

# ACCOUNTING (ACCT)

## ACCT 0001 Introduction to Income Tax Preparation and United States Fiscal Policy

This course includes an academic component and a community service component. The academic component of the course will focus on several areas: 1) Statutory tax system. Students will learn about the tax system as it relates to individuals and sole proprietors. The VITA training covers general tax preparation, with a specific focus on tax credits available to VITA-eligible taxpayers and the use of VITA software. 2) Social policy debate. Tax policy, including deductions, subsidies, and credits, are one tool that lawmakers can use to get more cash in the hands of individuals and families, especially for low-income groups. Students will consider the effectiveness and usefulness of tax policies relative to other tools that the government has available. 3) Working with people. Volunteering with VITA requires students to work with people from a low-income community on the sensitive issue of personal finances. Students will learn to discuss sensitive financial issues with lower-income adults (including many seniors) through readings and in-class discussions, and by reflecting on their real-life experiences in the local community. This skill is important in a variety of roles such as healthcare (physicians and nurses), business (e.g., the HR function), and education. The community service component of the course is volunteering with VITA, which is the IRS's "Volunteer Income Tax Assistance" program. Following training, students will perform tax services for the Philadelphia community during the 20XX tax season.

0.5 Course Units

## ACCT 1010 Accounting and Financial Reporting

This course is an introduction to the basic concepts and standards underlying financial accounting systems. Several important concepts will be studied in detail, including: revenue recognition, inventory, long-lived assets, present value, and long term liabilities. The course emphasizes the construction of the basic financial accounting statements - the income statement, balance sheet, and cash flow statement - as well as their interpretation.

Fall or Spring

1 Course Unit

## ACCT 1020 Strategic Cost Analysis

Strategic Cost Analysis is the process of analyzing and managing costs in order to improve the strategic position of the business. This goal can be accomplished by having a thorough understanding of which activities and costs support an organization's strategic position and which activities and costs either weaken it or have no impact. Subsequent cost management efforts can then focus on reducing or limiting expenditures on activities that add little or no strategic value, while increasing expenditures on activities that support the strategic position of the organization. Performance can then be evaluated to ensure that the chosen actions are taken, and that these actions are yielding improved strategic performance. Throughout the course, a strategic cost analysis and management framework will be applied across functions and organizations to highlight the cost analysis and performance evaluation methods available to forecast financial performance and improve strategic position.

Fall, Spring, and Summer Terms

1 Course Unit

## ACCT 2110 Tax Policy and Practice in the Philadelphia Community

The academic component of the course will focus on several areas:

(1) The Color of Money: Black Banks and the Racial Wealth Gap. Students will read this book throughout the semester to support their understanding of the community that they will be serving. (2) Statutory tax system. Students will learn about the tax system as it relates to individuals and sole proprietors. The VITA training covers general tax preparation, with a specific focus on tax credits available to VITA-eligible taxpayers and the use of VITA software. In addition, one session of the course will include a guest lecture/discussion. It will focus on statutory tax issues related to organizational form choice for self-employed and gig economy workers, which is an important statutory issue in low-income communities. (3) Social policy debate. Tax policy, including deductions, subsidies and credits, are one tool that lawmakers can use to get more cash in the hands of individuals and families, especially for low-income groups. Students will consider the effectiveness and usefulness of tax policies relative to other tools that the government has available. There are three guest lecturers for the sessions on tax policy. (4) Working with people. Volunteering with VITA requires students to work with people from a low-income community on the sensitive issue of personal finances. Students will learn to discuss sensitive financial issues with lower-income adults (including many seniors) through readings and in-class discussions, and by reflecting on their real-life experiences in the local community. This skill is important in a variety of roles such as healthcare (physicians and nurses), business (e.g., the HR function), and education. The community service part of the course is volunteering with VITA, which is the IRS's "Volunteer Income Tax Assistance" program.

Following training, students will perform tax services for the West Philadelphia community during the tax season. The course will meet once a week in three-hour sessions for 8-9 weeks during the Spring semester. Students are expected to be in the field performing service throughout a significant portion of the semester. As described on the IRS website, the VITA program has operated for over 50 years. Volunteers offer free tax help to people who need assistance in preparing their own tax returns, including: • People who generally make \$58,000 or less • Persons with disabilities; and • Limited English-speaking taxpayers.

Spring

Also Offered As: BEPP 2110

1 Course Unit

## ACCT 2120 Financial Measurement and Disclosure

This course builds on the knowledge you obtained in your introductory financial accounting course. This is an intermediate level course on financial reporting which covers more complicated transactions than those found in ACCT 1010. We will cover major valuation and financial reporting topics on all three major sections of the balance sheet-assets, liabilities, and equity-along with their consequences for net income and cash flows. Case studies and illustrative examples from the financial press will be used to increase your familiarity with actual firms' financial statements and to emphasize the effect of financial accounting rules on the information presented in financial statements. After completing this course, you will have obtained many of the tools necessary to both prepare and analyze financial statements and accounting information provided by firms. You will acquire an understanding of both the "how" of accounting procedures and the underlying reasons "why" these practices are adopted. These skills are essential for pursuing a broad range of professions in accounting and finance.

Fall

Prerequisite: ACCT 1010

1 Course Unit

**ACCT 2420 Accounting and Business Analysis**

In the course, students learn how to analyze firms' financial statements and disclosures to determine how a firm's particular accounting choices reflect the underlying economics of the firm. As a result, the course strengthens students' ability to use financial statements as part of an overall assessment of the firm's strategy and valuation. The course is especially useful for anyone interested in working on the buy or sell side. The course provides both a framework for and the tools necessary to analyze financial statements. At the conceptual level, it emphasizes that preparers and users of financial statements have different objectives and incentives. At the same time, the course is applied and stresses the use of actual financial statements. For example, students learn how to detect when firms are managing earnings and/or balance sheets. It draws heavily on real business problems and uses cases to illustrate the application of the techniques and tools. If ACCT 2420 is not offered in a given year, Undergraduate students can take ACCT 7420. Please submit a permission request through Path@Penn.edu.

Fall or Spring

Mutually Exclusive: ACCT 7420

Prerequisite: ACCT 1010

1 Course Unit

**ACCT 2430 Accounting for Mergers, Acquisitions, and Complex Financial Structures**

Since ACCT 2430 will not be cross listed with ACCT 7430 in the Fall 2021 semester, students interested in ACCT 2430 will need to be permitted into ACCT 7430. All prerequisites need to be completed in order to receive a permit. Please submit a permission request through Path@Penn.edu. Undergraduate students will be notified in August regarding a permit. Also this class will follow the MBA calendar. The objective of this course is to discuss and understand the accounting that underlies merger, acquisition, and investment activities among firms that result in complex financial structures. Key topics include the purchase accounting method for acquisitions, the equity method for investments, the preparation and interpretation of consolidated financial statements, tax implications of mergers and acquisitions, earnings-per-share considerations, the accounting implications of intercompany transactions and non-domestic investments, etc.

Fall or Spring

Mutually Exclusive: ACCT 7430

Prerequisite: ACCT 1010 AND (ACCT 2120 OR ACCT 2420)

1 Course Unit

**ACCT 2640 Climate and Financial Markets**

Climate change might be the defining challenge of our times, with a wide range of effects on financial markets and the broader economy. At the same time, financial markets play an important role in financing the transition to a net-zero economy, and incentivizing firms and investors to adapt their strategies. In this course, we examine how climate risks—both physical and regulatory—affect firms, financial markets (including equity, corporate debt, green bonds, municipal bonds, insurance, and carbon markets), and markets for energy, real estate and mortgages. We also examine the role that firms' disclosures and third-party information sources play. Because financial markets are shaped by the information that is available to market participants, we investigate the impact of ESG reporting and rating agencies, including the costs and benefits of regulating ESG reporting and the impact of greenwashing. In the second part of the course, we study how governments and private investors finance investments in climate technologies. Here, we discuss various financial instruments that have been developed to address climate-change concerns. Given the enormous importance of electrification as a pathway towards a low-carbon future, there is special emphasis on renewable energy finance and economics. We also discuss the latest evidence of how climate risk has shaped decisions inside organizations, such as spin-offs, hedging, and the structure of executive-compensation contracts.

Spring

Also Offered As: BEPP 2640

Mutually Exclusive: BEPP 7640

Prerequisite: ACCT 1010 AND BEPP 2500

0.5-1 Course Unit

**ACCT 2700 Forensic Analytics**

Recent trends in Big Data and predictive analytics are revolutionizing the way stakeholders analyze financial data. This course teaches students the hands-on skills necessary to manipulate large-scale financial databases and build predictive models useful for strategic and investment decisions. The course will cover three applications of predictive analytics: (i) forecasting future earnings, (ii) predicting accounting fraud, and (iii) detecting insider trading. The course will draw on cutting-edge academic research in each area; introduce students to the basic SQL coding skills necessary to manipulate Big Data and conduct meaningful analyses; and leverage the datasets and computing power of Wharton Research Data Services. The course is organized as a hybrid of a traditional seminar course and a computer science course. The first few classes of each unit will cover the conceptual material and source material related to each topic. The later classes in each unit will cover the technical material and programming skills needed to manipulate the respective datasets, estimate predication models, and back test algorithms.

Spring

Prerequisite: ACCT 1010 AND STAT 1020

1 Course Unit

**ACCT 2900 Accounting for Entrepreneurs**

This course covers the financial, managerial, and tax accounting issues and tools relevant to private, entrepreneurial companies as they progress from the earliest stages of the business through to the company's exit, typically through a strategic buyer, a private equity firm, or via an IPO. Topics include the choice of organizational form; the development of the initial accounting infrastructure; the accounting issues that are frequently faced by entrepreneurs such as accounting for intangible assets, employee compensation, revenue recognition, and financing; the development of management and internal control systems; the establishment of monthly and yearly budgeting, financial forecasting, and cash management processes; and the accounting information required for fundraising and going public. The class is designed for students who intend to own, work for, or invest in entrepreneurial companies.

Spring

Mutually Exclusive: ACCT 7900

Prerequisite: ACCT 1010 AND ACCT 1020

1 Course Unit

**ACCT 2970 Taxes and Business Strategy**

The objective of this course is to develop a framework for understanding how taxes affect business decisions. The key themes of the framework - all parties, all taxes and all costs - are applied to decision contexts such as investments, compensation, organizational form, and mergers and acquisitions. The ultimate goal is to provide a new approach to thinking about taxes that will be valuable even as laws and governments change. If ACCT 2970 is not offered in a given year, Undergraduate students interested in ACCT 2970 will need to submit a permission request through Path. Please submit your request in Acct 7970. All prerequisites need to be completed in order to receive a permit. Also this class will follow the MBA calendar.

Spring

Also Offered As: FNCE 2970

Prerequisite: ACCT 1010 AND FNCE 1010

1 Course Unit

**ACCT 3990 Independent Study**

Intensive reading and study with some research under the direction of a faculty member. Approval from one of the departmental advisers must be obtained before registration. Also a 3.4 average in major related subjects required.

Fall or Spring

0.5-1 Course Unit

**ACCT 6110 Fundamentals of Financial Accounting**

The objective of this course is to provide an understanding of financial accounting fundamentals for prospective consumers of corporate financial information, such as managers, stockholders, financial analysts, and creditors. The course focuses on understanding how economic events like corporate investments, financing transactions and operating activities are recorded in the three main financial statements (i.e., the income statement, balance sheet, and statement of cash flows). Along the way, students will develop the technical skills needed to analyze corporate financial statements and disclosures for use in financial analysis, and to interpret how accounting standards and managerial incentives affect the financial reporting process. This course is recommended for students who want a more in-depth overview of the financial accounting required for understanding firm performance and potential future risks through analysis of reported financial information, such as students intending to go into security analysis and investment banking.

Fall or Spring

1 Course Unit

**ACCT 6130 Fundamentals of Financial and Managerial Accounting**

This course provides an introduction to both financial and managerial accounting, and emphasizes the analysis and evaluation of accounting information as part of the managerial processes of planning, decision-making, and control. A large aspect of the course covers the fundamentals of financial accounting. The objective is to provide a basic overview of financial accounting, including basic accounting concepts and principles, as well as the structure of the income statement, balance sheet, and statement of cash flows. The course also introduces elements of managerial accounting and emphasizes the development and use of accounting information for internal decisions. Topics include cost behavior and analysis, product and service costing, and relevant costs for internal decision-making. This course is recommended for students who will be using accounting information for managing manufacturing and service operations, controlling costs, and making strategic decisions, as well as those going into general consulting or thinking of starting their own businesses.

Fall or Spring

1 Course Unit

**ACCT 7060 Cost Management**

This course focuses on ways to improve cost efficiency without compromising quality or growth. Whether an organization is seeking to make immediate cost cuts, better position the business for future growth, or both, it needs the right mix of intelligent cost optimization measures tailored to its unique business needs. This strategic approach to cost management goes beyond cost cutting and instead emphasizes new value creation and continuous cost improvement. This course covers the key factors and methods involved in choosing and analyzing cost structures, and the cost management practices that can be strategically applied across the various functions of a business organization to analyze and forecast costs and to improve organizational performance. The course emphasizes the methods available to measure and evaluate costs for planning, forecasting, and decision-making. The material is designed for managers and consultants who will be involved in implementing cost management activities, as well as analysts, investors, and strategic planners involved in competitive cost analysis and financial forecasting.

Spring

Prerequisite: ACCT 6110 OR ACCT 6130

0.5 Course Units

**ACCT 7420 Financial Reporting and Business Analysis**

This intensive one-semester course focuses on how to extract and interpret information in financial statements. The course adopts a user perspective of accounting by illustrating several specific accounting issues in a decision context.

Fall or Spring

Mutually Exclusive: ACCT 2420

Prerequisite: ACCT 6110 OR ACCT 6130

0.5-1 Course Unit

**ACCT 7430 Accounting for Mergers, Acquisitions and Complex Financial Structures**

This class studies how complex financial structures account for their activities. Primary emphasis is on the application of purchase accounting for mergers and acquisitions, the equity method for investments, and preparing and interpreting consolidated financial statements. Other topics covered include translations and remeasurements for nondomestic investments, and earnings per share calculations for complex financial structures. Tax considerations and acquisition strategies are of only peripheral interest in this class, and students who are concerned primarily with those topics are advised to seek a different elective.

Fall

Mutually Exclusive: ACCT 2430

Prerequisite: ACCT 6110 OR ACCT 6130

1 Course Unit

**ACCT 7470 Financial Disclosure Analytics**

This course focuses on the analysis of financial communications between corporate managers and outsiders, including the required financial statements, voluntary disclosures, and interactions with investors, analysts, and the media. The course draws on the findings of recent academic research to discuss a number of techniques that outsiders can use to detect potential bias or aggressiveness in financial reporting. FORMAT: Case discussions and lectures. Comprehensive final exam, group project, case write-ups, and class participation.

Fall or Spring

Mutually Exclusive: ACCT 7471

Prerequisite: ACCT 6110 OR ACCT 6130

0.5-1 Course Unit

**ACCT 7471 Financial Disclosure Analytics**

This course focuses on the analysis of financial communications between corporate managers and outsiders, including the required financial statements, voluntary disclosures, and interactions with investors, analysts, and the media. The course draws on the findings of recent academic research to discuss a number of techniques that outsiders can use to detect potential bias or aggressiveness in financial reporting. FORMAT: Case discussions and lectures. Comprehensive final exam, group project, case write-ups, and class participation. This course is for Wharton Executive MBA students only.

Fall or Spring

Mutually Exclusive: ACCT 7470

Prerequisite: ACCT 6110 OR ACCT 6130

0.5-1 Course Unit

**ACCT 7640 Climate and Financial Markets**

Climate change might be the defining challenge of our times, with a wide range of effects on financial markets and the broader economy. At the same time, financial markets play an important role in financing the transition to a net-zero economy, and incentivizing firms and investors to adapt their strategies. In this course, we examine how climate risks—both physical and regulatory—affect firms, financial markets (including equity, corporate debt, green bonds, municipal bonds, insurance, and carbon markets), and markets for energy, real estate and mortgages. We also examine the role that firms' disclosures and third-party information sources play. Because financial markets are shaped by the information that is available to market participants, we investigate the impact of ESG reporting and rating agencies, including the costs and benefits of regulating ESG reporting and the impact of greenwashing. In the second part of the course, we study how governments and private investors finance investments in climate technologies. Here, we discuss various financial instruments that have been developed to address climate-change concerns. Given the enormous importance of electrification as a pathway towards a low-carbon future, there is special emphasis on renewable energy finance and economics. We also discuss the latest evidence of how climate risk has shaped decisions inside organizations, such as spin-offs, hedging, and the structure of executive-compensation contracts.

Spring

Also Offered As: BEPP 7640

Mutually Exclusive: BEPP 2640

0.5-1 Course Unit

**ACCT 7900 Accounting for Entrepreneurs**

This course covers the financial, managerial, and tax accounting issues and tools relevant to private, entrepreneurial companies as they progress from the earliest stages of the business through to the company's exit, typically through a strategic buyer, a private equity firm, or via an IPO. Topics include the choice of organizational form; the development of the initial accounting infrastructure; the accounting issues that are frequently faced by entrepreneurs such as accounting for intangible assets, employee compensation, revenue recognition, and financing; the development of management and internal control systems; the establishment of monthly and yearly budgeting, financial forecasting, and cash management processes; and the accounting information required for fundraising and going public. The class is designed for students who intend to own, work for, or invest in entrepreneurial companies.

Spring

Mutually Exclusive: ACCT 2900

Prerequisite: ACCT 6110 OR ACCT 6130

1 Course Unit

**ACCT 7970 Taxes and Business Strategy**

The objective of this course is to develop a framework for understanding how taxes affect business decisions. Traditional finance and strategy courses do not consider the role of taxes. Similarly, traditional tax courses often ignore the richness of the decision context in which tax factors operate. The key themes of the framework - all parties, all taxes and all costs - are applied to decision contexts such as investments, compensation, organizational form, regulated industries, financial instruments, tax-sheltered investments, mergers and acquisitions, multinational, and multistate. The ultimate goal is to provide a new approach to thinking about taxes (and all forms of government intervention) that will be valuable even as laws and governments change.

Spring

Also Offered As: FNCE 7970

Prerequisite: (ACCT 6110 OR ACCT 6130) AND FNCE 6110

0.5-1 Course Unit

**ACCT 9300 Empirical Design in Accounting Research**

This is an empirical research design course covering topics related to empirical methodology, causal inference, econometric analysis, and panel data approaches. At least one graduate level course in econometrics is recommended.

1 Course Unit

**ACCT 9400 Research in Accounting I**

This is Part I of a theoretical and empirical literature survey course covering topics that include corporate disclosure, cost of capital, incentives, compensation, governance, financial intermediation, financial reporting, tax, agency theory, cost accounting, capital structure, international financial reporting, analysts, and market efficiency.

Fall

1 Course Unit

**ACCT 9410 Research in Accounting II**

This is Part II of a theoretical and empirical literature survey sequence covering topics that include corporate disclosure, cost of capital, incentives, compensation, governance, financial intermediation, financial reporting, tax, agency theory, cost accounting, capital structure, international financial reporting, analysts, and market efficiency. Please contact the accounting doctoral coordinator for information on the specific upcoming modules/topics that will be taught.

Spring

1 Course Unit

**ACCT 9420 Research in Accounting III**

This is Part III of a theoretical and empirical literature survey sequence covering topics that include corporate disclosure, cost of capital, incentives, compensation, governance, financial intermediation, financial reporting, tax, agency theory, cost accounting, capital structure, international financial reporting, analysts, and market efficiency. Please contact the accounting doctoral coordinator for information on the specific upcoming modules/topics that will be taught.

Spring

1 Course Unit

**ACCT 9430 Research in Accounting IV**

This is Part IV of a theoretical and empirical literature survey sequence covering topics that include corporate disclosure, cost of capital, incentives, compensation, governance, financial intermediation, financial reporting, tax, agency theory, cost accounting, capital structure, international financial reporting, analysts, and market efficiency. Please contact the accounting doctoral coordinator for information on the specific upcoming modules/topics that will be taught.

1 Course Unit

**ACCT 9810 Workshop Colloquium I**

Students attend workshops in departments outside of accounting to provide student exposure to theory, research designs and methods that are being explored outside of accounting to provide breadth of exposure to foster innovative research ideas. Students are required to attend 7 non-accounting workshops over the semester and write up a referee report for 4 of those workshop papers. They are also required to write up at least one research proposal that stems from theories or research methods gleaned from one or more of the workshops attended.

0.5-1 Course Unit

**ACCT 9820 Workshop Colloquium II**

Students attend workshops in departments outside of accounting to provide student exposure to theory, research designs and methods that are being explored outside of accounting to provide breadth of exposure to foster innovative research ideas. Students are required to attend 7 non-accounting workshops over the semester and write up a referee report for 4 of those workshop papers. They are also required to write up at least one research proposal that stems from theories or research methods gleaned from one or more of the workshops attended.

0.5-1 Course Unit