

**New York University
Stern School of Business
Undergraduate College**

Principles of Financial Accounting (ACCT-UB.0001.07)

Spring 2013

TR 11:00 a.m.-12:15 p.m., T-LC25

INSTRUCTOR DETAILS

MENG, XIAOJING

Email: xmeng@stern.nyu.edu

Phone: 212-992-6812

Office Hours: TR 9:45am-10:45am; 5:00pm-6:00pm or by appointment

Office Location: KMC 10-76

Teaching Assistant: Carolyn L Yuan <cly241@nyu.edu>

COURSE DESCRIPTION

Overview: The objective of the course is for you to learn how to read, understand, and analyze the financial statements of most publicly-traded companies. The course is intended for students with no previous exposure to financial accounting. This course takes an external user's perspective, as opposed to an accountant or internal user's perspective. External users include investors, creditors, customers, suppliers, government regulators, and business school students. 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.

REQUIRED COURSE MATERIALS

Textbook: Libby, Libby and Short, *Financial Accounting, 7th Edition*. The textbook covers the basic material in the course, including background information, accounting rules and conventions. I strongly recommend you to read the book.

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.

ASSESSMENT COMPONENTS

Homework: I will give you 7 homework assignments, and you only need to submit 6 of them, i.e, you can skip one. 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. Solutions to homework will be posted to Blackboard.

Exams: There will be three exams, two during the semester and one during finals. Please see the course outline section for more information.

Grading:

Your final grade is the best out of the following two options:

(1) 15% homework, 20% first exam, 20% second exam, 40% final exam, and 5% class participation;

(2) 15% homework, 15% first exam, 25% second exam, 40% final exam, and 5% class participation.

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.

GRADING

At NYU Stern we seek to teach challenging courses that allow students to demonstrate their mastery of the subject matter. In general, students in undergraduate core courses can expect a grading distribution where:

- 25-35% of students can expect to receive A's for excellent work
- 50-70% of students can expect to receive B's for good or very good work
- 5-15% of students can expect to receive C's or less for adequate or below work

Note that while the School uses these ranges as a guide, the actual distribution for this course and your own grade will depend upon how well you actually perform in this course.

STERN POLICIES

General Behavior

The School expects that students will conduct themselves with respect and professionalism toward faculty, students, and others present in class and will follow the rules laid down by the instructor for classroom behavior. Students who fail to do so may be asked to leave the classroom.

ACADEMIC INTEGRITY

Integrity is critical to the learning process and to all that we do here at NYU Stern. As is true for all courses at Stern, adherence to the NYU Stern Honor Code is expected of all students in the class.

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.

COURSE OUTLINE

The following is a “tentative” schedule of course outline and readings. I reserve the right to make adjustments as circumstances require.

Lecture Dates	Topics
1/29; 1/31	Overview of Accounting and Financial Statement <i>please read: Libby, Libby & Short (LLS), Chapter 1</i>
2/5; 2/7	Balance Sheet and Recording the Effects of Transactions <i>please read: Libby, Libby & Short (LLS), Chapter 2</i> Homework: TBA, due on 2/12
2/12; 2/14; 2/19	Income Statement: Cash versus Accrual Accounting <i>please read: Libby, Libby & Short (LLS), Chapter 3 and 4</i> Homework: TBA, due on 2/21
2/21	Misstatement, Fraud & Shame
2/26	Review for Midterm
2/28	Midterm Exam 1 (chapter 1-4)
3/5;3/7;3/12	Statement of Cash Flows <i>please read: Libby, Libby & Short (LLS), Chapter 13</i> Homework: TBA, due on 3/14
3/14	Margins
3/18-3/24	Spring Break

3/26; 3/28; 4/2; 4/4	Liabilities: Current Liabilities, Bond and Lease <i>please read: Libby, Libby & Short (LLS), Chapter 9, 10</i> Homework: TBA, due on 4/4
4/9	Review for Midterm
4/11	Midterm Exam 2 (chapter 13, 9, 10)
4/16; 4/18	Shareholder's Equity <i>please read: Libby, Libby & Short (LLS), Chapter 11</i> Homework: TBA, due on 4/23
4/23	Receivables <i>please read: Libby, Libby & Short (LLS), Chapter 6</i>
4/25	Inventories <i>please read: Libby, Libby & Short (LLS), Chapter 7</i> Homework: E6-13, E6-17, E7-5, E7-16 due on 4/25
4/30	PP&E <i>please read: Libby, Libby & Short (LLS), Chapter 8</i>
5/2	Financial Statement Analysis: Ratio Analysis <i>Non-textbook homework, will be posted on Blackboard, due on 5/7</i>
5/7	Basic Valuation of Firms and Stocks
5/9	Review for Final
TBA	FINAL EXAM