

**NEW YORK UNIVERSITY**  
**Stern School of Business**

**Principles of Financial Accounting (ACCT-UB.001.07)**

Spring 2015

Tuesday & Thursday 11:00 a.m. – 12:15 p.m.

Tisch Hall LC 25

**Instructor Information:**

Jessica Keeley

Office: KMC 10-184

Email: [jkeeley@stern.nyu.edu](mailto:jkeeley@stern.nyu.edu)

Office hours: by appointment

**Teaching Assistant:**

Davina Chang

Email: [dc2519@nyu.edu](mailto:dc2519@nyu.edu)

Office hours: Monday 12:30-2:00pm

**Course Description**

Financial accounting reports are used in valuation and contracting and by investors, creditors, managers, and the government. A good understanding of these reports is one of the basic building blocks of a business education. This course focuses on the development, preparation, analysis, and use of financial reports. The course provides an understanding of what financial reports contain, what assumptions and concepts accountants use to prepare financial reports, and why they use those assumptions and concepts.

By the end of the course, you should: (1) understand the core concepts of financial accounting; (2) be able to interpret annual report information and analyze a company's performance using this information; and (3) be fluent in the language of business.

**Textbook and Connect Website**

The textbook is written by Robert Libby, Patricia Libby and Daniel Short, *Financial Accounting*, 8<sup>th</sup> Ed., (Revised Custom Edition for New York University), McGraw Hill, New York. All assigned readings and homework are from this text.

We will be making extensive use of McGraw-Hill's Connect platform which will allow you to complete your homework anytime and anywhere, get feedback on your work, and access additional resources. To register for Connect you will need to go to this web address:

<http://connect.mheducation.com/class/j-keeley-acct-ub-001-7>

Click the "Register Now" button and enter your email address. If you already have a McGraw-Hill account, you will be asked for your password and will not be required to create a new account. If you have purchased a new copy of the textbook, you will be provided with an access code, in which case enter your access code and submit. Alternatively, you can buy online to access Connect or ConnectPlus (which includes access to the eBook). The course site will give you access to assignments and study resources.

## **Class attendance**

Please make every effort to arrive to class on time and stay to the end of the period. I would appreciate knowing if you are going to come to class late, and, if you are going to be late, please enter as unobtrusively as possible. I would really appreciate it if you would silence your cell phone, and refrain from using laptops, cell phones, smart phones and other electronic devices during class.

## **Grading**

|                                 |     |
|---------------------------------|-----|
| Pre-class reading and exercises | 10% |
| Problem Sets                    | 15% |
| Midterm Exam 1                  | 20% |
| Midterm Exam 2                  | 20% |
| Final Exam                      | 35% |

*Pre-class reading and exercises:* In order to achieve the course goals, you must take an active role in the learning process. To do this you must be willing to spend your own study time on your *initial exposure* to new material. If you prepare for class by reading the designated chapters and completing the pre-class exercises, we can use class time together to develop a deeper understanding of the material. Each class meeting will be preceded by a pre-class assignment, which must be submitted via Connect. Since the goal of pre-class assignments is to prepare you adequately to for each class, I have setup the Connect system to allow you multiple attempts to complete the assignment and to give you immediate feedback after you complete each question. All pre-class reading assignments will be graded on preparation effort and not on the correctness of your answers. The grading will simply be credit (1) or no credit (0).

*Problem Sets:* These will be due in the week after we have concluded our class discussion of the relevant chapter. You will submit your problem sets using McGraw-Hill's Connect web site. **I will not accept late homework** unless due to documented serious illness or family emergency. I will make an exception to this policy for reasons of religious observance or civic obligation *only* when the homework cannot reasonably be completed prior to the due date and you make arrangements for late submission with me in advance.

*Exams:* The midterms and the final exam are cumulative. Everyone is required to take both midterm exams; there will be no make-up exams. If you miss a midterm exam for a documented illness or family emergency, the points from the missed exam will be added to the final exam. **If you miss one of the midterms for any other reason, you will get a score of 0.** The questions on the midterms will be similar to the homework problems and the problems that we have worked in class. If you are diligent in completing the homework and the in-class problems you will have plenty of practice in the type of questions you can expect on the exams. The exams and the final cover all the material in the textbook that has been assigned as reading (even if the subject was never discussed in class or included in a previous assignment). All exams will be closed book. You are allowed to bring a calculator. Laptops, cell phones and other hand-held devices with internet access are not permitted during the midterms or the final exam.

*Re-grading:* In line with the Grading Guidelines for the NYU Stern Undergraduate College, the process of assigning grades is intended to be one of unbiased evaluation. I encourage you to respect the integrity and authority of the grading system and discourage you from pursuing arbitrary challenges to it. If you feel that an inadvertent error has been made in grading your test paper or in assessing an overall course grade, you may submit a request to have the grade re-evaluated. Please submit such requests in writing to me within seven days of receiving the grade, including a brief statement of why you believe that an error in the grading has been made.

**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. 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](http://www.stern.nyu.edu/uc/codeofconduct).

**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 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 ([www.nyu.edu/csd](http://www.nyu.edu/csd)) verifying your registration and outlining the accommodations they recommend. If you will need to take an exam at the Center for Students with Disabilities, you must submit a completed Exam Accommodations Form to them at least one week prior to the scheduled exam time to be guaranteed accommodation.

## **Tentative Course Schedule**

The course schedule is subject to change at the instructor's discretion (any changes will be announced in class, via email, or NYU Classes. Please note that readings reference Libby, Libby, & Short, *Financial Accounting*, 8<sup>th</sup> Edition (LLS). Pre-class exercises and problem sets will be on the Connect platform (<http://connect.mheducation.com/class/j-keeley-acct-ub-001-7>).

| <b><u>Date</u></b> | <b><u>Topics and Assignments</u></b>   |
|--------------------|--|
| Jan 27             | Chapter 1: Financial Statements and Business Decisions   |
| Jan 29             | Chapter 1: Financial Statements and Business Decisions<br>Read LLS pages 2-21<br>Pre-class exercise: E1-3  |
| Feb 3              | Chapter 2: Investing and Financing Decisions and the Accounting System<br>Read LLS pages 40-54<br>Pre-class exercise: E2-5   |
| Feb 5              | Chapter 2: Investing and Financing Decisions and the Accounting System<br>Read LLS pages 54-75<br>Pre-class exercises: E2-7, E2-19   |
| Feb 10             | Chapter 3: Operating Decisions and the Accounting System<br>Read LLS pages 98-111<br>Pre-class exercise: E3-10<br>Submit Problem Set 1 (covering Chapter 2)                  |
| Feb 12             | Chapter 3: Operating Decisions and the Accounting System<br>Read LLS pages 111-131<br>Pre-class exercises: E3-11, E3-12  |
| Feb 17             | Chapter 4: Adjustments, Financial Statements, and the Quality of Earnings<br>Read LLS pages 160-180<br>Pre-class exercise: E4-6<br>Submit Problem Set 2 (covering Chapter 3) |
| Feb 19             | Chapter 4: Adjustments, Financial Statements, and the Quality of Earnings<br>Read LLS pages 180-191<br>Pre-class exercises: E4-18, E4-19                                     |
| Feb 24             | Review   |
| Feb 26             | MIDTERM EXAM 1   |
| Mar 3              | Chapter 12: Statement of Cash Flows<br>Read LLS pages 588-604<br>Pre-class exercises: E12-7, E12-10  |
| Mar 5              | Chapter 12: Statement of Cash Flows<br>Read LLS pages 612-615 (Chapter Supplement A)<br>Pre-class exercise: E12-21   |

Mar 10 Chapter 12: Statement of Cash Flows  
Read LLS pages 604-612  
Pre-class exercise: E12-15

Mar 12 Chapter 9: Reporting and Interpreting Liabilities  
Read LLS pages 450-476  
Pre-class exercises: E9-8, E9-13  
Submit Problem Set 3 (covering Chapter 12)

Mar 17 No Class - Spring Break

Mar 19 No Class - Spring Break

Mar 24 Chapter 9: Reporting and Interpreting Liabilities  
Read LLS pages 476-479 (Chapter Supplement C)  
Pre-class exercises: E9-14, E9-18

Mar 26 Chapter 10: Reporting and Interpreting Bonds  
Read LLS pages 498-513  
Pre-class exercise: E10-8  
Submit Problem Set 4 (covering Chapter 9)

Mar 31 Chapter 10: Reporting and Interpreting Bonds  
Read LLS pages 513-520  
Pre-class exercise: E10-15

Apr 2 Chapter 10: Reporting and Interpreting Bonds  
Pre-class exercise: E10-20

Apr 7 Review  
Submit Problem Set 5 (covering Chapter 10)

Apr 9 MIDTERM EXAM 2

Apr 14 Chapter 11: Reporting and Interpreting Owners' Equity  
Read LLS pages 544-568  
Pre-class exercises: E11-4, E11-9

Apr 16 Chapter 6: Reporting and Interpreting Sales Revenue, Receivables, Cash  
Read LLS pages 276-289  
Pre-class exercise: E6-3  
Submit Problem Set 6 (covering Chapter 11)

Apr 21 Chapter 6: Reporting and Interpreting Sales Revenue, Receivables, Cash  
Read LLS pages 290-292  
Pre-class exercise: E6-6, E6-12, E6-17

|        |  |
|--------|--|
| Apr 23 | Chapter 7: Reporting and Interpreting Cost of Goods Sold and Inventory<br>Read LLS pages 326-341<br>Pre-class exercises: E7-5<br>Submit Problem Set 7 (covering Chapter 6) |
| Apr 28 | Chapter 7: Reporting and Interpreting Cost of Goods Sold and Inventory<br>Read LLS pages 342-350<br>Pre-class exercises: E7-11, E7-15                                      |
| Apr 30 | Chapter 8: Reporting and Interpreting Property, Plant & Equipment<br>Read LLS pages 380-401<br>Pre-class exercises: E8-8<br>Submit Problem Set 8 (covering Chapter 7)      |
| May 5  | Chapter 8: Reporting and Interpreting Property, Plant & Equipment<br>Read LLS pages 401-411<br>Pre-class exercises: E8-14  |
| May 7  | Review<br>Submit Problem Set 9 (covering Chapter 8)  |
| TBD    | FINAL EXAM   |