

**THE LEONARD N. STERN SCHOOL OF BUSINESS
NEW YORK UNIVERSITY
EMBA-A14: FINANCIAL ACCOUNTING AND REPORTING
Fall 2014**

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1. Introduction

This introductory accounting course assumes no prior academic knowledge of accounting. The purpose of this course is to introduce you to the concepts of financial accounting and its underlying assumptions. We will discuss the uses and limitations of the financial statements. Procedural aspects of accounting will be discussed in order to enhance your understanding of the content of the financial statements. However, the emphasis of the class is on using accounting information in the evaluation of business performance and risk. This aspect will be highlighted throughout, but more so in the second part of the course (after the midterm).

2. Required Textbook

The textbook is Horngren, Sundem, Elliott & Philbrick, Introduction to Financial Accounting, 11th edition (2014, Prentice Hall, ISBN-10: 0133251039).

3. Preparation for Class Sessions

Assigned Chapters and Problems

The most effective and efficient use of classroom time teaching introductory-level financial accounting aims at reinforcing or clarifying what you have tried to learn on your own before entering the classroom. Hence, prior to each class you should read the assigned chapters and do the assigned problems listed on the syllabus. Doing problems is the best way to learn accounting and to understand how the transactions affect the financial statements. All assigned problems should be completed before coming to class, and must be *hand-written*; they will be collected at the beginning of class and returned the following class. The assignments will be graded as either zero (no credit due to insufficient effort) or one. Solutions to all problems will be available on *NYU Classes* once they are collected. The assigned problems will be used in class discussions; be prepared to answer questions regarding them in class.

Mini-Cases

The class discussions will also focus on three “mini-cases” that will be available on *NYU Classes*. These cases, which must be *hand-written*, will be collected at the beginning of class and returned the following class. This is a group project, and you should work with your assigned study group or on your own. The cases will also be graded as either zero or one. Solutions to all mini-cases will be available on *NYU Classes* once they are collected.

Articles

Various articles will be handed out during class. They provide you with the viewpoints of academicians, practitioners, business journalists, corporate managers, regulators, politicians, and stock analysts on accounting issues. Although most of the articles are not technical, to fully understand the issues they raise you need a sound understanding of the material covered in the related chapters of the text. You are responsible for the content of these articles.

4. Optional GoToTraining Review Sessions

TA's optional weekly review sessions will be given through Web-Tele-Conferencing (GoToTraining). To participate, please log in at GoToTraining under Collaboration in Sternlinks. During the GoToTraining review sessions, the TA will be reviewing important concepts discussed in class, homework assignments, the three mini-cases, and the sample exams. The review sessions are optional; no new material will be covered.

5. Learning Accounting

Experience in this course suggests the following advice:

- Classes make extensive use of homework problems assigned from the text and the mini-cases. A selection of the assignments is discussed in each class. You will learn accounting better (and will perform better on the problem-oriented exams) if you do the assigned reading and if you work on the assigned problems prior to each class. This is not an idle warning.
- Introductory Financial Accounting is not organized like a survey course. Each class builds on what you have learned in previous classes. Therefore, you must keep up to date, or you will find subsequent classes difficult.
- Introductory Financial Accounting requires a large amount of time devoted to both reading and working on problems.

6. Teaching Assistant

Name	Office Hours	E-Mail
Suma Swaminathan	By appointment	ss7733@stern.nyu.edu

7. NYU Classes

All course materials including the solutions manual, this syllabus, the two electronic progress tests, the lectures notes, the cases, and the sample exams are available through NYU Classes, a web-based course administration package. To access *NYU Classes*, please log in to <http://sternlife.stern.nyu.edu/> with your Stern netID and password, and then click on the *NYU Classes* link.

8. Grading

Examinations

There are two open-books electronic progress tests, which should be completed online through *NYU Classes* within the specific time period indicated in the class schedule. There are also two cumulative in-class examinations. You should bring a calculator to these exams; laptops are not allowed. I will not give a makeup midterm examination for any reason. If you miss the midterm examination and have a valid reason, I will base the examination portion of your course grade on the two electronic progress tests, and the final exam (see below for details). All in-class exams are closed books/notes; you may bring in one 8.5x11 sheet and write on the front, back, and edges of the sheet.

<u>Course Grade</u>	<u>Course Grade (%)</u>
Classroom Professionalism	10
Diagnostic Test 1 (Aug. 31– Sep. 2)	5
Diagnostic Test 2 (Sep. 13 – Sep. 15)	5
Weekly Problem Assignments (including mini-cases)	10
Midterm Examination (Sep. 20)	25*
Cumulative Final Examination (Nov. 7)	<u>45*</u>
	<u>100</u>

*If the final exam score exceeds that of the midterm, then the weights are 0% midterm exam and 70% final exam.

CLASS SCHEDULE			
Date	Day	Reading Assignment	Assigned Problems / Mini-Cases ¹
1. Aug. 25	Mon.	Introduction: Organizational Issues, and Introduction to Financial Accounting Chapter 1: The Balance Sheet	1-40, 1-43, 1-55
2. Aug. 27	Wed.	Chapter 2: Income and Cash Flow Statements; Accrual vs. Cash-Basis Accounting; Income Recognition	2-33, 2-52, 2-55
3. Sat., Aug. 31 st , 5pm – Mon., Sep. 2 nd , 10pm		DIAGNOSTIC TEST 1: Measuring Income Chapters 1-2 & Lecture Notes	45 min.; 15 questions.
4. Sep. 5	Fri.	Chapter 3: Recording Transactions and the Accounting Cycle	3-28, 3-39, 3-51
5. Sep. 6	Sat.	Chapter 4: The Adjustment and Closing Processes A Comprehensive Example: Preparing Financial Statements	Case: XYZ, Inc. (Available on <i>NYU Classes</i>). Sample midterm exam (Available on <i>NYU Classes</i>).
6. Sat., Sep. 13 th , 5pm – Mon., Sep. 15 th , 10pm		DIAGNOSTIC TEST 2: Recording Transactions Chapters 3-4 & Lecture Notes	45 min.; 15 questions.
7. Sep. 19	Fri.	Chapters 1-4: Communicating Financial Information Midterm Review: Chapters 1-4	Case: AOL (Available on <i>NYU Classes</i>).
8. Sep. 20	Sat.	MIDTERM EXAM (Chapters 1-4)	
9. Oct. 10	Fri.	Chapter 6: Revenue, Cash and Accounts Receivable	6-46, 6-75
10. Oct. 11	Sat.	Chapter 7: Inventory and Cost of Goods Sold	7-45, 7-58, 7-65, 7-78
11. Oct. 24	Fri.	Chapter 8: Long-Lived Assets Chapter 11: Acquisitions & Goodwill (pp. 504-9; 515-6)	8-41, 8-48, 8-60, 8-72 Case: Delta Airlines (Available on <i>NYU Classes</i>). 11-36

CLASS SCHEDULE

Date	Day	Reading Assignment	Assigned Problems / Mini-Cases ¹
12. Oct. 25	Sat.	Chapter 5: Preparing the Cash Flow Statement	5-49, 5-50, 5-56 Sample final exam (Available on <i>NYU Classes</i>).
13. Nov. 8	Fri.	FINAL EXAM (Chapters 1-8 & 11)	

¹ Assignments are due at the beginning of class on the date shown; no need to turn in sample exams.