

DRAFT NEW YORK UNIVERSITY
Stern School of Business
Principles of Financial Accounting
Fall 2013

Instructor:

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Office Hours: Thursday 1 – 2pm and by appointment
Classroom: UC25
Class time: Tues/Thurs 11:00am-12:15pm

TA Information:

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Course Description:

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 and 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” 7th edition, Custom Edition for NYU
- Connect online material 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: http://connect.mcgraw-hill.com/class/a_shehata_fall_2013_tuesthurs_11am
- The Jones Group (JG) Annual Report (provided by instructor)

Pre-Class Assignments:

Prior to each class topic, a pre-class assignment will be assigned via Connect using LearnSmart. You should use these assignments to test your understanding of the material to be covered in class. Completing these assignments should also help you (and I) identify any topics you do not understand clearly. As these are preparation assignments, they will be graded on effort rather than the correctness of your answers. 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). I will drop the lowest scores of the pre-class assignments. The assignment is due prior to the class that it corresponds with on your syllabus; for example, Chapter 2 pre-class assignment is due prior to class on Tues, Sept 10th.

Homework:

After we have concluded each class topic, a homework assignment will be posted on Connect. These assignments will give you an opportunity to show me, and yourself, that you have understood and learned the material. Consequently, these assignments will be graded on correctness on a scale of 1 to 10. Your 2 lowest scores will be dropped. Students should plan to spend 2-3 hours on homework for each hour of class time on average. Solutions will be available after assignments are submitted. **It is critical that you complete the assignments in order to learn the material.** The h/w assignment is due prior to the class that it corresponds with on your syllabus; for example, Chapter 1 h/w assignment is due prior to our class on Tues, Sept 10th.

Late Assignments:

Assignments will not be accepted late, however, I will drop the lowest score of pre-class assignments and the lowest 2 scores of homework assignments. This gives you the choice of not submitting 1 pre-class and 2 homework assignments.

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 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. 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.

Class Meetings

Our class time will be spent developing a deeper understanding of the material you have already read and assignments you have completed independently; 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. We will regularly solve problems together and I will refer to real world examples. I will provide my Powerpoint slides as handouts for each chapter that you can use for note-taking. Students are requested to arrive to class on time and remain for the entire class period. **During class, please turn off all audible technology (i.e. phones, pocket PCs, iPod’s iPad’s etc.) as well as laptop computers.**

Attendance, Participation and Class Preparation:

I encourage and expect full attendance and participation during our class time; if you will miss class for exceptional circumstances, please let me know in advance. Our time together will consist of interactive discussion and collaborative problem-solving so please come prepared to focus and contribute to a quality working session.

NYU Classes and Connect:

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. Connect is the digital platform that accompanies our textbook. All homework and pre-class assignments must be completed and submitted within Connect. Please ensure that you register for Connect using the same Stern email address as used in NYU Classes.

Grading:

Pre-class Assignments (Learn Smart)	5%
Homework	10%
Annual Report Project	15%
Midterm I	15%
Midterm II	20%
Final Exam	35%

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 below 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 your performance in this course.

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

DATE	CHAPTER	Due Before Class Date
September 3, 2013	Chap 1: Financial Statements and Business Decisions, including supplement A	
September 5, 2013	Finish Chap 1 and begin Chap 2: Investing, Financing Decisions & the Balance Sheet	Chap 1 Pre-class assignment
September 10, 2013	Chap 2: Investing, Financing Decisions & the Balance Sheet	Chap 1 Homework assignment Chap 2 Pre-class assignment
September 12, 2013	Finish Chap 2, begin Chap 3: Operating Decisions & the Income Statement	Chap 3 Pre-class assignment
September 17, 2013	Chap 3: Operating Decisions & the Income Statement	Chap 2 Homework assignment due
September 19, 2013	Finish Chap 3 & begin Chap 4: Adjustments, Financial Statements & the Quality of Earnings	
September 24, 2013	Chap 4: Adjustments, Financial Statements & the Quality of Earnings	Chap 3 Homework assignment due Chap 4 Pre-class assignment
September 26, 2013	Finish Chap 4	
October 1, 2013	Midterm 1	Chap 4 Homework assignment due
October 3, 2013	Chap 6: Sales Revenue, Receivables & Cash (including supplement on p. 304)	Chap 6 Pre-class assignment
October 8, 2013	Chap 6: Sales Revenue, Receivables & Cash	
October 10, 2013	Chap 7: Cost of Goods Sold & Inventory (including Supp A, but not Supp B or C)	Chap 6 Homework assignment due Chap 7 Pre-class assignment
October 17, 2013 (no class on Tues, Oct 15)	Chap 7: Cost of Goods Sold & Inventory (including Supp A, but not Supp B or C)	
October 22, 2013	Finish Chap 7 & begin Chap 8: Property, Plant & Equipment; Natural Resources; & Intangibles	
October 24, 2013	Chap 8: Property, Plant & Equipment; Natural Resources; & Intangibles (including Supp on p. 418-419 & read CP8-9 on p. 449)	Chap 7 Homework assignment due Chap 8 Pre-class assignment
October 29, 2013	Chap 9: Liabilities (including Supplement B & C)	Chap 8 Homework assignment due Chap 9 Pre-class assignment
October 31, 2013	Chap 9: Liabilities	
November 5, 2013	Midterm 2	Chap 9 Homework assignment due
November 7, 2013	Chap 10: Bonds (including page 530 but not Supp A or B)	Chap 10 Pre-class assignment
November 12, 2013	Chap 10: Bonds	
November 14, 2013	Chap 10: Bonds and begin Chap 13: Statement of Cash Flows, including Supp A & B (not C)	Chap 13 Pre-class assignment
November 19, 2013	Chap 13: Statement of Cash Flows, including Supp A & B (not C)	Chap 10 Homework assignment due
November 21, 2013	Chap 13: Statement of Cash Flows	
November 26, 2013 (No class on Thurs, Nov 28 th .)	Finish Chap 13: Statement of Cash Flows & begin Chap 11: Owner's	Chap 11 Pre-class assignment

Happy Thanksgiving!	Equity (including Supplement)	
December 3, 2013	Chap 11: Owner's Equity (including Supplement)	Chap 13 Homework assignment due
December 5, 2013	Finish Chap 11: Owner's Equity and begin Chapter 12: Investments in Other Companies	
December 10, 2013	Chap 12: Investments in Other Companies	Chap 12 Pre-class assignment Chap 11 Homework assignment due
December 12, 2013	Chapter 12 and Review	Annual Report Project Due
TBD	Cumulative Final Exam	