Instructor: Cindy Durtschi, PhD  
Office: 6038 DePaul Center  
Phone: 632-8789  
Email: cdurtsch@depaul.edu  
Office Hours: T-H 10-noon, or by appointment (I’m in every day so feel free to drop by, but an appointment will ensure I am in the office, not at a meeting)

Texts:  
Highly Recommended: *Schaums Outlines. Financial Accounting*. 2nd edition, Jae K Shum and Joel G. Siegel. ($20.00).ISBN 978-0-07-176250-2. This is a paperback workbook that gives summaries of the concepts learned in class as well as problems with solutions for practice (less than $20, depending on where you purchase it)

Course Objectives:  
This course is designed to introduce financial accounting. By the end of the course, students will have:  
1) An understanding of how financial transactions are handled and affect the financial statements.  
2) The ability to identify the components of financial statements  
3) An understanding of the differences between accrual income versus cash flow;  
4) Familiarity with basic business terminology  
5) The ability to perform basic business calculations, such as simple interest, depreciation, and book value.

Homework: Accounting is a skill that needs to be practiced, so homework is assigned for each chapter. The homework is submitted via McGraw Hill Connect, [www.mhhm.com](http://www.mhhm.com) an automated homework system. Homework assignments are due at one minute before midnight on the date shown on the syllabus. Incomplete homework will be automatically submitted on the deadline. (10 points per week)

LearnSmart: LearnSmart is also completed through McGraw-Hill Connect. It is a way to review some of the more complex topics, with low stakes. It has 4 sections, Preview, Read, Practice, Recharge. While you can do any of the sections, the area that is required is the “Practice” section. Please note, I have not selected all learning objectives, just areas within the chapter that typically need some additional reinforcement. (Completing LearnSmart gives 5 points per chapter)
**Practice Questions:** The “Practice Questions” in McGraw-Hill Connect are NOT required and not graded. These include the rest of the chapter questions from the book that are not assigned as homework and are for practice if you would like more practice (0 points)

**Exams.** There are 2 exams, one mid-term, one final exam. The exams are not cumulative. Each is 40 multiple choice questions, each is taken during class, thus 90 minutes long.

**Instructions to register for McGraw Hill Connect.** Click on the link in D2L, and follow the instructions.

**Student registration information**
Course: Acct 500 Autumn 2015
with LearnSmart
Instructor: Cindy Durtschi
Section: Autumn 2015 TH
Registration dates: 09/01/15 - 11/20/15
Online registration instructions: Go to the following web address and click the “register now” button.

If you have trouble with registration, please contact Customer Support at http://bit.ly/StudentRegistration.

**Grading:**

<table>
<thead>
<tr>
<th>Component</th>
<th>Points</th>
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</thead>
<tbody>
<tr>
<td>Exam 1</td>
<td>100</td>
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<tr>
<td>Exam 2</td>
<td>100</td>
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<tr>
<td>Learn Smart</td>
<td>60 points (5 points per chapter)</td>
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<tr>
<td>Homework</td>
<td>120 points (10 points per chapter)</td>
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<tr>
<td>Grand Teton Candy Company</td>
<td>25</td>
</tr>
<tr>
<td>FSA Project</td>
<td>25</td>
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</tbody>
</table>

**Projects: There are two projects required for this course:**

**Grand Teton Candy Company:** A project to practice creating financial statements. It requires the use of Excel. We will be working on this in class, a laptop is recommended (if you have one or can borrow one for the day—otherwise, you can take notes in class and do the project in a computer lab on campus). Instructions are included in the syllabus.

**Financial Statement Analysis:** You will be required to complete a financial statement analysis project for this class which will give you an opportunity to practice reading and
interpreting and analyzing real-world financial statements. Instructions are also included in this syllabus. We work on this in class also.

**Professional demeanor:** The purpose of the Drehaus College of Business at DePaul University is to prepare students for the business world. This class will therefore be run in a professional manner. Promptness, attendance and attention are expected. Cellphones are to be turned off in class, and texting should be avoided. Exams and quizzes are not dropped, and there is no extra credit beyond that already stated in the grading scale below. In addition, the highest level of personal honesty and integrity are expected in this course. Work done for this course must adhere to the University Academic Integrity Policy, which you can review in the *Student Handbook* or by visiting [Academic Integrity at DePaul University](http://academicintegrity.depaul.edu)

Please be aware that any written work submitted in this course may be verified using Turn-It-In technology in order to ensure that the work is the student's own creation and not in violation of the University's Academic Integrity Policy. Submission of work in this course constitutes a pledge that the work is original and consent to have the work submitted to verify that fact.

**For 1% Extra Credit please take advantage of Career Connections:**

The earlier you engage in career related services, events and courses the more effective you will be in identifying a suitable career, gaining experience, developing networks and connections, and finding a great job. To receive the extra credit you are required to

1) Attend two career related event, workshops, or participate in an activity. The Career Center website will list information on upcoming events, jobs & internships, career & majors, the art of networking, resume & interview help, and more.

2) Sign up at: [http://DePaulBusiness.experience.com](http://DePaulBusiness.experience.com)

3) Examples of events you might attend:

4) **Meet the Firms- September 16th**, 4:30 to 7:00 p.m. (locations and more details in terms of dress code, pre-registration, etc. will be available on Handshake, [https://careerconnect.depaul.edu/default.aspx?auth_target_url=http://depaul.experience.com/er/](https://careerconnect.depaul.edu/default.aspx?auth_target_url=http://depaul.experience.com/er/))

   a. Kellstadt graduate career center has a variety of walk-in resume events scheduled leading up to all major recruiting events – Meet the Firms included.

   b. They provide Kellstadt students with a video on how to prepare for a Career Fair – accessible anytime and anywhere.

   c. They provide international students specific in-person workshops on preparing for Meet the Firms and for other major career fairs.

   d. **Fall Career Fair—October 8th and 9th**
5) Be sure to register for Handshake:
cce.com/er/

6) To do this, simply visit this website and create and/or edit your profile. Through
this portal, you can identify opportunities for part time, internship and full time
positions; and become familiar with the Alumni Sharing Knowledge (ASK)
program.
Grading:
95-100%   A
90-94%     A-
85-89%     B+
80-84%     B
75-79%     B-
70-74%     C+
65-69%     C
60-64%     C-
<60        F

Students with Disabilities:

Students who feel they may need an accommodation based on the impact of a disability should contact me privately to discuss their specific needs. All discussion will remain confidential. To ensure that you receive the most reasonable accommodation based on your needs, contact me as early as possible in the quarter (preferably within the first week or two of the course) and be sure to contact the following office for support and additional services: Center for Students with Disabilities (CSD), #370, Student Center, LPC, (773)325-1677.
Course Schedule:

Note: Homework and LearnSmart & Projects Due at 11:59 PM on the dates shown here:

<table>
<thead>
<tr>
<th>Date</th>
<th>Chapter/Topic</th>
<th>Homework and projects Due:</th>
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<tbody>
<tr>
<td>Sept 10</td>
<td>Chapter 1</td>
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<tr>
<td>Sept 15</td>
<td>Chapter 5</td>
<td>Homework &amp; LearnSmart Chapter 1</td>
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<tr>
<td>Sept 17</td>
<td>Chapter 2</td>
<td>Homework &amp; LearnSmart Chap 5</td>
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<tr>
<td>Sept 22</td>
<td>Chapter 3</td>
<td>Homework &amp; LearnSmart Chap 2</td>
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<td>Sept 24</td>
<td>Chapter 4</td>
<td>Homework &amp; LearnSmart Chap 3</td>
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<tr>
<td>Sept 29</td>
<td>Chapter 4</td>
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<tr>
<td>Oct 1</td>
<td>Grand Teton Candy Company</td>
<td>Homework &amp; LearnSmart for Chap 4</td>
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<tr>
<td>Oct 6</td>
<td>Chapter 6</td>
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<td>Oct 8</td>
<td>Chapter 6</td>
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<tr>
<td>Oct 13</td>
<td>Catch up and Review for Midterm</td>
<td>Homework &amp; LearnSmart for Chap 6</td>
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<tr>
<td></td>
<td>FSA Project Introduced</td>
<td>Grand Teton Candy Co Project Due (via D2L Dropbox)</td>
</tr>
<tr>
<td>Oct 15</td>
<td>Mid-term Exam (Chapters 1-6)</td>
<td>Submit the financial statements of your two companies via D2L drop box.</td>
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<tr>
<td>Oct 20</td>
<td>Chapter 7</td>
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<td>Oct 22</td>
<td>Chapter 7</td>
<td>Homework &amp; LearnSmart for Chap 7</td>
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<tr>
<td>Oct 27</td>
<td>Chapter 8</td>
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<tr>
<td>Oct 29</td>
<td>Chapter 8 – work on FSA project</td>
<td>Homework &amp; LearnSmart for Chap 8</td>
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<tr>
<td>Nov 3</td>
<td>Chapter 9</td>
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<tr>
<td>Nov 5</td>
<td>Chapter 9 – work on FSA project</td>
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<tr>
<td>Nov 10</td>
<td>Chapter 10</td>
<td>Homework &amp; LearnSmart for Chap 9</td>
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<td></td>
<td>FSA project Due via D2L Dropbox</td>
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<tr>
<td>Nov 12</td>
<td>Chapter 11</td>
<td>Homework &amp; LearnSmart for Chap 10</td>
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<tr>
<td>Nov 17</td>
<td>Chapter 12</td>
<td>Homework &amp; LearnSmart for Chap 11</td>
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<tr>
<td>Nov 19 Thurs</td>
<td><strong>Final Exam (Chapters 7-12):</strong> Thurs</td>
<td>Homework &amp; LearnSmart for Chap 12</td>
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<td>Nov 19th, 11:30 a.m. – 1:45 p.m. (please re-check online)</td>
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Instructions for Grand Teton Candy Company Financial Statement Creation Project

Learning Objectives:
1. Understand and use Chart of Accounts
2. Demonstrate knowledge of “normal balance” in various accounts
3. Demonstrate ability to create T-Accounts (general Ledger) from a general journal.
4. Demonstrate ability to create a Trial Balance from T-accounts.
5. Demonstrate ability to create financial statements from a Trial Balance
6. Learn basic Excel functions

This project has three parts:
1. Create a **General Ledger** (T-accounts) in Excel from the General Journal you have been given. (Account numbers from the Chart of Accounts are in parentheses)
   a. Create the following General Ledger T-Accounts (combine accounts as shown)
      i. Cash (1100)
      ii. Accounts Receivable (1200)
      iii. Inventory (combine food (1400), jars (1500) and bottle (1600) accounts)
      iv. Supplies (1700)
      v. Plant Assets (1800)
      vi. Payables (2100, 2110, 2120, 2130, 2200, 2600)
      vii. Mortgages Payable (2300)
      viii. Notes Payable (2400, 2500)
      ix. Common Stock (3100)
      x. Revenues (Candy) (4100)
      xi. Revenues (delivery) (4200)
      xii. Cost of Goods sold (combine food, jars, boxes 5100, 5110, 5120)
      xiii. Expenses (all expenses except interest: 6200, 6400, 7100, 7300, 7400, 7500, 7600, 8100, 8105, 8110, 8115)
      xiv. Interest expense (7200)
   b. In Excel, on the General Journal tab, Highlight all the data (including the title line (says Journal entry number, date, etc.), click on Data tab, then Sort. Sort by “account number”, click on “add a level” sort by “debit”. Click OK. Now all the cash will be together, all the accounts receivables will be together, etc. and it will be sorted Cash Debits first, followed by Cash Credits, same for all accounts that follow
   c. Find the balance in each account (for example in the cash account, etc.) To do this go to the “home” tab, toward the right-hand side is an Auto Sum Icon (Σ) Highlight the cells you want to sum and click on the auto sum icon. Do this for both the debit and credit columns for each account. Find the balance by subtracting the side that goes makes the account go down from the side that makes that account go up (its normal balance). **Remember to enter the beginning balance in each permanent t-account (see the beginning financial statements that were handed out). Don’t forget the beginning Retained earnings and remember there will only be a beginning number in retained**
earnings at this point because the net income minus dividends will come only when you create the statement of retained earnings.

d. Turn in: T-account for each account showing beginning balance, total debits, total credits, and show ending balance.

2. Create a **Trial Balance**. Using your T-accounts, create a Trial balance showing all the ending balances, listing first all the debit accounts then all the credit accounts.
   a. Turn in: Your trial balance, showing that debits equal credits.

3. Create **Financial Statements** from your trial balance. Use the template provided.
Instructions for Financial Statement Analysis Project
See Due dates in the course schedule above.

Financial Statement Analysis
The purpose of this assignment is to give students the opportunity to read and use financial statements from two real firms that they have an interest in. Students will do some basic financial statement analysis on two firms and chose the firm they believe would be the best investment for them.

Required:

1. Get the financial reports for two companies (Due Oct 20, via D2L dropbox)
   a. The companies should be in the same industry (For example, Walgreens and CVS, or GM and Ford etc.) – Please do not choose WalMart and Target Corporations as those companies will be used as an example in class.
   b. Go to the company website, look for a link (usually at the bottom of the page) that either says “our Company” or “Investors” or “Investor Relations” click on that
   c. Look for a copy of their most recent annual report.
   d. Get annual reports for the same year for both companies.
   e. Copy the annual report to your computer or a jump drive (don’t print, it is very long). You will need to copy and paste ONLY the financial statements (Income Statement, Balance Sheet, Statement of changes in owners equity and Statement of Cash Flows into a Word Document and turn in Only those financial statements –in a Word document via D2L.

2. Use your financial statements to create comparative ratio analysis:
   a) Create a chart as follows for your financial ratios, and simply fill it in. We will be doing this in class, so if you bring your financial statements to class, you can complete this portion of the assignment then.

<table>
<thead>
<tr>
<th>Ratio</th>
<th>Your Firm #1 Name</th>
<th>Your Firm #2 Name</th>
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</thead>
<tbody>
<tr>
<td>Current Ratio (chap 2)</td>
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<tr>
<td>Net Profit Margin (Chap 3)</td>
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<tr>
<td>Total Asset Turnover (Chap 4)</td>
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<td>Gross Profit Pct (Chap 5)</td>
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<td>ROA (Chap 5)</td>
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<td>Receivables Turnover Ratio (Chap 6)</td>
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<td>Inventory Turnover (Chap 7)</td>
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<tr>
<td>Fixed Asset Turnover (Chap 8)</td>
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<tr>
<td>Accounts Payable Turnover (Chap 9)</td>
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<tr>
<td>Times Interest Earned (Chap 10)</td>
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<td></td>
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<tr>
<td>Debt to Equity (Chapter 10)</td>
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<td>Earnings per share (Chapter 11)</td>
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<td>Dividend Yield (Chapter 11)</td>
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<tr>
<td>Quality of Income Ratio (Chap 12)</td>
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<tr>
<td>Capital acquisition ratio (Chap 12)</td>
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<tr>
<td>Free Cash Flow (Chap 12)</td>
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</tbody>
</table>
1) Explain what each ratio in the above chart means, note how the two companies differ, explain the difference.

b) Create a common-sized Income Statement and Balance Sheet for your two companies in Excel.

a. For the Common Sized Income Statement, divide each number on each company’s income statement by their own total sales.

b. For the Common-sized Balance Sheet, divide each number on each company’s balance sheet items by their total assets.

c) Put together your final report. (Due Nov 10th—via D2L Dropbox). HINT: Use good form, assembling in the order shown below.

The report should include the following in the order shown here:

A. Summary of findings (no more than one page): Your assessment of which firm would be the better investment, and why. Use the information you will gather from the ratio analysis as well as the common-sized statements, management discussion and analysis and auditor’s report if they figured into your decision.

B. The chart with the required financial ratios

C. The Ratio Explanation

D. A Summary of the highlights of the Management Discussion and Analysis (No more than ½ page for each firm)

E. The common sized balance sheet and income statement

F. A Short summary analyzing the common-sized financial statements (no more than 1 page

G. The following financial statements for each company:

a. Company One:
   1) Income statement
   2) statement of changes in owner’s equity,
   3) balance sheet
   4) statement of cash flows
   5) Auditor’s report
   6) first page of Management Discussion and Analysis.

b. Company Two:
   1) Income statement
   2) statement of changes in owner’s equity,
   3) balance sheet
   4) statement of cash flows
   5) Auditor’s report
   6) first page of Management Discussion and Analysis.
Writing style, form and content all count. Use spell check! Have someone read over your paper for obvious errors.

In business it is important to be able to communicate precisely, accurately and completely. Be professional in your presentation.