






AMIS 2300H — Honors Introduction to Accounting II — Spring 2024

				
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Office Hours	Fisher 410 Tue, Thu 10:00-11:30 and by appointment	By appointment Room TBA	Tuesdays 4:00-5:00 Mason 132 and by appointment	Wednesdays 11:00-12:00 Mason 126 and by appointment
Class Meetings	0022 0011 0010 & 0020 (combined)	M W 9:35 AM - 10:55 M W 12:45 PM - 2:05 F 9:35 PM - 10:55	Mason 405 Mason 405 GE 365	
Common Final Exam	All sections	TBD	TBD	

Introduction

The most important objective of this class is for you to develop your skills at *framing* decisions. We will pursue this objective while studying accounting from a managerial (decision making) perspective. Professional managers must understand the structure of their organization's accounting system if they are to make informed management decisions. It is important to recognize that, whether done explicitly or implicitly, managers adopt a decision-making *frame* when they take action. *Framing is the unifying theme of this course.*

In order to develop skill at framing decisions, you will be asked to solve problems that are not already as well-structured as what you have been exposed to in a typical classroom environment. This will give you practice at framing. "Rules, recipes and handy guidelines on how to use accounting are crutches for the less than well-prepared and responsible manager." (Demski, ch. 1). The class therefore will be taught from a conceptual standpoint. Abstraction will prove valuable to understanding the concepts – I hope you come to embrace it.

An additional important opportunity for you to develop your skill at framing is leading classroom discussion. Generally speaking, teaching is the best way to learn something new. Accepting responsibility for teaching creates incentives for you to be prepared for class and is of practical significance, too. Being able to learn for yourself and teach others when tasks are ill-structured is important in most aspects of life, including your professional career. Hence, students in group of two will be asked to facilitate discussion by having them present to the class (see below).

You have heard the phrase "accounting is a source of information". When we say this, we mean an accounting disclosure is a *signal* that changes the decision maker's beliefs. In order to appreciate the *information content* of an accounting disclosure, one must understand the *economic substance* of a transaction, including the *incentives* of the various parties involved in the transaction. The *explicit recognition* of the underlying economics behind transactions provides intuition regarding what is "good accounting" - and is new in this course relative to 2200H.

Because we will formally recognize that accounting is a source of information, four ingredients are important to our study: (1) uncertainty, (2) multiple sources of information (accounting and non-accounting), (3) multiple products, and (4) an assumed model of economic behavior.

Finally, *professional responsibility* is the overarching business principle we will stress (see especially Demski, chapters 1 and 19).

Honors Accounting

This is an Honors class, which means it carries with it an invitation to join the Academy. It is not a vocational training course. This means we will concentrate more on developing your managerial human capital and less on rote learning. In addition to learning how accounting is done, we will spend time studying *why* accounting is done as it is, that is, why it is important to the functioning of organizations, markets, and society in general.

In this course you are provided with an enriched learning experience and are in turn expected to work independently and conscientiously, without having your hand held. The course will be fast-paced and challenging. It is important that you keep up with the work. I urge you to carefully go over the previous class notes before the next class meeting. This is just as important as preparing the next assignment, because you will be able to ask questions when they arise, which will help you more effectively study for examinations.

In order to get the full Honors experience, it is important that you learn how to work with each other outside of class. Doing so will surely help your understanding of our subject matter. Therefore, I will require you to work with a partner on written assignments. Also, at the start of class one or two groups will be called on *randomly* to lead discussion by presenting their work. Another aspect of the honors experience is asking questions in class and participating in discussion. These aspects of the class will be a great experience for you, given how the business world is changing. Let me know if you have any questions about any of this, including finding a partner.

As mentioned, it is your responsibility to be prepared for every class and ready to participate in class discussions. This implies you should attend and be on time for every class unless you are ill or have a family emergency. It would be courteous for you to inform me if you know in advance you will have to miss class. If you miss class, it goes without saying that you should ask another student to help you with what you missed. If, after you have done so, I will be happy to help you. In general, you can count on me to be more than willing to do what I can to facilitate your learning. I make myself available to you during class, email and office hours. I expect you to monitor Carmen and your email daily.

Performance Evaluation

You will be evaluated based on class preparation, two in-class midterm examinations, and a common final examination. Please note the date and time of the final exam schedule and plan your break around that date.

Class Preparation

We will spend most of our class time working through numerical problems and discussing the larger issues they are intended to illustrate. The problems are there as much to provoke your thinking as to teach you an accounting technique. Recipes for arriving at a solution will rarely be provided. Your approach to class preparation should not only include trying to come up with correct answers, but also thinking about the lessons that are being illustrated. Both are important. *Preparation* for class enables you to be an active participant in class discussion, and so be a better learner. It is encouraged by three activities that will be graded: *class participation*, *oral presentations*, and *written assignments*.

Class participation

I prefer not to lecture - during class I regularly invite questions. Also, you will have the opportunity to ask questions of me and of your classmates when they present. Please take advantage of this opportunity — learning how to ask a question is a very useful skill! To make class run smoothly, 5 percent of your grade is based on having a “professional attitude” — this involves being present, on time, and attentive in class. An additional 10 percent of your grade is based on a combination of your oral presentations (see below) and for volunteering questions or comments that contribute to the learning environment.

Oral “presentations”

You will be asked to find a partner during the first week of class. Starting in the second week, each day one or two groups will be called on *at random* to talk for 10-15 minutes about a problem assigned for that day in class. The word “presentation” is in quotes because a formal, polished presentation is neither expected nor even desired. What I want you to do is talk about what you experienced while working out the problem, including the main issues from the chapter being illustrated, what you were able to do as well as what pitfalls you encountered, tips about the “tricky bits”, questions that came to you, etc. It is not important, nor is it normally possible, that you complete the problem during the allotted 10-15 minutes, nor even present the entire solution. The purpose is *not* to put you under pressure to work the entire problem out completely and correctly or to “polish” your presentation style. Rather, the purpose is first, to encourage all of you to prepare diligently for class, and second, to stimulate classroom discussion. Remember, if you are “stuck” or have a question, it is likely that someone else in the class encountered the same issue. Finally, *it is the responsibility of those not presenting to ask questions and help out the presenters* (if necessary).

Written assignments

Each group should upload to Carmen one electronic copy of the solution (however complete or incomplete) to that day's problems by 11 PM before the class they are due. *Because the purpose of the written assignments is to enable you to ask questions in class, you must be present in class to get credit for turning in the assignment.* No late submissions will be accepted, but I will make allowances for absences due to illness or family emergency. Use of spreadsheets is encouraged — on a few occasions you will be required to upload your spreadsheet to Carmen for the TA's to test with different parameter values. Your solutions will be graded primarily for effort and completeness. Some of the assignments will involve responding with a short essay (a paragraph or two). These will be graded for content and exposition. Your work with your partner should be neat and organized, including preparing a plan of what you would write on the board in case you are called upon that day to present. As mentioned, a great way to learn *anything* is to try to explain it to another person. This, of course, requires collaboration *before you come to class* rather than working the problem independently. "Splitting up the work" is considered a breach of ethics in accordance with the Accounting Honors Code.

Grading

The midterms and cumulative final are individual, closed book, closed note examinations. No makeup midterms will be given – if missed for a legitimate reason based on OSU guidelines, I will work with you to find a satisfactory substitution. Makeup final exams will be given only if excused by PSU guidelines. Be sure to plan your break around the final examination date. Below is the grading scheme:

Class preparation:

professional attitude (5), participation in class discussion and group presentations (10), written assignments (10)	25
Midterm I (Friday, February 9)	20
Midterm II (Friday, March 22)	25
* Final examination (Common Final, April 26, 6:00 PM)	30
Total	100

* Both sections will take the final exam on the same date and time. Let me know if you have a conflict with another final exam.

Required Materials:

*Demski, J., *Managerial Uses of Accounting Information*, 2nd (orange, not blue) edition (ISBN: 978-0-387-77450-3).

Other handouts may be distributed in class or posted at <https://u.osu.edu/young.53/home/syllabi-problems-teaching-notes/>

***To access the text:**

From an OSU computer, go to <http://www.springer.com>. Scroll down and select "Find our products". Enter "Demski Managerial Uses" in the Search box. Select the 2008 (orange) edition. To the right, you will see several options – including "Download book PDF" and "MyCopy Softcover –\$39.99". Alternatively, there is a link at the top and bottom of the book's table of contents where you can download individual chapters for free.

If you are off campus, use <https://link-springer-com.proxy.lib.ohio-state.edu/book/10.1007/978-0-387-77451-0>.

Students with Accessibility Issues and/or Disabilities

Students who have trouble with accessing or reading the course materials should feel free to let me know and/or have documented disabilities should feel free to inform me in private of your needs and to make arrangements with the Office for Disability Services (292-3307 — 150 Pomerene Hall).

AMIS 2300H — Tentative* Course Outline — Spring 2024

Class	Day	Date	Topic	Reading*	Written assignments*
1	M	1-08	course overview and cost functions	Course syllabus; Text preface, ch. 1, ch. 2 (through section 2.3); carefully examine E2.1, 2.2 and 2.3	*P2-6 (follows ch. 2 text); address numerically (spreadsheet), analytically (pencil & paper), and graphically
2	W	1-10	economic theory of cost – single product	ch. 2 sections 2.4 through 2.7, “Advice for preparing & presenting assignments”	RST (Problem 1 & 2 - use template); E2.2 (solver), E2.5 and E2.6 (analytically – do the best you can)
3	F	1-12	continued	SEI Comments from juniors	P2-7, P2-5; Note: where relevant, address analytically (pencil & paper), numerically (Solver) and graphically
	M	1-15	Martin Luther King Day		
4	W	1-17	shadow prices	ch. 2 appendix	Tables T2.4, T2.5; E2.9
	F	1-19	NO CLASS		
5	M	1-22	economic theory of cost – multiple products	ch. 3 (through section 3.3.2)	P2-10, P2-11, P2-12 (address 2-10 and 2-12 both analytically and numerically), P3-10
6	W	1-24	continued	ch. 3 remainder	E3.2; E3.5, E3.6 (Also try constructing financial stmts using straight line depreciation for P3z3 and treat it as a period cost and assume the firm holds no cash); P3-5, P3-12
7	F	1-26	continued	“The fundamental theorems of welfare economics”	P3-14, P3-15; Write a short paragraph to explain how this days’ reading relates to financial reporting
8	M	1-29	accounting vs. economics	ch. 4; “Enron mark to market accounting”; Demski : “Enron et al. – A comment”	Construct balance sheets & income statements for P3-15 using economic income accounting and historical cost accounting; E4.1 and E4.2 from chapter; P4-9
9	W	1-31	product costing	<u>Diamond</u> : “Why Merton Miller remains misunderstood”	P4-14 (also make journal entries); P5-6
10	F	2-02	continued	ch. 5; Fisher: “The Dividend Puzzle” (SKIM)	P4-16, P5-8, P5-9, P5-10, P5-11
11	M	2-05	continued		P5-13, P5-14
12	W	2-07	impressionism	ch. 6	rework “extended illustration” tables T6.1 through T6.11 (skip E6.1 and E6.2)
13	F	2-09	Midterm I		
14	M	2-12	continued		P6-15; P6-7
15	W	2-14	continued, Q&A		Ralph’s unit costs (parts I-III); (I will do part IV)
16	F	2-16	continued		Ralph’s multi-period costing parts 1-3. (I suggest a spreadsheet, but not required.)
17	M	2-19	continued		Ralph’s multiperiod costing parts 1-3 (use spreadsheet template & upload so TA’s can test it); Ralph’s multiperiod costing pt. 4; Ralph’s variances
18	W	2-23	modernism	ch. 7 thru sec. 7.2	E7.1; E7.2; P7-4, P7-15
19	F	2-21	consistent framing (general)	ch. 8	P7-15 spreadsheet (use template & upload so TA’s can test it), E8.2, E8.3, P8-1, P8-3
20	M	2-26	consistent framing		P8-9, P8-10, P8-13
21	W	2-28	continued		P8-15
22	F	3-01	consistent framing under uncertainty	ch. 9, thru section 4	Review of duality; Ralph’s evil twin
23	M	3-04	continued	ch. 9 remainder; EV-CE-RP graph	P9-8 (spreadsheet suggested)

***NOTES:**

Schedule subject to change to accommodate class progress.

“Em.n” refers to Example n from the text in chapter m. “Pm-n” refers to Problem n at the end of chapter m. “Tm.n” refers to Table n in Chapter m.

Assignments are to be uploaded to Carmen by midnight the night before they are due.

Readings are available in Carmen Modules and/or at <https://u.osu.edu/young.53/home/syllabi-problems-teaching-notes/> (scroll down a bit).

AMIS 2300H — Tentative Course Outline — Spring 2024 (continued)

24	W	3-06	continued		Tables T9.8 and T9.9
25	F	3-08	continued	Sunder: “Adverse effects of uniform written reporting standards . . .”	P9-3; write a short paragraph explaining how P9-3 & the Sunder article are related; P9-13
	M	3-11	Spring Break		
	W	3-13	Spring Break		
	F	3-15	Spring Break		
26	M	3-18	continued		P9-15
27	W	3-20	consistent framing in a strategic setting	ch. 10 (skip section 10.4)	P9-16, P9-17; E10.2, E10.3
28	F	3-22	Midterm II		
29	M	3-25	No Class		
30	W	3-27	consistent framing in a strategic setting (continued)	Ivar Kreuger I	P10-1, P10-2, P10-3, P10-12; write one paragraph to explain the main ideas in Kreuger I
31	F	3-29	No Class		
32	M	4-01	consistent framing in a strategic setting (continued)		P10-13, P10-14, P10-16
33	W	4-03	short run decisions: small versus large decisions	ch. 11 (pp. 253-61; 274-5);	P11-8; examples in LSR
34	F	4-05	continued	“LSR (Least squares regression) tutorial”	P11-9; P11-16
35	M	4-08	continued		Example in Sec. 11.2 (Make or Buy) including T11.3, T11.4; P11-11
36	W	4-10	continued		P11-12
37	F	4-12	long run decisions	ch. 12	P12-3, P12-4, P12-8, P12-9
38	M	4-15	continued		P12-10 (in addition, make journal entries and incremental balance sheet), P12-14
39	W	4-17	framing revisited; value of partnership	re-read section 10.5 in text	ralph’s learning by doing; ralph’s partnership
40	F	4-19	performance evaluation	“Performance evaluation – Did it cost too much?”; ch. 13	examples in Sharing Risk; examples in “Perf. evaluation . . .”; P13-5, P13-7
41	M	4-22	continued		P13-8, P13-9, P13-15
42	F	4-26	Common Final Exam	6:00 – 8:00 Hitchcock 324	

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