PRINCIPLES OF FINANCIAL ACCOUNTING

Spring 2013
Monday and Wednesday
ACCT-UB.0001.01, 8:00-9:15am, T-LC25
ACCT-UB.0001.02, 9:30-10:45am, T-LC25

INSTRUCTOR

YIWEI DOU
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Office: KMC 10th Floor, Suite 10-77

Office Hours:
Monday 2:00-4:30pm
Wednesday 2:00-4:30pm
I will have more office hours before exams.
You can make appointments for other times.

COURSE DESCRIPTION

The course is intended for students with no previous exposure to financial accounting. The objective is to help you become intelligent readers of the financial reports of publicly-traded companies. The course focuses on the development, analysis and use of these reports, and provides an understanding of what these reports contain, what assumptions and concepts accountants use to prepare them, and why they use those assumptions and concepts. A solid understanding of the fundamentals covered in this course should enable you to do well in more advanced finance and accounting courses, as well as interview intelligently for jobs in finance and consulting.

The course begins with the basic concepts of accounting. We begin by looking at the main financial statements: balance sheet, income statement, statement of cash flows, and statement of stockholders' equity. Particular attention is paid to how these four statements relate to each other and how they provide information about the financial health of a company. We then cover specific items from the financial statements and apply tools of analysis whenever possible.

COURSE MATERIALS

Textbook: Libby, Libby and Short (LLS), *Financial Accounting, 7th Edition.* There is also an NYU Custom Edition that is fine to use. The textbook covers the basic material in the course, including background information, accounting rules and conventions. It is crucial that students

come to class prepared to discuss the scheduled topics. I will assign the pages from the textbook that I expect you to read before class.

Lecture Slides: Most lectures will use the aid of PowerPoint slides, which will be available prior to each class on Blackboard. You should print your own copies prior to class in whatever format works best for you. Any material included in the slides is fair game for exams.

Other Materials: I will be using Blackboard to post other materials such as notes and homework assignments, and to communicate with you throughout the term.

GRADING POLICY

Final grades will be determined as follows:

Homework Assignments	15%
Midterm Exam 1	15%
Midterm Exam 2	20%
Final Exam	40%
Class Participation	10%

Homework: I will give you 7 homework assignments, and you only need to submit 6 of them. If you hand in all 7 of them, the highest 6 (out of the 7) scores will be counted in your grade. You must submit a hardcopy of your completed homework at the end of class on the date due; late homework will not be accepted. I will not accept assignments in my mailbox, over the web, through e-mail etc. Solutions to homework will be posted to Blackboard.

I also hand pick textbook problems that I think are useful to practice and that reinforce basic accounting proficiency, but they will not be submitted or graded. Doing problems is the best way to learn accounting. Solutions to these problems will be posted to Blackboard.

Exams: There will be three exams, two during the semester and one during finals. All exam questions can resemble questions from homework assignments, lectures, and even textbook problems. The first two exams are tentatively scheduled for March 4th and April 15th, 2013.

Exam dates will not be rescheduled for any individual student. If you miss the first or second exam, extra weight will be added to the exam that you did take. If you miss the final exam, you will receive zero for that exam. Do not schedule any travel plans before the final exam date, which could be as late as May 21st.

Exam Re-Grading: If you believe your exam is incorrectly graded, submit the entire original copy of the complete exam to me within one week of the return of the exam. Include a memo which legibly and fully explains your contention. Exams which have been altered in any way will not be re-graded, the exam score will be changed to a zero, and the Student Disciplinary Committee will be notified. Only exams written in pen will be accepted for a re-grade.

Class Participation: This course will emphasize participatory and collaborative learning. As a result, a significant portion of your mark will be based on your verbal participation and contribution to class discussions. This mark is based on both quantity and quality of your contributions. To keep track of your participation, at the end of each class, students who participate can acquire a tick on my record book. The participation mark will be based on the number of ticks you acquire and the overall quality of your participation.

STERN POLICIES

General Behavior: The School expects that students will conduct themselves with respect and professionalism toward faculty, students, and other present in class and will follow the rules laid down by the instructor for class room behavior.

Code of Conduct: As a student at Stern, you are expected to conduct yourself as a young business professional. The Stern School does not tolerate cheating, nor does your future employer. Please know that the penalty for cheating is an automatic grade of F for the course and appearance before the Student Disciplinary Committee. I am very strict on this issue. I will do what I can to help you learn the material in this course. All I ask is that you do not cheat yourself, your fellow classmates or the Stern School. Please see www.stern.nyu.edu/uc/codeofconduct for more information.

Students with Disabilities: If you have a qualified disability and will require academic accommodation, please contact the Henry and Lucy Moses Center for Students with Disabilities (CSD) and provide me with a letter from them verifying your registration and outlining the accommodations they recommend. Please see www.nyu.edu/csd for more information. If you will need to take an exam at the CSD, you must submit a completed Exam Accommodations Form to them at least two weeks prior to the scheduled exam time to be guaranteed accommodation.

CLASS SCHEDULE

The following is a tentative schedule of classes and readings. I may make adjustments as circumstances require.

DATE	TOPICS	READINGS	HW
1/28	Introduction	Chapter 1	
1/30	Overview of Accounting and Financial Statement	Chapter 1	
2/4; 2/6	Balance Sheet and Recording the Transactions	Chapter 2	#1
2/11; 2/13	Income Statement: Cash versus Accrual Accounting	Chapter 3	
2/18	*Presidents' Day, No Class*		
2/20	Adjustments and Closing the Books	Chapter 4	#2
2/25	Misstatement, Fraud and the Hall of Shame		
2/27	Review for Midterm 1		
3/4	**Midterm Exam 1 (Chapters 1-4)**		
3/6; 3/11; 3/13	Statement of Cash Flows	Chapter 13	#3
3/18; 3/20	*Spring Break, No Class*		
3/25	Margins and EPS	Pp. 182; 284; 556	
3/27; 4/1	Liabilities	Chapter 9	#4
4/3; 4/8	Bonds	Chapter 10	
4/10	Review for Midterm 2		
4/15	**Midterm Exam 2 (Chapters 13, 9,10)**		
4/17; 4/22	Shareholder's Equity	Chapter 11	#5
4/24	Revenue, Receivables, and Cash	Chapter 6	
4/29	COGS and Inventory	Chapter 7	#6
5/1	Property, Plant, and Equipment	Chapter 8	
5/6	Financial Statement Analysis: Ratio Analysis		#7
5/8	Basic Valuation of Firms and Stocks		
5/13	Review for Final		
TBA	**Final Exam**		