

**UNIVERSITY OF PUERTO RICO  
RIO PIEDRAS CAMPUS  
COLLEGE OF BUSINESS ADMINISTRATION  
ACCOUNTING DEPARTMENT**

**SYLLABUS**

<b>COURSE TITLE:</b>	Introduction to Fundamentals of Accounting II		
<b>COURSE CODE:</b>	CONT 3106		
<b>HOURS / CREDITS:</b>	45 hours / 3 credits		
<b>PREREQUISITES, COREQUISITES, OR OTHER REQUIREMENTS:</b>	None		
<b>COURSE DESCRIPTION:</b>			
<p>Study of accounting as an information system and support function that allows decision-making in a business. It emphasizes the use of accounting information in an organization's planning and control functions. The nature of costs is discussed, as well as their definition and how they are used for different purposes. This course will be offered in the following modalities: face-to-face, hybrid, and online.</p>			
<b>LEARNING OBJECTIVES:</b>			
<p>At the end of the course, the student will:</p> <ol style="list-style-type: none"> <li>1. Describe the role of accounting in providing financial and managerial information for decision-making.</li> <li>2. Distinguish between relevant and non-relevant information in the preparation and analysis of financial reports.</li> <li>3. Use different techniques in the analysis of financial statements.</li> <li>4. Identify the strengths and limitations of the internal control system of an entity.</li> <li>5. Determine the nature and extent of cost information needed to solve problems.</li> <li>6. Use an operational budget as a planning and control instrument.</li> <li>7. Explain technical differences in managing and evaluating an entity's operation.</li> <li>8. Work with others as part of a team.</li> <li>9. Solve accounting problems using electronic spreadsheets.</li> <li>10. Analyze financial information obtained from electronic databases.</li> <li>11. Exhibit effective oral and written communication.</li> <li>12. Identify ethical principles of the accounting profession.</li> </ol>			
<b>CONTENT OUTLINE AND TIME DISTRIBUTION:</b>			
<b>Topic</b>	<b>Time Distribution</b>		
	<b>Face-to-face</b>	<b>Hybrid</b>	<b>Online</b>
<b>I. Introduction</b>	1.5 hours	1.5 hours	1.5 hours
A. Course's objectives		(face-to-face)	
B. Work plan			

C. Student evaluation			
<b>II. Financial Statements Revisited</b> A. Income Statement B. Stockholders Equity Statement C. Balance Sheet D. Cash Flow Statement <ol style="list-style-type: none"> <li>1. Purpose and importance</li> <li>2. Structure <ol style="list-style-type: none"> <li>a. Operating activities (indirect method vs direct method)</li> <li>b. Investing activities</li> <li>c. Financing activities</li> </ol> </li> <li>3. Preparation (indirect method)</li> </ol> E. Annual Report F. Notes to financial statements G. Auditor's report H. Other aspects of financial reports <ol style="list-style-type: none"> <li>1. Consolidated Financial Statements</li> <li>2. Financial Statements of not-for-profit and government entities</li> <li>3. International aspects of information disclosure</li> </ol> I. Corporate Governance	9 hours	9 hours (3 hours online and 6 hours face-to-face)	9 hours
<b>III. Short-term investments (Debt and Equity investments)</b> A. Debt investments <ol style="list-style-type: none"> <li>1. Trading securities</li> <li>2. Available for sale securities</li> <li>3. Held to maturity securities</li> </ol> B. Equity investments <ol style="list-style-type: none"> <li>1. Insignificant influence</li> <li>2. Significant influence</li> <li>3. Controlling influence</li> </ol>	1.5 hours	1.5 hours (face-to-face)	1.5 hours
<b>IV. Financial Statement Analysis</b> A. Purpose of the analysis B. Analysis techniques C. Interpretation of data D. Limitations of the analysis	4.5 hours	4.5 hours (1.5 online and 3 hours face-to-face)	4.5 hours
<b>V. Internal Control</b> A. Basic concepts of the system of internal control <ol style="list-style-type: none"> <li>1. Definition</li> </ol>	3 hours	3 hours (online)	3 hours

<ul style="list-style-type: none"> <li>2. Importance (planning and control functions) <ul style="list-style-type: none"> <li>a. Control environment</li> <li>b. Supervision</li> <li>c. Activities that promote control (protection of records and resources)</li> <li>d. Information and feedback</li> <li>e. Corrective action</li> </ul> </li> <li>3. Errors, irregularities, and fraud</li> <li>4. Importance of the attest function</li> </ul>			
<p><b>VI. Introduction to Managerial Accounting</b></p> <ul style="list-style-type: none"> <li>A. Purpose and importance of managerial accounting</li> <li>B. Differences between financial and managerial accounting</li> <li>C. New business tendencies <ul style="list-style-type: none"> <li>1. Quality</li> <li>2. Lean production</li> <li>3. Just-in-Time production</li> <li>4. Computer science and technology</li> <li>5. Globalization</li> </ul> </li> <li>D. Managerial process and decision making <ul style="list-style-type: none"> <li>1. Planning</li> <li>2. Control</li> </ul> </li> <li>E. Importance of ethics in managerial accounting <ul style="list-style-type: none"> <li>1. Code of Ethics IMA</li> </ul> </li> </ul>	1.5 hours	1.5 hours (online)	1.5 hours
<p><b>VII. Cost Categories, Flows, and Assignment</b></p> <ul style="list-style-type: none"> <li>A. Product costs vs. period costs</li> <li>B. Normal costs vs. real costs</li> <li>C. Fixed costs vs variable costs</li> <li>D. Accounting cycle of inventories of manufacturing entities</li> <li>E. Problems assigning indirect manufacturing costs</li> <li>F. Service entities (illustrate the differences in cost accounting when comparing with manufacturing entities).</li> </ul>	6 hours	6 hours (3 hours face-to-face and 3 hours online)	6 hours

G. Activity-Based Costing			
<b>VIII. Analysis of Costs in Decision Making</b> A. Cost-Volume-Profit analysis <ol style="list-style-type: none"> <li>1. Variable or fixed costs</li> <li>2. Relevant Range</li> <li>3. Contribution Margin</li> <li>4. Margin of safety</li> <li>5. Impact of taxes</li> <li>6. Break-even analysis <ol style="list-style-type: none"> <li>a. Graphic</li> <li>b. Equation</li> </ol> </li> <li>7. Sensitivity analysis (brief)</li> <li>8. Limitations of the analysis</li> </ol> B. Target Cost C. Special Orders D. Make or buy decision E. Sell or continue processing F. Importance of cost-price relationship	8 hours	8 hours (4.5 hours face-to-face and 3.5 hours online)	8 hours
<b>IX. Budgeting</b> A. Definition B. Advantages and limitations C. Types of budgets (excluding cash budget) D. Budget process (high level) E. Static versus flexible budgets (differences and uses) F. The use of budgets in the planning, control, and evaluation of the performance of an entity. G. Effects of budgeting on managerial behavior H. Budget function in the services industry	4 hours	4 hours (2 hours face-to-face and 2 hours online)	4 hours
<b>X. Performance evaluation of an organization</b> A. Quality and its costs B. Organizational levels and performance (discussed as measures of Return of Investments (ROI) and residual income (RI).	3 hours	3 hours (1.5 hours online and 1.5 hours face-to-face)	3 hours

C. Problems of decentralization as they pertain to company goals D. Balanced scorecard E. Benchmarking F. Transfer pricing			
<b>Time allocated to topics</b> <b>Time allocated to exam discussion *</b> <b>Total contact hours</b>  <b>(*) Exam discussions will be online for hybrid and online courses.</b>	42 hours <u>3 hours</u> 45 hours	42 hours <u>3 hours *</u> 45 hours  (22.5 hours face-to-face = 50% and 22.5 hours online = 50%)	42 hours <u>3 hours</u> 45 hours

**MAIN TEXTBOOK:**

Introducción a los fundamentos de Contabilidad II, Custom Edition. San Juan, P.R.: Create, McGraw-Hill. Includes access to the digital platform Connect. Access to the digital platform is a requisite of the course.

**INSTRUCTIONAL STRATEGIES**

Face-to-face	Hybrid	Online
<ul style="list-style-type: none"> <li>• Conferences</li> <li>• Optional two-hour attendance weekly laboratories of Introduction to Fundamentals of Accounting II.</li> <li>• Guided discussions: presentation of situations that generate discussion, structured or unstructured accounting problems, news articles, cases of ethical dilemmas, or professional responsibility.</li> <li>• Instruction assisted by the computer and the digital platform of the textbook.</li> <li>• Assignment that will require access to information through electronic media.</li> </ul>	<ul style="list-style-type: none"> <li>• Conferences</li> <li>• Optional two-hour attendance weekly laboratories of Introduction to Fundamentals of Accounting II.</li> <li>• Guided discussions: presentation of situations that generate discussion, structured or unstructured accounting problems, news articles, cases of ethical dilemmas, or professional responsibility.</li> <li>• Instruction assisted by the computer and the digital platform of the textbook.</li> <li>• Assignment that will require access to information through electronic media.</li> </ul>	<ul style="list-style-type: none"> <li>• Interactive instructional modules</li> <li>• Instruction assisted by the computer and the digital platform of the textbook.</li> <li>• Reading online professional articles that generate discussion of cases of ethical dilemmas, professional responsibility, or accounting treatment of a current situation.</li> <li>• Instructional videos</li> <li>• Teamwork</li> <li>• Individual assignments</li> <li>• Practical activities</li> <li>• Asynchronous and synchronous video conferencing</li> <li>• Chats or forums to stimulate discussion of course topics</li> </ul>

<ul style="list-style-type: none"> <li>• Oral or written presentation(s)</li> <li>• Application exercises</li> <li>• Discussions</li> <li>• Reading professional articles</li> <li>• Teamwork</li> </ul>	<ul style="list-style-type: none"> <li>• Oral or written presentation(s)</li> <li>• Application exercises</li> <li>• Discussions</li> <li>• Online instructional modules</li> <li>• Reading professional articles</li> <li>• Online instructional videos</li> <li>• Teamwork</li> <li>• Individual assignments</li> <li>• Asynchronous and synchronous video conferencing</li> </ul>	
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### LEARNING RESOURCES AND MINIMUM EQUIPMENT REQUIREMENTS

Resource	Face-to-face	Hybrid	Online
Account in the institutional learning platform (e.g., Moodle)	Institution	Institution	Institution
Institutional email account	Institution	Institution	Institution
Computer, tablet, or laptop with internet access and camera	Student	Student	Student
Applications or programs: word processing, spreadsheets, and presentation editor	Student	Student	Student
Speakers	Not applicable	Student	Student
Web camera or mobile device with camera and microphone	Not applicable	Student	Student
Textbook with access to the digital platform	Student	Student	Student
Website of the Accounting Department	Institution	Institution	Institution

### METHODS OF EVALUATION

Face-to-face	Hybrid	Online
Face-to-face departmental exams^.....50%	Face-to-face departmental exams^.....50%	Face-to-face departmental exams^.....50%
Other exams or quizzes...25%	Other exams or quizzes...25%	Other exams or quizzes...25%
Assignments, oral presentations, individual and group projects, and assignments using specialized programs (Excel).....25%	Assignments, oral presentations, individual and group projects, and assignments using specialized programs (Excel).....25%	Assignments, oral presentations, individual and group projects, and assignments using specialized programs (Excel).....25%

Total.....100%	Total.....100%	Total.....100%
^Departmental exams will be offered outside of class time.	^Departmental exams will be offered outside of class time.	^Departmental exams will be offered outside of class time.

**REASONABLE ACCOMMODATION**

The University of Puerto Rico complies with all state and federal laws and regulations concerning discrimination, including “*The American Disabilities Act*” (ADA Act) and Law 51 of the Commonwealth of Puerto Rico. Every student has the right to request and receive reasonable accommodation. Those students with special needs that require some type of assistance or accommodation shall explicitly communicate it directly to the professor. Students who are receiving Vocational Rehabilitation Services shall communicate that to the professor at the beginning of the semester to facilitate appropriate planning and the necessary equipment according to the Students with Disabilities Affairs Office (Oficina de Servicios a Estudiantes con Impedimentos), of the Dean of Students Office. Any other student requiring assistance or special accommodation shall also communicate directly with the professor. A request for reasonable accommodation **does not exempt** the student from complying with the academic requirements of the study programs.

**ACADEMIC INTEGRITY**

The University of Puerto Rico promotes the highest standards of academic and scientific integrity. Article 6.2 of the UPR Students General Bylaws (Board of Trustees Certification 13, 2009-2010) states:

*“that academic dishonesty includes, but is not limited to fraudulent actions; obtaining grades or academic degrees by false or fraudulent simulations; copying the whole or part of the academic work of another person; plagiarizing totally or partially the work of another person; copying all or part of another person answers to the questions of an oral or written exam by taking or getting someone else to take the exam on his/her behalf; as well as enabling and facilitating another person to perform the aforementioned behavior.”*

Any of these behaviors will be subject to disciplinary action in accordance with the disciplinary procedure laid down in the UPR Students General Bylaws.

To ensure the integrity and security of user data, all hybrid, distance, and online courses must be offered through the institutional learning management platform, which uses secure connection and authentication protocols. The system authenticates the identity of the user using the username and password assigned to their institutional account. The user is responsible for keeping his password safe, protecting, and not sharing this password with other people.

**INSTITUTIONAL POLICY AGAINST SEXUAL HARASSMENT**

The University of Puerto Rico prohibits discrimination based on sex, sexual orientation, and gender identity in any of its forms, including that of sexual harassment. According to the Institutional Policy Against Sexual Harassment at the University of Puerto Rico, Certification Num. 130, 2014-2015 from the Board of Governors, any student subjected to acts constituting sexual harassment, must turn to the Office of the Student Ombudsperson, the Office of the Dean of Students, and/or

the Coordinator of the Office of Compliance with Title IX for an orientation and/or a formal complaint.

### **ALTERNATIVE TEACHING METHODS**

Certification No. 112 (2014-2015) of the Governing Board defines a classroom course as a course in which 75% or more of the instructional hours require the physical presence of the student and the teacher in the classroom. This means that 25% of a classroom course could be offered without requiring the physical presence of the students and the teacher in the classroom. If necessary, such a course may complete up to 25% of the contact hours non-face-to-face by alternative methods, such as videoconferences, instructional modules, discussion forums, and cyber chatting among others.

### **GRADING SYSTEM**

The following grading system will be used for the final course grade:

- A: 100 – 90
- B: 89 – 80
- C: 79 – 70
- D: 69 – 60
- F: 59 - 0

### **CONTINGENCY PLAN IN CASE OF AN EMERGENCY**

In case of an emergency or interruption of classes, your professor will communicate via institutional email to coordinate the continuity of the course offering.

### **BIBLIOGRAPHY**

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- Blay, A. D., & Fennema, M. G. (2017). Are accountants made or born? An analysis of self-selection into the accounting major and performance in accounting courses and on the CPA exam. *Issues in Accounting Education*, 32(3), 33-50.
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- Caban-Garcia, M. T., Figueroa, C. B. R., & Petruska, K. A. (2017). The impact of culture on internal control weaknesses: Evidence from firms that cross-list in the US. *Journal of International Accounting Research*, 16(3), 119-145.
- Gray III, A. W. (2015). Evaluating ethics education for accounting students. *Management Accounting Quarterly*, 16(2), 16.
- Cohn, M. (2016, September 19). SEC Charges EY with Violating Audit Independence Rules amid Romantic Entanglement with Client. Retrieved from Accounting Today: <https://www.accountingtoday.com/news/sec-charges-ey-with-violating-audit-independence-rules-amid-romantic-entanglement-with-client#:~:text=Ernst%20%26%20Young%20agreed%20to%20pay,romantic%20relationship%20with%20the%20client>.
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- Fliedner, G. (2018). Lean Accounting: Current State and Future Needs Assessment. *Journal of Accounting & Finance* (2158-3625), 18(3).
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- Gerstein, M. (2014). Determining Whether an Accounting Firm Is Ethical: Certified Public Accountant. *The CPA Journal*, 84(6), 68-71.
- Mastracchio, Nicholas J., Jr, & Lively, H. M. (2013). The Effect of the Clarified Standards on Auditors' Reports: Certified Public Accountant. *The CPA Journal*, 83(3), 24-31.
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- McNeal, A., Wilder, M. (August 1, 2019). What's your fraud IQ? *Journal of Accountancy*. Retrieved from: <https://www.journalofaccountancy.com/issues/2019/aug/fraud-iq-quiz-public-records.html>

MIntz, S. (March 2020). Codifying the Fundamental Principles of ‘Professional Behavior’: Strengthening Professionalism by Enhancing Moral Conduct. *The CPA Journal*. Retrieved from: <https://www.cpajournal.com/2020/03/30/codifying-the-fundamental-principles-of-professional-behavior/>

Pineno, C. J. (2012). Simulation of the weighting of balanced scorecard metrics: including sustainability and time-driven ABC based on the product life cycle. *Management Accounting Quarterly*, 13(2), 21-21.

Stout, D. E., & Sorensen, J. E. (2015). Write right: Improving written communication skills-part one. *Management Accounting Quarterly*, 16(4), 1.

Stout, D. E., Sorensen, J. E., & Kelleher, C. (2015). Write Right: Improving Written Communication Skills-Part Two. *Management Accounting Quarterly*, 16(4), 12.

Teach, E. (June 11, 2015). Barely Working. CFO Magazine. Retrieved from <https://www.cfo.com/banking-capital-markets/2015/06/barely-working-capital/>

The Institute of Internal Auditor.et.al,. (n.d.). Managing the business risk of fraud, a practical guide. Retrieved from <https://us.aicpa.org/content/dam/aicpa/forthepublic/auditcommitteeeffectiveness/guidanceandresources/downloadabledocuments/managing-the-business-risk-of-fraud.pdf>

Thompson, J. (January 6, 2020). What Does 2020 Hold for Management Accountants? Forbes. Retrieved from <https://www.forbes.com/sites/jeffthomson/2020/01/06/what-does-2020-hold-for-management-accountants/?sh=5e4ab4a970ef>

Weirich, T. R., & Reinstein, A. (2014). The PCAOB's Proposed New Audit Report: Certified Public Accountant. *The CPA Journal*, 84(4), 24-29.

***Electronic portals complementary to the course:***

Biblioteca UPR-RP Uso de base de datos: <https://uprrp.libguides.com/az.php>

Documentos de trabajo del curso: <https://fae.uprrp.edu/contabilidad/>

Glosario de contabilidad: <https://debitoor.es/glosario>

Glosario de contabilidad: <http://www.nysscpa.org/professionalresources/accounting-terminology-guide#sthash.J0Cjjs8a.dpbs>

Market Watch: <http://www.marketwatch.com/>

Google Finance: <http://www.google.com/finance>

Yahoo Finance <http://finance.yahoo.com/>

CSI Market <http://csimarket.com/>

MSN Money <http://www.msn.com/en-us/money>

***Electronic portals of regulatory bodies:***

Security and Exchange Commission: <http://www.sec.gov/>

Public Company Accounting oversight board (PCAOB): <http://pcaobus.org/>

Financial Accounting Standards Board (FASB): <http://www.fasb.org/home>

International Financial Reporting Standards: <http://www.ifrs.org/>

Governmental Accounting Standards Board: <http://www.gasb.org/home>

***Electronic portals of professional associations related to the accounting profession:***

Puerto Rico CPA Society: <http://www.colegiocpa.com/index.php?node=5829>

The American Accounting Association: <http://aaahq.org/>

American Institute of Certified Public Accountants: <http://www.aicpa.org/>

Association of Accountants and Financial Professionals in Business (IMA):  
<http://www.imanet.org/>

Association of Certified Fraud Examiners <http://www.acfe.com/>

***Electronic portals related to the CPA exam:***

National Association of State Boards of Accountancy (NASBA CPA exam):  
<http://nasba.org/exams/cpaexam/> <http://nasba.org/exams/cpaexam/puertorico/>

***Videos related to the search and use of information:***

Presentations about the effective and efficient use of information, prepared by Biblioteca de la FAE:

<http://www.slideshare.net/caketty2922/presentations>

<http://youtube.com/user/baeupr>

North America Industry Classification System (NAICS):

<https://www.youtube.com/watch?v=fGQtpjVoRaU>

Standard Industrial Classification System and NAICS:

[https://www.youtube.com/results?search\\_query=standard+industrial+classification+system](https://www.youtube.com/results?search_query=standard+industrial+classification+system)

Ciclo de videos sobre APA: <https://www.youtube.com/watch?v=5wv0ZDiCjgc>

Estrategia de búsquedas, ¿cómo buscar eficientemente?

<https://www.youtube.com/watch?v=rVXZWVtmzyE>

APA Citation style & format: [https://www.youtube.com/watch?v=\\_fVv2Jt0o18](https://www.youtube.com/watch?v=_fVv2Jt0o18)

Citing Guide for Business Majors (APA 6th ed.):

<http://libguides.butler.edu/content.php?pid=161391&sid=1364798>

***Youtube presentations:***

Lean production: <https://www.youtube.com/watch?v=wfsRAZUonI>

Transfer pricing: <https://www.youtube.com/watch?v=Y7iNOYCA3tY>

Reviewed on July 3<sup>rd</sup>, 2023