

NEW YORK UNIVERSITY
Stern School of Business
Principles of Financial Accounting
Fall 2014

Instructor:

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Office Hours: Thursday 1 – 2pm and by appointment
Classroom: LC25
Class time: Tues/Thurs 11:00am-12:15pm

TA Information:

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Course Description:

Welcome to Principles of Financial Accounting! Accounting is the tool businesses use to measure and communicate their condition and results. By understanding accounting, not only will you be able to evaluate the current condition of a business but you will also be able to assess its likely future prospects. This course focuses on: 1) understanding the methods, rules and processes used to develop financial accounting reports; 2) preparing financial accounting reports; and 3) interpreting and analyzing financial accounting reports.

Our perspective is that of EXTERNAL users of financial information, such as investors, creditors, customers, suppliers, government regulators, and business school students. I will regularly refer to current events that show the impact of accounting in the business world and I will use The Jones Group Company as a real-world example.

A solid understanding of accounting is one of the basic building blocks of the business world. You will use the skills you learn in this class in your future Stern classes and future career.

Required Text and Material:

- Libby, Libby & Short, “Financial Accounting” 8th edition, Revised Custom Edition for NYU
- McGraw-Hill’s Connect online platform for your textbook is **required**; new textbooks include the registration code or you can purchase the code separately. Once you have the registration code, you will need this URL to register for our class: <https://connect.mheducation.com/class/a-shehata-fall-2014-tues--thurs-11am>
- The Jones Group (JG) Annual Report (provided by instructor)
- **Non-programmable calculator**
- 3-ring binder is recommended (for chapter handouts)

Grading:

Learnsmart, Participation, Preparation	5%
Homework	10%
Annual Report Project	15%
Midterm I	15%
Midterm II	20%
Final Exam	35%

At NYU Stern, we strive to create courses that challenge students intellectually and that meet the Stern standards of academic excellence. To ensure fairness and clarity of grading, the Stern faculty have adopted a grading guideline for core courses with enrollments of more than 25 students in which approximately 35% of students will receive an “A” or “A-“ grade.

Each component of your grade is discussed in detail below.

Chapter Handouts:

I will provide a handout for each chapter that will include the relevant Powerpoint slides used during lecture and the problems we will complete together in class. This handout can be used for note-taking and it will be 3-hole punched so you can easily organize them in a 3-ring binder. The final slides from each class will be posted on NYU Classes after we have finished a topic and it will include all of the solutions that we solved together in class (you will not be able to write down everything during class).

Attendance, Class Participation and Preparation:

Please read each chapter in advance of our class meeting so our class time can be spent developing a deeper understanding of the material you have already read. My lectures will focus on the more challenging concepts presented in your textbook and I will aim to present the “big picture” of how the concepts build upon each other and relate to each other. Class time will be a collaborative working session of problem-solving and interactive discussion. Additionally, I will regularly send you articles for class discussion that tie our academic material back to real world current events.

Since you will be engaged in the most difficult processing of information in class, your success depends critically on your presence in class. This is your chance to get help when you need it most from your peers and me. Please make every effort to arrive to class on time and remain for the entire class period. I would appreciate knowing if you are going to arrive to class late, and, if you are going to be late, please enter as unobtrusively as possible. If you will miss class for exceptional reasons, I would appreciate if you would notify me in advance.

I hope you will be an active participant in class. I will do everything I can to make the classroom a hospitable place where you feel comfortable expressing your ideas. I will invite you to contribute to the discussion for topics that I have given you time to prepare even when you do not volunteer. For example, when I send an article as a reading assignment or if we review an in-class problem, I may ask you to share your thoughts. A portion of your grade will be based on your overall attendance, effort, participation and preparation for class.

During class, please turn off all audible technology (i.e. phones, pocket PCs, iPod's iPad's etc.) as well as laptop computers.

LearnSmart Assignments:

After we begin a new chapter, a Learnsmart assignment will be available via Connect. You should use these assignments to familiarize yourself with the new material we will cover in class. Completing these assignments should also help you (and I) identify any topics you do not understand clearly. Learnsmart is similar to digital flashcards and it is tailored to each individual by using your responses to identify your strengths and weaknesses; thus, it will give you more questions on areas that you get wrong to reinforce the material. These assignments will take approximately 20 minutes to complete. What counts is showing that you have read the text and you are ready to apply the information in a coherent manner. The grading will simply be credit (1) or no credit (0). The assignment due date will be on the Wednesday after we have started a chapter. This due date is included on Connect and it is your responsibility to ensure that you submit on time for credit. **Assignments will not be accepted late**, however, I will drop the lowest scores of the Learnsmart assignments.

Homework:

We will be making extensive use of the McGraw-Hill Connect online platform which will allow you to complete your homework anytime and anywhere, get feedback on your work and access additional resources. Please ensure that you register for Connect using the same Stern email address as used in NYU Classes. Once you have the registration code, you will need this URL to register for our class: <https://connect.mheducation.com/class/a-shehata-fall-2014-tues--thurs-11am>

After we have concluded each class topic, homework assignments will be due that will give you an opportunity to show me, and yourself, that you have understood and learned the material. I have set up the Connect website so that it will give you immediate feedback after you complete each question. My purpose in doing this is so you will see how you are doing on the assignment as you are completing it and be able to identify the areas you need to revisit to improve. After submitting each question, you will see your score, the correct answer, and explanation and the solution. Each chapter's homework assignment is worth 10 points and your lowest score will be dropped. You should plan to spend 2-3 hours on homework for each hour of class time on average.

The assignment will be due after we have completed a chapter (generally, this will be Monday of each week but there are a few exceptions noted below). The specific date will be included on Connect and it is your responsibility to ensure that you submit on time for credit. **Please understand that completing these homework assignments is the key to success in the course.**

Assignments will not be accepted late, however, I will drop the lowest score of homework assignments.

Optional Homework:

In addition to the Connect assigned homework, the syllabus will include additional recommended textbook problems. Out of respect for your busy schedules, these problems will not be due or part of your grade, however, you should complete them to ensure sufficient reinforcement of the material. I strongly encourage you to complete the additional problems in small groups of 4-6 students and to do them **on paper**. Although the digital Connect platform is a wonderful and convenient tool, solving problems on paper is very important and will help prepare you for the midterms and final (which are on paper!). Your textbook and Connect include even more practice problems that you can solve for areas that you find particularly challenging.

If you are diligent in attending class, completing the in-class problems and the textbook assignments, you will be well-prepared for the midterms and exam. Solutions to textbook problems will be available on NYU Classes after we complete each chapter.

Midterms and Exams:

There will be 2 mid-term exams and a final exam. All exams will be closed book/closed notes and the final exam will be cumulative. Make-up exams are not permitted. **Nonprogrammable calculators are permitted (computers, smartphones, blackberries, scientific calculators or any device with internet access are not permitted).**

Annual Report Project:

The Annual Report Project (ARP) is designed to give you practice in interpreting and analyzing company financial information and applying the accounting skills you will learn this semester. The project will be completed in teams of 4-5 students that I will assign mid-semester. Full details will be provided on a separate handout.

NYU Classes:

I will use NYU Classes regularly to email you, post lecture notes, homework solutions, relevant articles and other course material so please make sure you are correctly registered and checking our sight on a regular basis.

Academic Integrity

Integrity is critical to the learning process and to all that we do here at NYU Stern. As members of our community, all students agree to abide by the NYU Stern Student Code of Conduct, which includes a commitment to:

- Exercise integrity in all aspects of one's academic work including, but not limited to, the preparation and completion of exams, papers and all other course requirements by not engaging in any method or means that provides an unfair advantage.

- Clearly acknowledge the work and efforts of others when submitting written work as one's own. Ideas, data, direct quotations (which should be designated with quotation marks), paraphrasing, creative expression, or any other incorporation of the work of others should be fully referenced.
- Refrain from behaving in ways that knowingly support, assist, or in any way attempt to enable another person to engage in any violation of the Code of Conduct. Our support also includes reporting any observed violations of this Code of Conduct or other School and University policies that are deemed to adversely affect the NYU Stern community.
- The entire Stern Student Code of Conduct applies to all students enrolled in Stern courses and can be found here: www.stern.nyu.edu/uc/codeofconduct
- To help ensure the integrity of our learning community, prose assignments you submit to NYU Classes will be submitted to Turnitin. Turnitin will compare your submission to a database of prior submissions to Turnitin, current and archived Web pages, periodicals, journals, and publications. Additionally, your document will become part of the Turnitin database.

General Conduct & Behavior :

Students are also expected to maintain and abide by the highest standards of professional conduct and behavior. Please familiarize yourself with Stern's Policy in Regard to In-Class Behavior & Expectations (<http://www.stern.nyu.edu/portal-partners/current-students/undergraduate/resources-policies/academic-policies/index.htm>) and the NYU Disruptive Behavior Policy (<http://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/bullying--threatening--and-other-disruptive-behavior-guidelines.html>).

Students With Disabilities:

If you have a qualified disability and will require academic accommodation of any kind during this course, you must notify me at the beginning of the course and provide a letter from the Moses Center for Students with Disabilities (CSD, 998-4980, www.nyu.edu/csd) verifying your registration and outlining the accommodations they recommend. If you will need to take an exam at the CSD, you must submit a completed Exam Accommodations Form to them at least one week prior to the scheduled exam time to be guaranteed accommodation.

Please note: the dates and assignments listed below are subject to change:

Date	Chapter	Homework: Submit digitally via Connect
September 2, 2014	Chap 1: Financial Statements and Business Decisions, including supplement A	Chapter 1: due Monday, 9/8/14 by 6pm E1-2, E1-4, E1-5, E1-7, E1-9, P1-1
September 4, 2014	Finish Chap 1 and begin Chap 2: Investing, Financing Decisions & the Balance Sheet	Chap 1 Learnsmart due Wednesday, 9/3/14
September 9, 2014	Chap 2: Investing, Financing Decisions & the Balance Sheet	Chapter 2: due Monday, 9/15/14 by 6pm E2-3, E2-5, E2-7, P2-5
September 11, 2014	Finish Chap 2, begin Chap 3: Operating Decisions & the Income Statement	Chap 2 Learnsmart due Wednesday, 9/10/14
September 16, 2014	Chap 3: Operating Decisions & the Income Statement	Chapter 3: due Monday, 9/22/14 by 6pm M3-2, E3-8, P3-4 Additional Practice (not to be submitted): E3-13, E3-14
September 18, 2014	Finish Chap 3 & begin Chap 4: Adjustments, Financial Statements & the Quality of Earnings	Chap 3 Learnsmart due Wednesday, 9/17/14
September 23, 2014	Chap 4: Adjustments, Financial Statements & the Quality of Earnings	Chapter 4: due Monday, 9/29/14 by 6pm E4-6, E4-8, E4-18, E4-19, E4-20, P4-7 Additional Practice (not to be submitted): AP4-1
September 25, 2014	Finish Chap 4	Chap 4 Learnsmart due Wednesday, 9/24/14
September 30, 2014	Review	
October 2, 2014	Midterm 1	
October 7, 2014	Chap 6: Sales Revenue, Receivables & Cash (including supplement on p. 301-2, "Recording Discounts & Returns")	Chapter 6: due Wednesday , 10/15/14 by 6pm E6-3, E6-5, E6-9, E6-12, E6-14, E6-18, E6-23 Additional Practice (not to be submitted): E6-7, E6-8, P6-4
October 9, 2014	Chap 6: Sales Revenue, Receivables & Cash	Chap 6 Learnsmart due Wednesday, 10/8/14
October 16, 2014 (no class on Tuesday, 10/14)	Chap 7: Cost of Goods Sold & Inventory (including Supplement A, "LIFO Liquidations", but not Supp B or C)	Chapter 7: due Monday, 10/27/14 by 6pm E7-2, E7-8, E7-12, P7-9, P7-10 Additional Practice (not to be submitted): E7-5, P7-5
October 21, 2014	Chap 7: Cost of Goods Sold & Inventory	Chap 7 Learnsmart due Wednesday, 10/22/14
October 23, 2014	Finish Chap 7 & begin Chap 8: Property, Plant & Equipment; Natural Resources; & Intangibles	
October 28, 2014	Chap 8: Property, Plant & Equipment; Natural Resources; & Intangibles (including Supp on p. 415-6, "Changes in Depreciation Estimates" & read CP8-9 on p. 445)	Chapter 8: due Monday, 11/3/14 by 6pm E8-5, E8-8, E8-12, E8-17, E8-21, E8-22, P8-6 Additional Practice (not to be submitted): M8-3, E8-1, E8-3, E8-13
October 30, 2014	Finish Chap 8 and begin Chap 9: Liabilities (including Supplement B & C)	Chap 8 Learnsmart due Wednesday, 10/29/14
November 4, 2014	Chap 9: Liabilities	Chapter 9: due Monday, 11/10/14 by 6pm E9-1, E9-2, E9-14, P9-12, P9-10 Additional Practice (not to be submitted): E9-13, E9-23, P9-4, P9-6
November 6, 2014	Finish Chap 9 and Review	Chap 9 Learnsmart due Wednesday, 11/5/14
November 11, 2014	Midterm 2	
November 13, 2014	Chap 10: Bonds (including page 524, "Zero Coupon Bonds" but not Supp A or B)	Chapter 10: due Monday, 11/24/14 by 6pm P10-8, P10-10, P10-12

		Additional Practice (not to be submitted): E10-17, E10-21, P10-7
November 18, 2014	Chap 10: Bonds	Chap 10 Learnsmart due Wednesday, 11/19/14
November 20, 2014	Chap 10: Bonds and begin Chap 13: Statement of Cash Flows, including Supp A & B (not C)	
November 25, 2014 (No class on 11/27: Happy Thanksgiving!)	Chap 12: Statement of Cash Flows, including Supplements A, B & C	Chapter 12: due Monday, 12/8/14 by 6pm E12-13, E12-15, P12-1, P12-3, P12-4 Additional Practice (not to be submitted) E12-21, E12-11, E12-4
December 2, 2014	Chap 12: Statement of Cash Flows	Chap 12 Learnsmart due Wednesday, 12/3/14
December 4, 2014	Finish Chap 12: Statement of Cash Flows and begin Chap 11: Owner's Equity	
December 9, 2014	Chap 11: Owner's Equity (including Supplement)	Chapter 11: due Friday , 12/12/14 by 6pm E11-4, E11-8, E11-15, E11-18, E11-23, P11-8 Additional Practice (not to be submitted): M11-9, E11-10, E11-11, E11-13 Annual Report Project Due via Turnitin on December 7th, 2014 by 11pm
December 11, 2014	Finish Chap 11: Owner's Equity and Review	Chap 11 Learnsmart due Wednesday, 12/10/14
TBD	Cumulative Final Exam	