financing growth
Debt financing

Distributions to owners
Equity financing
Cash flow statements
Forecasted growth
Flipping the Classroom to Up Our Game

Demonstrations: Analysis

Analysis Considerations Map Application: Question

Required
In this question, you will explore Home Depot’s and Lowe’s future ROEs, growth rates, and risks.

Based solely on concepts covered thus far in the course and the provided background information and tabular data, which company, Home Depot or Lowe’s, appears to have the better future prospects at the most recent balance sheet dates, taking into consideration expected future ROEs, growth rates, and risks?

Note: If you conclude one company doesn’t dominate the other on all three factors (ROEs, growth rates and risk): (1) In your opening remarks, identify the company that has the best prospects for each of the factors; and (2) incorporate the companies’ relative strengths into your arguments, counterarguments, and the confidence you attribute to your claim.
Frank Blake - Home Depot Chairman and CEO

“Sales for the fourth quarter were $18.2 billion, up 13.9% from last year. Comp sales were positive 7% and our diluted earnings per share were $0.68. Our stores in the United States had a positive comp of 7.1%. Even though we were anniversarying strong sales from last year’s warm weather and storm repair. All three of our U.S. division positively comped in the quarter and 38 of our top 40 markets had positive comps.”

Note: “comp sales were positive 7%” means sales in established stores (that have been operating for a couple of years) have increased by 7%. This information helps analysts distinguish sales growth due to established stores from that due to new stores.

... “Operationally Marvin and his team continue to make progress on our customer service initiatives. We have a target of 60-40, where 60% of our store labor hours are dedicated to customer facing activity. We ended the year at 57%. Our customer satisfaction scores improved again during the quarter as well as for the year at the same time that we had the highest annual transactions in the Company history.

During the quarter, we began the rollout of Buy Online Ship-To-Store. We already have in place Buy Online Pick-up In Store and Buy Online Return In Store. These are foundational components of our interconnected retail experience.”
## Flipping the Classroom to Up Our Game

### Demonstrations: Analysis

### 19th Session

Analysis Considerations Map Application: Quantitative Excerpt

---

<table>
<thead>
<tr>
<th>RATIOS</th>
<th>Home Depot</th>
<th>Lowe’s</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Level 1: Comprehensive Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Return-on-equity-Comprehensive income (ROE-CI)</td>
<td>26.01% 20.28% 17.87%</td>
<td>12.93% 10.58% 10.95%</td>
</tr>
<tr>
<td>CI/average owners' equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Level 2: Major categories</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Return-on-equity (ROE)</td>
<td>25.42% 21.11% 17.44%</td>
<td>12.89% 10.62% 10.81%</td>
</tr>
<tr>
<td>net profit/average owner’s equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Level 3: Significant Subcategories--DuPont Model</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit margin ratio</td>
<td>9.66% 8.62% 7.75% 6.02%</td>
<td>6.21% 5.79% 6.61% 5.98%</td>
</tr>
<tr>
<td>profit before taxes/revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asset turnover</td>
<td>1.83 1.75 1.08</td>
<td>1.53 1.49 1.46</td>
</tr>
<tr>
<td>revenue/average total assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial leverage</td>
<td>2.29 2.19 2.12</td>
<td>2.18 1.94 1.79</td>
</tr>
<tr>
<td>average total assets/average owners' equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income tax factor</td>
<td>0.63 0.64 0.63 0.66</td>
<td>0.62 0.63 0.62 0.63</td>
</tr>
<tr>
<td>1- (tax expense/pretax income)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Level 4: Line items</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common size Income statements:</td>
<td>Percent of revenues</td>
<td>Percent of revenues</td>
</tr>
<tr>
<td>Net revenues</td>
<td>100.00% 100.00% 100.00% 100.00%</td>
<td>100.00% 100.00% 100.00% 100.00%</td>
</tr>
<tr>
<td>Cost of goods or services sold</td>
<td>65.43% 65.53% 65.73% 66.13%</td>
<td>65.70% 65.44% 64.86% 65.14%</td>
</tr>
<tr>
<td>Gross profit margin</td>
<td>34.57% 34.47% 34.27% 33.87%</td>
<td>34.30% 34.56% 35.14% 34.86%</td>
</tr>
<tr>
<td>Other operating income and expenses</td>
<td>24.18% 25.00% 25.68% 26.61%</td>
<td>27.25% 28.03% 27.84% 28.27%</td>
</tr>
<tr>
<td>Operating profit margin</td>
<td>10.39% 9.46% 8.59% 7.26%</td>
<td>7.05% 6.53% 7.29% 6.59%</td>
</tr>
</tbody>
</table>
Part I: Your qualified claim and opening remarks

Claim:
Fill in the blank with either Home Depot or Lowe’s.

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

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

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

Flipping the Classroom to Up Our Game
Analysis
Considerations Map
Application:
Toulmin Model of Argumentation

19th Session

The Toulmin Model of Argumentation: The Second Time Knees Game
http://www.youtube.com/watch?v=glRsC_Vk206
Flipping the Classroom to Up Our Game
Demonstrations: Analysis

19th Session
Class Structure

- Survey groups’ initial claims
- Discuss supporting arguments, counterarguments and rebuttals
- Survey groups’ ending claims
- What did you learn?
Flipping the Classroom to Up Our Game

Wrap Up

Goal
- Shift the perception

Levers
- Robust concepts and frameworks
- Technology
- Incentives
- Flipping

As educators, our goal is to shift the perception towards the reality.
Flipping the Classroom to Up Our Game

Wrap Up: Move Up the Flip Continuum

Keep learning new flips…


http://gymnastics.about.com/od/famous-gymnasts/ig/Shawn-Johnson-Gallery/Shawn-Johnson-Flip-.htm
Flipping the Classroom to Up Our Game
Wrap Up: Aim High

Gold medalist flippers

Marva Collins
http://www.marvacollins.com/biography.html

Eric Mazur
http://www.youtube.com/watch?v=WwslBPj8GgI

Richard Feynman
http://uweanimation.blogspot.com/2011/03/interesting-scientist-richard-feynman.html
Flipping the Classroom to Up Our Game

**Resources**

**NavigatingAccounting.com**

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

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

**Critical Thinking Exercises Using Toulmin Model**


**Analyzing Financial Statements Across Time and Industries**

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

**Students’ Materials: Videos and Exercises**


**Peer Instruction Network**  
http://blog.peerinstruction.net/

**AAA Commons**  
http://commons.aaahq.org/

**Pathways Commission**  
http://pathwayscommission.org