

COURSE OUTLINE

Business 2257: Accounting and Business Analysis

This course presumes no prior knowledge of business administration. It is required by other faculties for some of their programs and is the only university prerequisite for entrance into the Undergraduate Business Program (HBA) at Ivey Business School.

COURSE TIMETABLE

The course timetable can be found on the Business 2257 OWL site.

BUSINESS 2257 PREREQUISITE

The prerequisite for Business 2257 is five credits. Unless you have either the requisites for this course or written special permission from the department to enrol in it, you may be removed from this course and it will be deleted from your record. This decision may not be appealed. You will receive no adjustment to your fees in the event that you are dropped from a course for failing to have the necessary prerequisites.

COURSE OBJECTIVES

1. Introduce students to the current methods used in developing financial statements.
2. Provide students with an introduction to the analytical management tools that assist business decision-making.
3. Increase problem-solving capabilities.
4. Provide a common base of knowledge for the first year of the Undergraduate Business Program (HBA).
5. Provide a foundation of business knowledge as required for various other degree programs at Western (e.g., DAN Management and Organizational Studies [MOS]).

In summary, students will leave Business 2257 better equipped for problem-solving, whether in business or other organizations. In addition, students will improve their verbal and written communication skills.

Students will understand why and how accounting principles are used to develop financial statements, learn basic analytical techniques, gain a better understanding of the workings of small business, and appreciate the difficulties involved in making decisions using incomplete or imperfect information.

COURSE STRUCTURE AND CONTENT

The course is divided into two segments: the first segment deals with the preparation of financial statements; the second segment focuses on the analysis of quantitative and qualitative data needed to make business decisions.

The Preparation of Financial Statements Segment (First Term)

International financial reporting standards (IFRS) and generally accepted accounting methods of presenting the financial condition and performance of a firm will be outlined and discussed in a series of questions, exercises, problems and cases. In addition to manipulating, correcting and summarizing data to produce financial statements (balance sheet, income statement, etc.), students will be expected to recognize the uses and limitations of these statements.

Analysis and the recording of accounting transactions using the T-account system will be applied primarily in this segment of the course.

The Business Analysis and Managerial Accounting Segment (Second Term)

This portion of the course emphasizes the interpretation and use of the accounting information developed in the first term. From the decision-maker's perspective, students are expected to analyze the financial and non-financial aspects of a given firm and to evaluate future courses of action. This material is more subjective than the preceding term and requires students to make decisions using incomplete and imperfect information. The second term uses primarily cases based on small- to medium-sized businesses as teaching vehicles for applying the following concepts.

Business Planning

1. Cost Behaviour

This section involves the classification of costs according to their behaviour with respect to the sales volume of a firm. Such analysis is useful for preparing financial projections and budgets, controlling and monitoring performance, and making operating decisions. An understanding of cost behaviour is fundamental to quantitative analysis in the second term.

2. Marketing Management

The basic tenets around how to establish a marketing strategy are studied to understand the "fit" between a product or service and its intended consumers.

3. Cash Management

This section is divided into two segments—past and future. The statement of cash flows (past) helps answer questions about cash usage and cash sources during past accounting periods. The cash budget (future) is a tool used in forecasting cash needs and surpluses in order to help manage a firm's future cash position.

4. Financial Management and Planning

This section introduces ratio analysis and projected financial statements. These tools enable a manager to assess the financial condition of a firm, plan for future financing needs, and choose appropriate financing sources, in an effort to make sound business decisions.

Managerial Accounting

Cost-volume classifications, overhead allocation rates and risk/return analysis, addressed earlier in the course, are used again as analytical tools when making decisions such as the setting of retail selling prices, evaluating sub-unit performance, and assessing short-term opportunities (the differential cash flow model).

Comprehensive Cases

The course will conclude with comprehensive cases that integrate the material covered in the second term.

Note: Class assignment schedules are posted on the Business 2257 OWL site.

Feasibility Study

The group project integrates many concepts taught in the course. Students work in groups of six or seven people (depending on class size) to undertake a feasibility study of a new enterprise and must complete a written report and give an oral presentation to the class. Field research and investigation are necessary. The project involves a significant amount of time (outside of regular classes) during the second term. Students should be cautioned that there will be out-of-pocket costs associated with the project; however, students are encouraged to keep these costs to a minimum. In the past, several projects have been implemented by students and have developed into successful small businesses. All projects submitted will be kept on file by the Ivey Business School.

COURSE MATERIALS

1. *Financial Accounting: Tools for Business Decision-Making*, 2016, Custom Text for Business 2257. A Wiley Canadian Custom Publication for Western University.
2. *Casebook—Business 2257* (one volume for first term, one volume for second term).¹
3. Super-T Worksheets.

TEACHING METHODOLOGY AND EXPECTATIONS

This course is taught primarily by the case method, which requires a much greater involvement of students in class than does the traditional lecture method. Students are expected to be fully engaged in the entire learning process. This means devoting time and energy to preparation before class, listening to others during class discussions and engaging in class discussions. Collective reasoning and discovery are critical to the successful application of the case method. *Prior to any case discussion, engaging in discussions with (or examining notes from) others who may have already experienced the case class is a clear violation of Ivey's norms.*

The workload for this course is heavy and students spend a considerable amount of time in preparing for each session since emphasis is upon day-to-day preparation for each class. Students have consistently rated Business 2257 as one of their heaviest courses.

Using your computer during class for personal activities such as reading/writing email, writing letters, surfing the Web, playing games, etc. is distracting for others, not conducive to your own learning, and violates Ivey's norms. To respect the intellectual property and integrity of materials presented in class, phones, cameras and any other recording devices are not to be used in the classroom.

Detailed note-taking during class can often be distracting for others and counterproductive to your own learning. Instead, try to be selective in taking notes during class. It is a good idea to consolidate what you have learned at the end of each class or at the end of the day.

Attendance

Attendance at all classes in this course is expected; however, circumstances may arise which make it impossible for you to attend. For example, if you are unable to attend a class due to health-related reasons, you are expected to **notify your academic counsellor**. Under University regulations, your instructor can determine at what point absenteeism has become excessive and thus can prevent you from passing the course. Business 2257 will adhere to the following ruling as stated in Western's Academic Calendar:

Any student who, in the opinion of the instructor, is absent too frequently from class or laboratory periods in any course, will be reported to the dean (after due warning has been given). On the recommendation of the department concerned, and with the permission of the dean, the student will be debarred from taking the regular examination in the course.

¹ The course casebook and handouts are protected under copyright law and are considered mandatory fees by UWO Senate and the Board of Governors.

Appointments

If you wish to meet with your instructor, you can approach your instructor after class, sign up for help during the instructor's designated weekly office hours, or send an email to set up a mutually convenient time. Instructors' office locations, e-mail addresses, telephone number and office hours can be found on the Business 2257 OWL site.

Pre-Business Policy for Tests and Examinations

Once students have written a test or examination they are committed to the mark earned.

For UWO Policy on Accommodation for Medical Illness see:

www.uwo.ca/univsec/pdf/academic_policies/appeals/accommodation_illness.pdf.

Students seeking academic accommodation for any missed tests, exams, participation components and/or assignments worth 10% or more of their final grade must apply to the Academic Counselling office of their home Faculty and provide documentation. Please alert your instructor that you have followed this procedure. Academic accommodation cannot be granted by your instructor or the Pre-Business department.

A student who is unable to write examinations and/or term tests on a Sabbath or holy day shall give notice of this fact in writing to his or her dean as early as possible, but not later than March 1 for final examinations, (i.e., approximately two weeks after the posting the final examination schedule). In the case of midterm tests, such notification is to be given in writing to the instructor within 48 hours of the announcement of the date of the midterm test. It is mandatory that students seeking accommodations under this policy give notification before the deadlines.

The only electronic equipment allowed during tests and examinations is a standard electronic calculator.

Scholastic Offences, Plagiarism and Collusion

Every student enrolled in Business 2257 is expected to comply with Ivey's Student Code of Professional Conduct. A copy of this code is available on the OWL site. Each student is required to read and electronically sign this code on OWL.

Scholastic offences are taken seriously and students are directed to read the appropriate policy, specifically, the definition of what constitutes a scholastic offence, at the following website:

https://www.uwo.ca/univsec/pdf/academic_policies/appeals/scholastic_discipline_undergrad.pdf

Students must write their essays and assignments (this includes case exams and reports) in their own words. Whenever students take an idea, or a passage from another author, they must acknowledge their debt both by using quotation marks where appropriate and by proper referencing such as footnotes or citations. Plagiarism is a major academic offence (see Scholastic Offense Policy in the Western Academic Calendar).

Collusion is collaboration with another person in the preparation of editing of notes, themes, reports, or other written work offered for credit unless such collaboration is specifically approved in advance by the instructor. Examples of collusion include extensive use of another's ideas for preparing a creative assignment and undue assistance in the preparation or editing of written materials. Collusion is viewed as being similar to plagiarism and is a major academic offence.

All required papers (including case exams and reports) may be subject to submission for textual similarity review to the commercial plagiarism detection software under license to Western for the detection of plagiarism. All papers submitted will be included as source documents in the reference database for the purpose of detecting plagiarism of papers subsequently submitted to the system. Use of the service is subject to the licensing agreement, currently between the Western and Turnitin.com.

Evaluation

Testing will be based on all readings, assignments, and class material. Not all material that the student is expected to understand will be explicitly covered in class. Students are evaluated through a series of written tests, written reports and daily classroom contributions. Most of the evaluation is based upon written tests and a final examination, which assess students' analytical capabilities and grasp of the concepts taught in the course. Specifically, the following weightings of the requirements are as follows:

Midterm Test	October 21, 2017 at 9:00 a.m.	20%
Midyear Test	(within December examination period)	25%
Feasibility Study*	February 14, 2018 at 3:00 p.m.	20%
Final Examination	(within final examination period)	25%
Class Contribution†		<u>10%</u>
Total		100%

**Ten marks (of 100) of the written report mark will be deducted for the first 24 hours during which the report is late. Ten marks (of 100) of the written report mark will be deducted for the second 24 hours during which the report is late. The weekend following the due date will constitute one 24-hour period resulting in an additional penalty of 10 marks (of 100) of the written report mark. Those late reports handed in on the Monday must be submitted during administrative office hours (9:00 a.m. to 3:00 p.m.). Reports will not be accepted between Friday at 3:00 p.m. and Monday at 9:00 a.m.; therefore, any report submitted by 3:00 p.m. Friday will be reduced by 20 points of 100 and those submitted any time after 3:00 p.m. Friday and before 3:00 p.m. Monday will be reduced a total of 30 points of 100. There are no exceptions. Plan to hand in the report early; there is no penalty for being early. Reports exceeding the page limit or which are not formatted as described in "The Feasibility Study" (see First Term Casebook)" will be subject to a penalty of 10 marks (of 100) of the written report mark. Specifically, a 10% penalty of the report's worth will be applied if the word count is exceeded and a 10% penalty of the report's worth will be applied if the number of exhibits is exceeded as specified in this same document. Additionally, any violation of the rules stated in the document "The Feasibility Study" will be subject to penalty. Students should consult their instructors if they have any doubts regarding penalties.*

If it is brought to the attention of an instructor that a student has not contributed sufficiently to the feasibility project, the student may receive a grade penalty. This grade penalty will be at the discretion of the instructor and may be based on feedback received from other group members or from a peer evaluation form.

Each group must have a minimum of four group members speak during the class presentation. Students who are absent without documentation for the feasibility study in-class presentation will receive a mark of "0" on the presentation portion of the feasibility study.

Students may not pay any person or tutorial service, workshop or other organization for assistance or advice in researching or writing the feasibility study report.

†Contribution by each and every student is the cornerstone of any effective case method learning experience. Active class involvement augments the learning experience, increases assimilation of material and stimulates the level of class discussion. Students' contributions to this course are initiated through thorough class preparation. Cases should be analyzed, related to readings, lectures and experience. Contribution is expected to be relevant to the current discussion and includes answering questions, volunteering answers, advancing the discussion to a new issue, developing one side of an argument, clarifying difficult concepts and asking questions pertinent to the topic. Students should be prepared to start the class, lead the discussion, develop agendas and suggest topics of importance. Just as important is listening attentively to your classmates and critiquing ideas constructively.

All components of evaluation (exams and the feasibility study as noted above) must be completed for students to be eligible for a passing grade in the course. Students must pass at least one of the following individual timed testing points to be eligible to receive a passing grade: midterm test, midyear test, or final examination. There will be no re-weighting of components within the course.

UNIVERSITY RESOURCES

The website for the Office of the Registrar is www.registrar.uwo.ca/. Students may also wish to contact Student

Development Centre at www.sdc.uwo.ca/ and/or Student Support Services at <http://westernusc.ca/services/>. Students who are in emotional/mental distress should refer to Mental Health@Western <http://www.uwo.ca/uwocom/mentalhealth/> for a complete list of options about how to obtain help.

CONTACTS

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