

New York University  
Stern School of Business  
Spring 2013

B10.2303 (sec 20 & 21)  
Financial Statement Analysis  
Office Hours: Tues: 12:00-1:00  
Thurs 5:00-6:00

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**Text:** The Analysis and Use of Financial Statements (3rd Ed.) White, Sondhi & Fried: Wiley 2003  
(Book website : [www.wiley.com/college/white](http://www.wiley.com/college/white) )

*Note [Numbers] in square brackets in Course Outline denote Chapters from this Text*

**Course grade** to be based on three quizzes - one for each part (see outline)

1. **Quiz I - March 5, 2013**
2. **Quiz II - On-line – second weekend in April (see Scheduling Note below)**
3. **Quiz III - Final Exam Date (sec 20 May 16 ; sec 21 May 21)**

**Grading: 40% each for best two of three and 20% for other quiz**  
**Exams are open-book**

**Topics:** The course outline lists 8-10 topics and it should take approximately 2-3 sessions to finish each topic. At that, the pace will be quick.

**Readings:** The book is comprehensive - at times, you may feel - too much so. As such, **handouts** will be used to summarize and focus the chapter readings.

**Handouts:**

Will be available on Blackboard.

Names of the files to be downloaded are indicated on P. 2 of course outline in { }

**Make sure you check the website and download the handout before coming to class.**

**Problems & Cases:** The course outline lists numerous problems from the text. In addition to these problems you may receive additional assignments throughout the course.

**Solutions to cases and problems will also be available on BlackBoard**

*The problems, cases, handouts and readings are an integral part of the course and in many cases will constitute core elements of the lecture. I urge you to be prepared!*

**SCHEDULING NOTE**

**THERE WILL BE NO CLASS ON TUESDAY MARCH 26 AND TUESDAY APRIL 2.**

These classes will be made up as follows.

- One class will be rescheduled (if needed) on a date to be announced.
- The other will be made-up by means of an online rather than in class Quiz II

## COURSE OUTLINE

Topic	Reading	Problems
<b><i>Part I The Income &amp; Cash Flow statements (Quiz I –March 5)</i></b>		
Introduction Income Statement Revenue Recognition Nonrecurring Items	[1]Skim [2]{Int_Inc}  [8] Skim pp.275-279	[2] 8,12,14,17a,23* OCA case Thousand Trails I
Cash Flow Analysis [includes effects of acquisitions and stock compensation]	[3] {Cashflow} {Deferred Taxes – a digression}*  	[3] 2,3,4,9,15* Thousand Trails II
<b><i>Part II Ratio analysis, Inventory analysis and the capitalization decision (Quiz II online- second weekend in April)</i></b>		
Ratio Analysis	[4]omit pp. 149-end {Ratios}	[4] 4,5,8,14,16,17,24,25
Inventory Analysis	[6] {Inventory}	[6] 8,9,17,20,21
Long-Lived Assets & Depreciation	[7] {Fixed_Asset} [8] to p. 275	[7] 1,5,9,12 [8] 8,12-14
<b><i>Part III Debt on &amp; off balance sheet and compensation issues (Quiz III – Final Exam Date)</i></b>		
On BS Debt	[10] omit "Interest Rate Swaps" {Debt}	[10] 3,10,16,17,21,25
Off Balance Sheet a. Leases b. Receivable Sales c. Joint Ventures d. Deferred taxes*	[11] {OBS_Debt }	[11] 7,9,11(omit bii),12,14 Case 13-1
Pensions/Postretirement	[12update] {Pension} {Stk Compensation}	TBA
* Depending on scheduling needs Deferred taxes will be covered as part of Cash Flows and/or Liabilities		