ECON 136A
Mon & Weds 12:00-2:00pm BUCHN 1920

Instructor: Bob Anderson
Instructor Background

- UCSB Graduate of 1992
- Senior Manager, KPMG, LLP- 1993-2004
- RAFS, Inc.
- Interests
Why are we here?

Learn foundation in accounting- which is useful for?

- Getting a JOB!
- Doing your job
- CPA exam
What does 136C Cover?

- Specific topics, lots of problems/computations;
  - Revenue recognition
  - Income tax (GAAP)
  - Pensions
  - Leases
  - Accounting for changes & Errors
  - Statement of Cash Flows
Course Approach

• Mutually well prepared;
• Summer Session accelerated-BE PREPARED or get left behind
• Lectures to be an expansion of what is in the book
  – Real World
  – Interesting and Layman’s terms
  – Class involvement in discussion
  – Of Course: cover the curriculum
Administrative Matters

NOTE: All of the following is in syllabus

• Web-Page address is econ.ucsb.edu/~anderson
• No class on Weds. September 1. There will be a take-home “exam” in it’s place. It is due at the final.
• Student preparation for classes
  – Class presentations on the web for review/ printing before class
  – Quizzes and Homework will combine for 15% of your course grade, there will be one per class, except exam days.
  – Date assigned depends on pace of class. This means you HAVE TO COME TO CLASS if you are going to be able to know what is due at the next class!!
• Two drops allowed
• Grade Posting. You must provide me a release form and I will periodically post to the web
• My office: NH 3039. Hours Monday 8-9am and 2-5pm. Weds 8-9am and by appointment.
EXAMS

75% OF YOUR COURSE GRADE

• Combination of multiple choice, short answer and problem solving;

• Grade allocation (1,000 points):
  – Midterm will be worth 37.5%
  – Final (20% of exam cumulative) 37.5%
  – Quizzes & Homework 15%
  – Chapter 22 take-home 10%
JUDGMENT

JUDGMENT IS AND ALWAYS WILL BE INHERENT!!

• Landscape changing toward- rules based VS Principles based
  – Consequence:
    • Entity ability to manipulate
    • Complex and difficult to understand literature
  – Intent
    • Reduce JUDGMENT
LANDSCAPE

ENRON, GLOBAL CROSSING, ETC…= PRESSURE ON:

• Financial reporters (management)- certifications

• Auditors- SOX 404, fraud responsibilities

• SEC, FASB. Rushing to release.
KEY NOTES

• 90% OF TRANSACTIONS ARE “ROUTINE” AND CAN BE ACCURATELY REPORTED BY A STRONG “SYSTEM”
  – Internal controls

• The other 10% is where you will earn your pay and is what you read about in the papers.
  – That 10% Does, did and always will require applying JUDGMENT.

• Accounting is NOT the stereotypical “bean counter”.
  – You are choosing an interesting profession full of challenges.