

ACCOUNTING, BUSINESS ANALYSIS, AND VALUATION

ACCT 5760-001

Spring - 2013

COURSE SYLLABUS

INSTRUCTOR

Name: **Dr. Paul D. Hutchison**

Office Number: **BLB 312C**

Office Hours: **Tuesday 9:00 AM – 12:00 PM,
Thursday 9:00 AM – 12:00 PM,
open-door policy, and by appointment.**

Email: **paul.hutchison@unt.edu**

Phone Number: **(940) 565-3083 (Office)**

COURSE OBJECTIVE

Utilization of strategic and critical thinking skills to investigate accounting issues. Through the analysis of intra-disciplinary cases, students show that they have the relevant research skills and technological sophistication to access, evaluate, and interpret relevant information needed for decision making.

PREREQUISITES

ACCT 5110 or ACCT 5310, and ACCT 5120.

COURSE CONTENT

A study of the following accounting subject areas is included in this course:

- | | |
|---|--|
| 1. A Framework for Business Analysis and Valuation Using Financial Statements | 6. Prospective Analysis: Forecasting |
| 2. Strategy Analysis | 7. Prospective Analysis: Valuation Theory and Concepts |
| 3. Overview of Accounting Analysis | 8. Prospective Analysis: Valuation Implementation |
| 4. Implementing Accounting Analysis | 9. Equity Security Analysis |
| 5. Financial Analysis | 10. Communication and Governance |

COURSE MATERIALS

1. Required: ***Business Analysis & Valuation*** (5th Edition) by Palepu and Healy (South-Western/CENGAGE Learning, 2013) (ISBN 13: 978-1-111-97230-1).
2. Required: Harvard Business Cases (16 cases + 2 reading). They can be purchased directly from Harvard Business Publishing at: <http://cb.hbsp.harvard.edu/cbmp/access/17023198>

UNT, COB, AND DEPARTMENT OF ACCOUNTING POLICIES

Academic Dishonesty The university's policy on academic dishonesty and disruption of the academic process are clearly set forth in the University of North Texas (UNT) Graduate and Undergraduate Catalogs. These policies will be strictly enforced. Academic dishonesty includes cheating and plagiarism. *Cheating* includes, but is not limited to (1) use of any unauthorized assistance in taking quizzes or exams; (2) dependence upon the aid of sources beyond those authorized by the instructor in writing papers, preparing reports, solving problems, or carrying out other assignments; or (3) the acquisition, without permission, of tests or other academic material belonging to a faculty member or staff of the university. *Plagiarism* includes, but is not limited to, the use, by paraphrase or direct quotation, of the published or unpublished work of another person without full and clear acknowledgment. It also includes the unacknowledged use of materials prepared by another person or agency engaged in the selling of term papers or other academic materials. Punishment for academic dishonesty will result in an automatic "F" in the course and possibly suspension or expulsion from UNT. For additional information on the *UNT Academic Integrity Policy* see: vpaa.unt.edu/academic-integrity.htm

W/WF Grades A "W" grade will be given to students who drop the course by the UNT deadline for the last day to drop/withdraw from a course without academic penalty. After this deadline, students who drop/withdraw from the course will be subject to a "W" or "WF" grade.

Exam Retention After the exams are graded, the instructor will review the exam with the class and collect all exams. All exams will be retained for one year, and then destroyed.

Religious Observations Students who anticipate the necessity of being absent from class due to a major religious observance must provide notice of the date(s) to the instructor, in writing, during the first week of the semester.

Privacy Pursuant to the provisions of the Family Education Rights and Privacy Act ("FERPA" 20 USC Par. 1232g), I do not post grades, give grades out to second parties, nor disclose grades over the telephone. For course grade(s), please see me personally or view them using Blackboard Learn.

Disability UNT complies with the Americans with Disabilities Act (ADA) in making reasonable accommodation for qualified students with disabilities. If you have an established disability, as defined in the ADA, and would like to request accommodation, UNT requires that you see the instructor during the first week of the semester and provide them with the necessary supporting UNT documents in order to receive said accommodations. Otherwise, accommodations desired may not be available due to insufficient notice.

Acceptable Student Behavior Student behavior that interferes with an instructor's ability to conduct a class or other students' opportunity to learn is unacceptable and disruptive and will not be tolerated in any instructional forum at UNT. Students engaging in unacceptable behavior will be directed to leave the classroom and the instructor may refer the student to the *Center for Student Rights and Responsibilities* to consider whether the student's conduct violated the UNT *Code of Student Conduct*. The university's expectations for student conduct apply to all instructional forums, including university and electronic classrooms, labs, discussion groups, field trips, etc. *The Code of Student Conduct* can be found at: deanofstudents.unt.edu/conduct

With the foregoing in mind and to achieve a civil learning environment, students should clearly understand their obligations to the instructor and to their classmates. Students should:

1. Arrive on time for all classes.
2. Stay in their seats during the entire class.
3. Refrain from talking with other students during class.
4. Refrain from using all tobacco products.
5. Turn off all cellphones, pagers, and other electronic devices before class begins.
6. Not text message or surf the web with cellphones or computers during class.
7. Refrain from reading magazines, newspapers, assignments from other classes, and material that might distract their classmates.

The instructor will enforce these rules. Student failure to adhere to these rules will be considered "disruption of the academic process" and may result in student removal from this class.

COURSE POLICIES

Instructor's Expectations	Since this is a graduate-level, capstone course, my expectation is that students will conduct themselves at that level. Prior to class, you should complete all assigned readings and homework.																														
Accounting Knowledge	Since students are in an accounting graduate degree program, the instructor will assume that all students have a working knowledge of financial and managerial accounting. Reference in homework, cases, quizzes, and exams to financial or managerial accounting material can be expected.																														
Attendance	<p>This is a discussion-based course and thus, class attendance is <u>extremely important</u>. If you <u>miss two or more classes</u> without a valid reason (validity to be determined by the instructor), then you could be penalized a course grade or dropped from the course by the instructor with a WF for nonattendance.</p> <p>Students who attend class will be expected to stay for the class' duration until the instructor dismisses them. If a class is missed, it is the <u>student's responsibility</u> to determine the announcements and material presented in class. Anything discussed in class, whether covered in the text or not, may appear on exams.</p>																														
Class Format/ Participation	I will conduct this accounting class in an open, interactive, lecture/discussion format. You, individually, and the class, collectively, will benefit from your participation in class discussions. For each class, you should be prepared to participate in a meaningful way.																														
International	During the semester, the instructor will present and discuss material about international accounting topics and accounting standards promulgated by the International Accounting Standards Board (IASB) and their impact on domestic and multinational corporations.																														
Calculators	Calculators will be supplied by the instructor to be used during exams. To obtain full credit on exam problems, <u>all supporting computations</u> must be shown.																														
Grade Determination	<p>The public and private sector employers of students agree that, in addition to technical knowledge in accounting, universities should be assisting students in developing the following necessary skills:</p> <p>Communication Skills: Individuals must be able to present and defend their views through formal and informal, written and oral, presentation.</p> <p>Intellectual Skills: Necessary intellectual skills include the ability to solve diverse and unstructured problems in unfamiliar settings, and comprehend an unfocused set of facts; identify, and if possible, anticipate problems; and find acceptable solutions.</p> <p>Interpersonal Skills: Successful professionals must be able to work effectively in groups with diverse members to accomplish a task.</p> <p>Student performance in these areas will be incorporated in the assignments and grading for this course. With this in mind, your grade in this course will be based on the following course activities:</p> <table><tr><td></td><td><u>Points</u></td><td colspan="2">Course grades normally will be assigned based on the following scale:</td></tr><tr><td>Mid-Term Exam</td><td>15</td><td>90 - 100</td><td>of the <u>total points available</u> = A</td></tr><tr><td>Final Exam</td><td>15</td><td>80 - 89</td><td>of the <u>total points available</u> = B</td></tr><tr><td>Case Reports (5)</td><td>50</td><td>70 - 79</td><td>of the <u>total points available</u> = C</td></tr><tr><td>Quizzes (6)</td><td>10</td><td>60 - 69</td><td>of the <u>total points available</u> = D</td></tr><tr><td>Participation</td><td><u>10</u></td><td>Below 60</td><td>of the <u>total points available</u> = F</td></tr><tr><td>TOTAL POINTS</td><td><u>100</u></td><td colspan="2"></td></tr></table>				<u>Points</u>	Course grades normally will be assigned based on the following scale:		Mid-Term Exam	15	90 - 100	of the <u>total points available</u> = A	Final Exam	15	80 - 89	of the <u>total points available</u> = B	Case Reports (5)	50	70 - 79	of the <u>total points available</u> = C	Quizzes (6)	10	60 - 69	of the <u>total points available</u> = D	Participation	<u>10</u>	Below 60	of the <u>total points available</u> = F	TOTAL POINTS	<u>100</u>		
	<u>Points</u>	Course grades normally will be assigned based on the following scale:																													
Mid-Term Exam	15	90 - 100	of the <u>total points available</u> = A																												
Final Exam	15	80 - 89	of the <u>total points available</u> = B																												
Case Reports (5)	50	70 - 79	of the <u>total points available</u> = C																												
Quizzes (6)	10	60 - 69	of the <u>total points available</u> = D																												
Participation	<u>10</u>	Below 60	of the <u>total points available</u> = F																												
TOTAL POINTS	<u>100</u>																														
Make-up Exams	<u>NO make-up exams will be given during the semester.</u> If at all possible, you should notify the instructor <u>in advance</u> that you cannot be present for the exam. A missed mid-term exam will count as a zero (0) unless there is a valid reason (validity to be determined by the instructor) for missing the exam. If excused, the points for the mid-term exam will be added to the final exam (i.e., the final exam will be weighted more heavily in calculating your course grade).																														

Exams	<p>Success in accounting requires more than just a rote knowledge of technical accounting standards and procedures. For this reason accounting exams are normally structured to test:</p> <ul style="list-style-type: none"> • The student's knowledge of the material covered in the text, cases, readings, and class lectures. • The student's ability to analyze complex, problematic situations. • The student's ability to present a well-structured, clearly labeled solution. • The student's ability to work under some time pressure. <p>You may expect exams to cover any material presented in the lectures, text, cases, readings, homework assignments, or class discussions. Exams may consist of multiple-choice, matching, fill-in-the-blank, essay, or problems. THE FINAL EXAM IS <u>NOT</u> COMPREHENSIVE. You <u>must</u> take the Final Exam to receive credit for this course.</p> <p>The mid-term exam is two hours and will be given during the <u>regular class period</u>. The Final Exam is two hours and will be given at the UNT scheduled date and time. A UNT student identification card or driver's license may be required to be presented at any exam.</p>
Case Reports	<p>There are <u>16 cases</u> that will be presented and discussed in the course. The instructor will lead some case discussions, while others will be assigned and led by teams. The instructor will actively call on students and encourage class participation during case discussions.</p> <p>Each student will be given questions and asked to submit <u>five written case reports</u> following the format provided in the <u>Case Report Instructions</u>. Some of these reports will be completed individually, while others as a team. Each case report will be graded based on a scale of 0-100 percent. The team case report grade will be recorded for each student on the team. Students will <u>not</u> be allowed to complete team case reports by themselves.</p>
Quizzes	<p>During the semester <u>six</u> unannounced quizzes will be given during class time. They may cover material from the text, readings, cases, or homework assignments. Each quiz will be graded based on a scale of 0-100 percent. There will be no make-ups given for missed quizzes. Your <u>lowest</u> quiz grade will be dropped.</p>
Participation	<p>This is a case-based course, and participation during case or reading discussions is critical. The Instructor will regularly grade students on participation during case and reading discussions. <i>Absences will impact your participation grade significantly.</i> Each student has a responsibility to their colleagues to come to class prepared to actively discuss the case(s) and reading for the day. The classroom will be a collective "shared experience" in which the quality of the experience will depend on the student's participation. <i>Note that class participation is expected whether or not we are covering one of your assigned cases.</i> <u>There are no make-ups for class participation.</u></p> <p>Your participation grade will be determined as follows:</p> <ul style="list-style-type: none"> 3 points (A)= asks good questions and provides valuable insights; very familiar with case and reading materials that class period. 2 points (B)= volunteers comments or questions on a regular basis; fairly familiar with the case and reading materials that class period. 1 point (C) = participates infrequently in class discussions and comments/questions/answers reflect inadequate case and reading preparation. 0 point (F) = makes no contribution, negative contribution, or not in attendance; arrives late to class or leaves early. <p>Students must arrive on time and be present during the entire class period to get participation credit. Participation points will be posted to Blackboard Learn by the instructor.</p>
Homework	<p>Homework will be assigned for each chapter of the text. However, it will <u>not be graded</u> nor be included in the determination of the course grade. The instructor expects every student to complete the homework and be prepared to discuss their solutions.</p>
Solution Manual	<p>The instructor at his discretion will decide which homework solutions will be presented in class. The Solution Manual will <u>not</u> be made available for students to copy the authors' suggested solutions. If you encounter difficulty with any of the homework assignments, please see the instructor for assistance during his ⁴office hours.</p>

Teams Early in the semester each student will be assigned to a 4-member team. Students will prepare case reports and presentations as a team. Each member of the team is expected to actively participate in the workload for the case report or presentation. Three members can elect to vote a fellow member off a team for failure to contribute to a case report or presentation. Students will evaluate their fellow team members at the end of the semester, and it will be incorporated into their course participation grade.

Addendums The instructor reserves the right to add or delete assignments during the semester.

January 11, 2013

ACCOUNTING, BUSINESS ANALYSIS, AND VALUATION

ACCT 5760 - 001

Spring – 2013

COURSE SCHEDULE

DATE			CH.	SUBJECT MATTER OR EVENT	ASSIGNMENTS
Jan.	15	Tu	1	Introduction A Framework for Business Analysis and Valuation Using Financial Statements	DQ1: 1, 2, 4
	22	Tu		HB: <i>Goats: The Green Alternative (B)</i> HB: <i>Subprime Crisis and Fair-Value Accounting</i>	HB: Reading 1
	29	Tu	2	Strategy Analysis HB: <i>New Century Financial Corporation</i>	DQ2: 1, 3, 6, 7, 11
Feb.	5	Tu	3	Overview of Accounting Analysis HB: <i>The Fall of Enron</i>	DQ3: 2, 3, 4, 5, 7 Learn: Reading 2
	12	Tu	4	Implementing Accounting Analysis HB: <i>Accounting for the iPhone at Apple Inc.</i>	DQ4: 2, 5, 6, 7, 9
	19	Tu	5	Financial Analysis HB: <i>Restaurant Valuation: O'Charley's and AFC</i>	DQ5: 2, 4, 5, 6, 10
	22	F		LAST DAY TO DROP A COURSE WITH A W!	
	26	Tu		HB: <i>United Parcel Service's IPO</i> HB: <i>Cash Flow Productivity at PepsiCo: Communicating Value to Retailers</i>	
March	5	Tu		MID-TERM EXAM (Chapters 1-5 and HB Cases) 2:00 – 3:30 PM	
	12	Tu		SPRING BREAK!	
	19	Tu	6	Prospective Analysis: Forecasting HB: <i>VIZIO, Inc.</i>	DQ6: 1, 3, 4, 7 HB: Reading 3
	26	Tu		LAST DAY TO DROP A COURSE!	
	26	Tu	7	Prospective Analysis: Valuation Theory and Concepts TBD	DQ7: 3, 4, 5, 9, 10
April	2	Tu	8	Prospective Analysis: Valuation Implementation HB: <i>Krispy Kreme: The Franchisor That Went Stale</i>	DQ8: 1, 3, 4, 6
	9	Tu	9	Equity Security Analysis HB: <i>Odco Securities—ESG Integration</i>	DQ9: 1, 2, 5, 6, 7 Learn: Reading 4
	16	Tu		HB: <i>Eddie Bauer (A)</i> HB: <i>Home Depot, Inc. in the New Millennium</i>	
	23	Tu	12	Communication and Governance HB: <i>Target Corporation: Ackman versus the Board</i>	DQ12: 1, 2, 4, 5, 9
	30	Tu		HB: <i>California High-Speed Rail</i> HB: <i>Cape Wind: Offshore Wind Energy in the USA</i>	
May	7	Tu		FINAL EXAM (Chapters 6-9, 12 and HB Cases) 1:30 – 3:30 PM	

HB=Harvard Business Case/Reading, Learn=Blackboard Learn, and DQ=Discussion Questions