

ACC 7010 (G01/G02/G03) (3.0 CH)
ACCOUNTING FUNDAMENTALS
WINTER 2021

INSTRUCTOR

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Email:	Cameron.Morrill@umanitoba.ca	Class Room:	TBA
		Class Time:	G01 – Tuesdays, 6:15 – 9:30 PM G02 – Thursdays, 2:30 – 5:45 PM G03 – Wednesdays, 6:15 – 9:30 PM

COURSE DESCRIPTION

This course studies the principles underlying accounting, with an emphasis on the interpretation of accounting information and its usefulness to stakeholders.

In particular, this course focuses on how financial accounting information is used by external stakeholders in making investment and credit decisions.

COURSE OBJECTIVES

On course completion, you should be able to:

- Interpret basic accounting and business concepts and terminology;
- Analyze financial statement information with a view to supporting investment and credit decision-making;
- Show how financial accounting concepts are applied in the preparation of financial statements;
- Identify alternative accounting treatments and demonstrate their effects on financial statements;
- Use financial statement analysis tools to detect signs of misstatement and/or fraud; and
- Prepare basic financial statements.

AACSB Assurance of Learning Goals and Objectives.

The Asper School of Business is proudly accredited by AACSB. Accreditation requires a process of continuous improvement for the School and our students. Part of “student improvement” is ensuring that students graduate with the knowledge and skills they need to succeed in their careers. To do so, the Asper School has set the **learning goals and objectives** listed below for the **MBA Program**. The checked goal(s) and objective(s) will be addressed in this course and done so by means of the items listed next to the checkmark.

	Goals and Objectives in the MBA Program	Goals and Objectives Addressed in this Course	Course Item(s) Relevant to these Goals and Objectives
1	Strategic Thinking Students will think critically and creatively about solutions to organizational problems, considering short-term and long-term goals, resources, risks, and opportunities.		Financial Analysis
	A.Students are able to identify situations where strategic thinking is necessary.	✓	
	B.Students are able to identify different strategies.	✓	
	C.Students are able to perform a basic strategic analysis.	✓	
	D.Students are able to recommend strategic alternatives and their implementations.	✓	
2	Global Perspective Students will adopt a global mindset in considering organizational decisions.		Accounting Standards
	A.Students have an awareness of global diversity, and multicultural awareness.	✓	
	B.Students have an awareness of different global perspectives.	✓	
	C. Students have been exposed to global business environments through course materials		
3	Ethical Mindset Students will consider ethical and moral issues when analyzing and recommending solutions to organizational problems.		Financial reporting quality
	A.Students demonstrate an understanding of the responsibility of business in society.	✓	
	B. Students demonstrate an understanding of ethical decision making.	✓	
	C. Students demonstrate moral development in ethical decision making.		
	D. Students demonstrate an understanding of the responsibilities of a leader’s role as it relates to ethics.		
4	Quantitative and Financial Proficiency Students will demonstrate the ability to approach organizational issues using quantitative and financial analysis.		All topics
	A. Students are able to identify that a problem containing a quantitative aspect exists.	✓	
	B. Students are able to apply financial methodologies in the answering of business questions.	✓	
	C. Students are able to demonstrate a basic financial proficiency in understanding the role and flow of money in an organization.	✓	
	D. Students are able to interpret the results of a financial analysis.	✓	Financial analysis

COURSE MATERIALS

Robinson, Henry, and Broihahn, *International Financial Statement Analysis with WileyPLUS* (4th edition), 2020, Hoboken NJ: Wiley.

The WileyPLUS add-on contains electronic access to Kimmel, Weygandt, Kieso, Trenholm, Irvine and Burnley, *Financial Accounting* (8th Canadian edition), which we will also use in this course.

Please buy this book, either in printed or electronic version, **ONLY** from the UM Bookstore as it will sell a custom version of the book that comes with a registration code for WileyPLUS, an online study and assignment software package. You will need WileyPLUS for course assignments. **DO NOT THROW AWAY ANY INSERTS THAT COME WITH THE BOOK**, as one of them might be your access code.

COURSE ASSESSMENT

Student progress will be assessed through:

WileyPLUS assignments	15%
Term project – Part 1 (due Saturday, March 12, by 7:00 PM)	8%
Term project – Part 2 (due Saturday, March 26, by 7:00 PM)	4%
Term project – Part 3 (due Tuesday, April 12, by 7:00 PM)	13%
Midterm examination, Saturday, March 5, time TBA	25%
Final examination (date and time to be announced)	35%
Total	<u>100%</u>

WileyPLUS Assignments

WileyPLUS is internet-based educational software which I have used to create assignments for ACC 7010. Six assignments are available in UM Learn and are due as shown below:

<u>Assignment</u>	<u>Due by 11:59 PM on:</u>	<u>Kimmel exercises</u>
1	Saturday, February 12	P1.5A, BE3.1, E3.2
2	Saturday, February 19	E2.5, E4.9, E4.14
3	Thursday, March 3	E13.9, E13.13, E14.5, E14.9
4	Thursday, March 24	E6.2, E6.7, P9.3A, P9.10A
5	Saturday, April 2	P10.4A, P10.9A
6	Saturday, April 9	E12.4, P12.6A

Each assignment is worth three points, and a maximum of fifteen points are available. A student can miss one assignment without penalty.

You must achieve a grade of at least 70% by the due date to get full credit (three points) for a particular assignment. A grade greater than zero, but less than 70%, is worth one point. You can do the assignments at any time and can redo them to improve your grade up until the deadline. I encourage you to do the assignments early and as many times as you find necessary. Keep in mind that *WileyPLUS* is an internet-based program. Problems with UM Learn, your internet server or your computer are all possible and will not be considered valid reasons for missing a deadline. Late assignments will not be accepted.

Accessing WileyPLUS

WileyPLUS assignments will be available in UM Learn/Content.

When you first try to access any WileyPLUS material, WileyPLUS will prompt you to either enter a code from the UM bookstore, purchase WileyPLUS standalone access, or use the fourteen-day Grace Period. The Grace Period gives you full access to WileyPLUS and all associated resources, including the Kimmel textbook, content and assignments for fourteen days while you are deciding upon what format you wish to use.

Term Project

Students will analyze the 2020 annual financial statements of High Liner Foods Incorporated (HLF) with a view to making a recommendation regarding its potential interest to investors (i.e., would you recommend investing in HLF's shares to a client?). Specifically, the analysis must evaluate the profitability, asset management, solvency and liquidity of HLF, compared to that of Maple Leaf Foods Incorporated (MFI), another company in the consumer packaged foods industry. A good analysis will use the ratios discussed in Class 4 (Chapter 6 of the Robinson textbook) as a starting point, but will also include other factors, both quantitative and qualitative, available in the HLF annual report and elsewhere (e.g., financial investment services, the financial press, the internet).

The term project consists of three parts. Detailed frequently asked questions (FAQ) documents for each of the three parts will be available on the course website.

Part 1

Students will compute financial ratios for both High Liner and Maple Leaf. Students must prepare and submit financial ratio results, including explicit calculations for 2020, for as many years as they deem appropriate, using any charts or graphs necessary to support the discussion of these results in part 2 (note that there will be no discussion of these results in part 1). There is no limit on the number of pages of ratios and charts/graphs that a group may include, but five to ten should be sufficient.

Top marks will be awarded for correct calculations of ratios and professional-quality presentation of calculations and charts or graphs. Bonus marks (up to 5%) will be awarded for additional features (see course website for more information). The maximum score available for any part of the term project is 100%.

Part 1 is due by **7:00 PM, Saturday, March 12**. Projects must be converted to pdf format and submitted via the Dropbox feature on the course UM Learn website. Late projects will be penalized 20% of the total possible grade for each business day, or part thereof, late.

Part 2

A model set of ratio results will be made available to all groups and will form the basis for Part 2 of the term project. Part 2 will consist of a table interpreting the results of each of the ratios calculated in Part 1. Specifically, for each ratio the team must (1) evaluate how High Liner performs on each ratio relative to Maple Leaf, particularly in 2020; and (2) evaluate how High Liner has performed on that ratio over the past few years. A template for the kind of table I have in mind will be available on the course website.

Part 2 is due by **7:00 PM, Saturday, March 26**. Projects must be converted to pdf format and submitted via the Dropbox feature on the course UM Learn website. Late projects will be penalized 20% of the total possible grade for each business day, or part thereof, late.

Part 3

Part 3 will consist of a written report containing **no more than three (3) 8.5-inch-by-11-inch pages of text (double-spaced, one-inch margins, and printed in 12-point Times New Roman font), not including appendices**. The text must explain the analysis performed in the Part 1 model, the results of that analysis (part of which is done in part 2) and the conclusions that it supports. It will also include any other information or analyses, available in the High Liner annual report or elsewhere, that students believe might have an impact on the investment decision. Copies of all materials used in the project (e.g., press releases, investment analyst reports, etc.), other than the High Liner and Maple Leaf annual reports, annual financial statements and the Part 1 and Part 2 models, must be clearly presented in an appendix. There is no limit on the length of the appendix (appendices).

Top marks will be awarded for professional-quality projects that are well organized and integrate the results of the ratio analyses with other available information, with clear introduction and conclusion/recommendation.

Copies of the most recent High Liner and Maple Leaf financial statements are available on the course website. Copies of financial statements and complete annual reports from other years are available at www.sedar.com.

Part 3 is due by **7:00 PM, Tuesday, April 12**. Projects must be converted to pdf format and submitted via the Dropbox feature on the course UM Learn website. Late projects will be penalized 20% of the total possible grade for each business day, or part thereof, late.

Students will do the project in groups of three or four. I will assign students to groups at the beginning of Class 3.

Examinations

The midterm examination will test all materials covered in Classes one through four (see Course Schedule on the next page) and is scheduled for Saturday, March 5, 4:00 PM – 6:30 PM. The final examination will be cumulative. The date and time of the final examination will be determined by the MBA Office later in the term.

Final grades will be assigned as follows (this scheme is tentative – the instructor reserves the right to adjust the grading scale, if necessary):

Cumulative Marks	Grade	GPA	Performance
90-100	A+	4.5	Excellent
80-89	A	4.0	Very Good
75-79	B+	3.5	Good
70-74	B	3.0	Satisfactory
65-69	C+	2.5	Marginal
60-64	C	2.0	Unsatisfactory
50-59	D	1.0	Unsatisfactory
Below 50	F	0.0	Unsatisfactory

NOTE: Class attendance is required. Missing more than 20% of this course due to absences may result in a failing grade. It is your responsibility to inform your professor in advance of your absence and the reason for it (medical documentation or employer note if away for a work commitment) is required. The professor decides how to deal with the impact of missed classes on your final grade.

COURSE SCHEDULE

Class	Date	Topic(s)	Readings: Chapter(s) from Robinson (R) and Kimmel (K, in WileyPLUS)#	Suggested exercises		
				Robinson	Supplementary problems (UM Learn)	Kimmel (in WileyPLUS)*
1	Jan 25/26/27	Introduction, Basic Accounting Concepts, Recording Transactions	R: 1,2 K: 1,2,3	Ch. 1: All Ch. 2: All		E2.1 – E2.5, E2.9, P2.9A, P3.5A, P3.7A, P3.10A, P3.11A
2	Feb 1/2/3	Accounting Cycle, Balance Sheet	R: 4 K: 2, 4	Ch. 4		E4.1, E4.2, P4.2A, P4.3A, P4.7A, P4.10A, P4.11A
3	Feb 8/9/10	Income Statement, Statement of Cash Flows	R: 3 (section 6),5 K: 2, 13	Ch. 3: Omit 8-13 Ch. 5: Omit 22	Yes (earnings per share, cash flows)	E13.1, E13.2, E13.3, E13.5, E13.6, E13.8, E13.12, E13.13, P13.1A, P13.10A
4	Feb 15/16/17	Financial Analysis Techniques	R: 6 K: 14	Ch. 6: All		E14.3 – E14.5, E14.11 – E14.14, CT14.1 – CT14.3
	Feb 22/23/24		Winter Break – No Classes			
5	Mar 1/2/3	Inventories, Long- Lived Assets	R: 7 (omit section 4), 8 K: 6, 9	Ch.7: Omit LIFO questions Ch. 8: All	Yes (long-lived asset impairment)	E6.1, E6.3, E6.4, E6.7, E6.8, E6.11, E6.13, E9.1, E9.3, E9.7, E9.10 – E9.14
	Saturday, March 5		Midterm exam, 4:00 PM – 6:30 PM			
6	Mar 8/9/10	Income Taxes	R: 9	Omit 12- 15, 20-22	Yes	
7	Mar 15/16/17	Non-Current Liabilities	R: 10 K: 10, Study objectives 10.2 and 10.4	All	Yes (leases)	E10.4, E10.6, E10.7, E10.11 – E10.13, P10.4A, P10.9A
8	Mar 22/23/24	Intercompany Investments	R: 13 (omit 5.5) K: 12 (omit appendix 12A)	Omit 16 - 22	Yes	E12.1 – E12.9, P12.4A, P12.5A, P12.6A
9	Mar 29/30/ Apr 1	Post-Employment and Share-based compensation	R: 14	All	Yes	
10	Apr 5/6/7	Financial Reporting Quality/ Auditing	R: 11, 17	Ch. 11: Omit 21 Ch. 17: All		
Classes on April 12, 13 and 14 are unallocated.						

Chapters in **bold face** are strongly recommended; others are suggested supplementary reading

*BE = Brief Exercises; E = Exercises; P = Problems; CT = Critical Thinking

ACADEMIC REGULATIONS AND STUDENT SERVICES

HUMAN ETHICS APPROVAL FOR DATA COLLECTION

As part of coursework, if you will be collecting data from people who are not students in this class, you must obtain Human Ethics approval from the UofM's Research Ethics Board (REB) prior to data collection. This applies to data collection such as surveys, interviews, focus groups, experiments, video recording, etc., where a respondent is solicited for participation.

If the entire class will be working on the same project, your instructor will apply for human ethics approval from the REB. If individuals or small groups of students will be working on different projects, it is the responsibility of the students to obtain approval (only one group member needs to apply). Your instructor will tell you whether s/he will be or you need to. When in doubt, please talk to your instructor.

Instructions and forms to apply for human ethics approval can be found at:

<http://umanitoba.ca/research/orec/ethics/guidelines.html>

In most cases, you will be using the "Protocol Submission Form" which is under the "REB Forms - Fort Garry Campus" heading.

It can take up to six weeks to process human ethics applications and obtain approval. Therefore, plan early. Note that approval must be obtained prior to data collection and cannot be obtained during the data collection phase or retroactively. Violation can get you, your instructor, and the Asper School in serious trouble with the REB.

If you will be collecting data only from other students in the class, you do not need REB approval. If you have any questions, please contact humanethics@umanitoba.ca or your instructor.

UNCLAIMED ASSIGNMENT POLICY

Pursuant to the FIPPA Review Committee's approved recommendations of August 15, 2007, all unclaimed student assignments will become the property of the faculty and will be subject to destruction six months after the completion of any given academic term.

STUDENT SERVICES AND SUPPORTS

The University of Manitoba provides many different services that can enhance learning and provide support for a variety of academic and personal concerns. You are encouraged to visit the below websites to learn more about these services and supports. If you have any questions or concerns, please do not hesitate to contact your instructor or the Graduate Program Office.

For Information on...	...follow this link
Course Outlines, Year-at-a-Glance, Concentrations, Textbooks, VW Dates and Final Exams	MBA Course Information
Exam Rescheduling Policy - <i>Please refer to Missing a Test/Exam on page 18 of the MBA Student Handbook</i>	MBA Student Handbook
Help with research needs such as books, journals, sources of data, how to cite, and writing	Library Resources
Tutors, workshops, and resources to help you improve your learning, writing, time management, and test-taking skills	Writing and Learning Support
Support and advocacy for students with disabilities to help them in their academic work and progress	Student Accessibility Services
Copyright-related questions and resources to help you avoid plagiarism or intellectual property violations	Copyright Office
Student discipline bylaws, policies and procedures on academic integrity and misconduct, appeal procedures	Academic Integrity
Policies & procedures with respect to student discipline or misconduct, including academic integrity violations	Student Discipline
Students' rights & responsibilities, policies & procedures, and support services for academic or discipline concerns	Student Advocacy
Your rights and responsibilities as a student, in both academic and non-academic contexts	Your rights and responsibilities
Full range of medical services for any physical or mental health issues	University Health Service
Information on health topics, including physical/mental health, alcohol/substance use harms, and sexual assault	Health and Wellness
Any aspect of mental health, including anxiety, stress, depression, help with relationships or other life concerns, crisis services, and counselling.	Student Counselling Centre
Support services available for help regarding any aspect of student and campus life, especially safety issues	Student Support Case Management
Resources available on campus, for environmental, mental, physical, socio-cultural, and spiritual well-being	Live Well @ UofM
Help with any concerns of harassment, discrimination, or sexual assault	Respectful Work and Learning Environment
Concerns involving violence or threats, protocols for reporting, and how the university addresses them	Violent or Threatening Behavior

ACADEMIC INTEGRITY

I.H. Asper School of Business, The University of Manitoba

It is critical to the reputation of the I. H. Asper School of Business and of our degrees that everyone associated with our faculty behaves with the highest academic integrity. As the faculty that helps create business and government leaders, we have a special obligation to ensure that our ethical standards are beyond reproach. Any misconduct in our academic transactions violates this trust. The University of Manitoba Graduate Calendar addresses the issue of academic misconduct under the heading "Plagiarism and Cheating." Specifically, acts of academic misconduct include, but are not limited to:

- using the exact words of a published or unpublished author without quotation marks and without referencing the source of these words
- duplicating a table, graph or diagram, in whole or in part, without referencing the source
- paraphrasing the conceptual framework, research design, interpretation, or any other ideas of another person, whether written or verbal (e.g., personal communications, ideas from a verbal presentation) without referencing the source
- copying the answers of another student in any test, examination, or take-home assignment
- providing answers to another student in any test, examination, or take-home assignment
- taking any unauthorized materials into an examination or term test (crib notes)
- impersonating another student or allowing another person to impersonate oneself for the purpose of submitting academic work or writing any test or examination
- stealing or mutilating library materials
- accessing tests prior to the time and date of the sitting
- changing name or answer(s) on a test after that test has been graded and returned
- submitting the same paper or portions thereof for more than one assignment, without discussions with the instructors involved.

Many courses in the I. H. Asper School of Business require group projects. Students should be aware that group projects are subject to the same rules regarding academic misconduct. Because of the unique nature of group projects, all group members must exercise extraordinary care to insure that the group project does not violate the policy on Academic Integrity. Should a violation occur on a group project, all group members will be held jointly accountable, no matter what their individual level of involvement in the specific violation.

Some courses, while not requiring group projects, encourage students to work together in groups (or at least do not prohibit it) before submitting individual assignments. Students are encouraged to discuss this issue as it relates to academic integrity with their instructor to avoid violating this policy.

In the I. H. Asper School of Business, all suspected cases of academic misconduct involving a graduate student (i.e. MBA, MFin, MScM, MSc or PhD student) will be reported directly by the instructor to the Dean of the Faculty of Graduate Studies.

FACULTY BIOGRAPHY

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Cameron Morrill, PhD, FCPA, FCGA, is an associate professor of accounting at the Asper School of Business, University of Manitoba, where he has been working since 1997. His teaching and research interests are largely in the areas of financial accounting and auditing. He is the co-author of an intermediate accounting textbook and has published in such journals as *Accounting Horizons*; *Behavioral Research in Accounting*; and *Accounting and Finance*. He has served as the chair of the Certified General Accountants (CGA) Association of Canada's National Education Committee and as President of the University of Manitoba Faculty Association.