



IVEY

Business
Foundations

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.

LEARNING OUTCOMES

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*, Custom Text for Business 2257. A Wiley Canadian Custom Publication for Western University. ISBN: 9781119299820.
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.

Attendance

Attendance at all classes in this course is required. There is no way to “make up” for a missed class.

Under University regulations, your instructor can determine at which point absenteeism has become excessive and thus can prevent you from passing the course. At the discretion of individual instructors, any student who misses more than 25 per cent of scheduled classes will receive a class contribution grade of 0 out of 10 for the course. If absenteeism has exceeded 25 per cent of scheduled classes, your absences will be reported to the Dean's Designate, one of the Business Foundations Program Directors, after due warning has been given. You may not be eligible to write the final exam/report. This UWO policy is outlined at:

https://www.uwo.ca/univsec/pdf/academic_policies/exam/attendance.pdf

Allowable Absences

Ivey recognizes that students may experience unexpected life events that can make it challenging to attend class. For such events, students will be given two allowable class absences during the course (no documentation required). To

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

ensure consistency for every student, the two lowest contribution classes will be removed in calculating final contribution grades.

Self-Reported Absences

On rare occasion, serious circumstances may arise which could make it impossible for you to attend. Students who experience an illness, injury or extenuating circumstance (48 hours or less) that is sufficiently severe to temporarily render them unable to meet academic requirements (e.g., attending class) should self-declare using the University's **online Self-Reported Absence portal**. This option should be used in situations where the student expects to resume academic responsibilities within 48 hours or less.

Conditions for self-reporting of medical or extenuating circumstances as well as the full policy can be found at: https://www.uwo.ca/univsec/pdf/academic_policies/appeals/Academic_Consideration_for_absences.pdf. Please read this policy in full.

When conditions for self-reporting are not met (e.g., prolonged absence beyond 48 hours, self-reporting limits exceeded), it is necessary for students to go to academic counselling.

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: <https://owl.uwo.ca>.

Business Foundations Policy for Tests and Examinations

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

Students who experience an extenuating circumstance (illness, injury, or other extenuating circumstance) sufficiently significant to temporarily render them unable to meet academic requirements may submit a request for academic consideration. See pages 2 and 3 of

https://www.uwo.ca/univsec/pdf/academic_policies/appeals/Academic_Consideration_for_absences.pdf for specifics on circumstances appropriate for academic consideration and how to report them.

Academic accommodation cannot be granted by your instructor or the Business Foundations department.

Students ***must communicate with their instructors no later than 24 hours*** after the end of the period covered by either the self-reported absence or Student Medical Certificate, or immediately upon their return following a documented absence.

Self-reporting Absence from Tests or Examinations

- Self-reported absences will not be allowed for scheduled final examinations or for midterm examinations scheduled during the December examination period.
- Self-reporting may not be used for assessments (e.g. midterm exams, tests, reports, presentations, or essays) worth more than 30% of any given course.
- Students must be in touch with their instructors no later than 24 hours after the end of the period covered by the Self-Reported Absence form, to clarify how they will be expected to fulfil the academic expectations they may have missed during the absence.

Academic Consideration for a Medical Absence

Students seeking academic consideration for a medical absence not covered by existing Student Accessibility Services (SAS) accommodation, will be required to provide documentation to their academic counsellor in person in the form of a completed, signed Student Medical Certificate (SMC) where the conditions for a Self-Reported Absence have not been met, including where the student has exceeded the maximum number of permissible Self-Reported Absences.

Academic Consideration for a Non-Medical Absence

Students seeking academic consideration for a non-medical absence will be required to provide appropriate documentation where the conditions for a Self-Reported Absence have not been met, including where the student has exceeded the maximum number of permissible Self-Reported Absences.

See pages 4 and 5 of

https://www.uwo.ca/univsec/pdf/academic_policies/appeals/Academic_Consideration_for_absences.pdf for conditions in place for students seeking either medical or non-medical academic consideration.

Electronic Equipment

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 the University for the detection of plagiarism. All papers submitted for such checking 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 University of Western Ontario and Turnitin.com (<http://www.turnitin.com>).

Students may not pay for consultation or advice in the preparation of any class submissions.

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 19, 2019 at 9:00 a.m.	20%
Midyear Test	(within December examination period)	25%
Feasibility Study*	February 12, 2020 at 3:00 p.m.	20%
Final Examination	(within final examination period)	25%
Class Contribution†		10%
Research Participation**	Completed by April 3, 2020	—
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.

***Progression requirement.*

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.

Research Participation

In addition to the tests, group report and final exam, there is a research participation requirement, as follows: Business 2257 students are required to participate in **one** research credit hour at the Ivey Behavioural Research Lab.

This research participation requirement is intended to provide students with firsthand knowledge of how business research is conducted. By participating in studies, students will gain insight into one of the most important ways we learn about topics related to marketing, organizational behavior, entrepreneurship, etc. For example, research might be conducted to find out how you respond to advertising or how you negotiate in the workplace. The generous help of past students has contributed to the reputation of the Ivey Business School as an important source of business research in Canada.

To organize these research studies, we use a subscription to the online booking system called SONA and you will be sent information about how to sign in to the system and receive your unique anonymous SONA ID code when the term starts. You'll be asked to produce this SONA ID at every study you attend so it's a good idea to have it on hand when you show up to your appointment (e.g., a screen shot on your mobile phone). The SONA system is online here: <https://uwostudent.sona-systems.com>. Mass emails are sent out from SONA when new studies and times are added but you are also advised to check the SONA website regularly for newly available spots. If you are not receiving these emails please check your junk or spam folder.

A research credit is a commitment of 60 minutes of your time. Studies are either half credit (0.5 credit requiring 30 minutes at most) or full credit (1.0 credit requiring between 30 and 60 minutes). All information about what is involved in a study, including if a study is 0.5 credit or 1.0 credit, will be in the advertisement on SONA. **Research credits must be completed by April 3, 2020.** The Ivey Behavioural Research Lab is open for students credits from September 9, 2019 to April 3, 2020 and is open whenever classes are in session with studies typically running between 9am and 5pm. If you do not wish to participate in studies, you may complete an essay to fulfill the research participation requirement of your course. More details to follow below.

If you sign up for a study and then decide not to participate, please remove your signup, so that your fellow classmates are not prevented from participating. If you cannot do this within 12 hours of your appointment, please contact behavlab@ivey.ca directly to ask to cancel but this must be done **before** the assigned time or you will be marked as a "no-show" in the SONA system. Please be aware that studies begin on time and being even a minute late to arrive can result in being no-showed in the SONA system. **Failure to show up for two appointments (including not arriving on time) will cause your account to be frozen for three weeks, during which you will not be able to sign up for any studies.**

The Ivey Behavioural Research Lab is located on the lower level of the Ivey Business School (Rooms are 0388, 0348, and 0349). Specific room numbers are given for each study listed on SONA. Directions to the lab are found online here:

<https://www.ivey.uwo.ca/behaviourallab/the-lab/directions-to-the-lab/>

If you choose not to participate in the research studies, you can fulfill this requirement by writing a review essay of three pages minimum to five pages maximum, double spaced, font size 12, no more than a 1 inch margin, no figures or tables, on an article you choose from a management journal, such as *Harvard Business Review* or *MIT/Sloan Management Review*. A review essay includes a brief synopsis of the article and then your own thoughts and critique of the article content. These journals are available online at www.lib.uwo.ca through the library catalogue. It is **your responsibility** to locate these journals. If you choose this option, the review essay must be completed and submitted by 4 p.m. on April 9, 2020, via email to behavlab@ivey.ca. Review essays will **not** be accepted after April 9, 2020, under any circumstances. The choice of management journal and article is up to you. For example, the topic of your research essay may be structured as a review and/or critique of the article. The details for the research essay are flexible and at your discretion, since each article chosen by a student may be substantially different and, therefore, benefit from a different and more tailored essay topic. It is up to you to determine the topic based on the article you choose. **Please include your name and SONA ID on the essay and include the article in the email sent to the lab for credit.**

Research participation in one credit hour is a mandatory progression requirement of Business 2257. Failure to complete one credit hour or one review essay will make you ineligible to complete the course.

Please note that the Ivey Business School also maintains a Paid Pool (using a separate SONA) which is different than the Student Credit Pool. Students may join the Paid Pool if they wish but will not be permitted to join until after they've completed their research credits.

The research participation requirement (including all review essays) is coordinated by the Research Officer, Dr. Karen Hussey, at the Ivey Business School, behavlab@ivey.ca, 519-661-2111, extension 83571. Dr. Hussey is to be contacted on all questions about the research participation requirement.

For more information and FAQs about the Ivey Behavioural Research Lab please visit <https://www.ivey.uwo.ca/behaviourallab/for-participants/student-credit-pool/>

UNIVERSITY RESOURCES

The websites for Registrarial Services (<http://www.registrar.uwo.ca>), and the same for affiliated university colleges when appropriate, and any appropriate Student Support Services (including the services provided by the USC listed here: <http://westernusc.ca/services>) and the Student Development Services, should be provided for easy access.

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.

Additional crisis support can be found at <https://www.uwo.ca/health/crisis.html>.

CONTACTS

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