

NYU Stern School of Business
Undergraduate College
ACCT-UB.0001.002 (C10.0001.02): PRIN OF FINANCIAL ACCTG
Fall 2013

Instructor Details

Dachowitz, Henry

Email: hdachowi@stern.nyu.edu

Phone: 516-728-4991

Office Hours: By appointment only including MW 7:00AM – 7:45AM

Office Location: KMEC 10th floor, Room 10-98

Additional Information:

I am happy to meet with students to discuss the course material, your career interests, or anything at all. I only ask that you make a specific appointment with me so that I ensure sufficient time and attention to address your concerns. Thank you.

Matheus (Matt) Silva

Email: ms6851@stern.nyu.edu

Phone: 954-257-9938

Office Hours: Tuesday 11:00AM – 12:30PM and Thursday 5:00PM – 6:30PM and by appointment

Office Location: E&Y Conference Center

Additional Information:

Matt is a sophomore in Stern and was a top student in my course last term. He has an excellent command of this material, is very approachable and communicates well. I strongly encourage you to meet with him to discuss any course material you want to review, especially specific homework problems with which you may have difficulty.

Course Meetings

Meeting time(s): MW, 8:00AM – 9:15AM

Location: Tisch T-LC25

Additional Information:

Final Exam: Wednesday Dec. 18, 2013 from 8:00AM – 9:50AM

Schedule exceptions

Class will not meet on: Mon. October 14 (Columbus Day)

Class will meet on: Wed. Dec. 11 (a Monday schedule day)

Course Description and Learning Goals

Who needs Accounting? What are the basic Principles of Accounting? How does Accounting relate to a business? What is its role? What value does it add and to whom? What are its limitations?

This course is designed to answer those questions and to give you a solid foundation whether you intend to become an Accounting professional or whether this is the only Accounting course you ever take in your business career. The course is intended for students with no previous exposure to financial accounting.

Accounting has been called the language of business. You will learn the definitions of key terms and concepts such as debits and credits; cash versus accrual basis accounting; assets, liabilities, and equity; revenues and expenses; the difference between the business operating cycle (cash-to-cash) and the accounting cycle (journal to general ledger to trial balance to financial statements).

You will identify business transactions and, as an accountant, learn to record, categorize and report the business transactions.

COURSE GOALS The goals are for you to learn (1) the nature of financial accounting, (2) to record accounting transactions properly, (3) to prepare basic financial statements, and (4) to read, analyze and interpret financial statements prepared by others. 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.

COURSE OVERVIEW In our first classes we will answer the questions listed above emphasizing how Accounting adds value to both managers inside an organization as well as to external users of financial statements (including Wall Street research analysts, potential investors, regulators, vendors who want to determine credit limits, and **potential employees!**). We review the underlying principles of Accounting and give a preview of the four major Financial Statements.

We learn how transactions are recorded, categorized into general ledger accounts, and then summarized and reported in the financial statements. A key link throughout all these concepts is understanding the five different types of accounts (asset / liability / equity / revenue / expense), knowing whether they have a natural debit or credit balance, and on which financial statements each appears.

Once we have mastered these fundamentals, we then zoom in again covering specialized concepts on various types of accounts. Topics we will cover include revenue and expense recognition, cash flow analysis, inventory accounting, and the time value of money.

With an excellent grounding in preparing financial statements from an insider's and accountant's perspective, we turn around and look at financial statements from a user's perspective. What do the numbers mean? How do the statements relate to one another? Where do I look to find certain information? What ratios are commonly calculated and how does one interpret them? We'll answer all these questions and also touch upon Auditing and Accounting Fraud. And we will relate what we learn to current events in the financial and business worlds.

Course Outline

The Course Outline will be posted separately on BlackBoard.

Required Course Materials

Required Text and Material:

- Libby, Libby & Short, "Financial Accounting" 7th edition, Custom Edition for NYU (Chapters 1-4 and 6-13). Additionally everyone must have a license to use McGraw-Hill CONNECT for this course.
- Bring your text to each class session.

Assessment Components

Grading:

Exam 1	20 - 25%
Exam 2	20 - 25%
Final Exam	30 - 40%
Homework, Attendance, Class Preparation and Participation	10 - 30%

All exams are cumulative, closed book/note and there are no make-up exams. Calculators are permitted (no computers, smartphones or blackberries), but only "DUMB" calculators – no scientific, financial or graphing calculators. Nothing with a QWERTY keyboard. Just simple addition, subtraction, multiplication and division.

Grading

Grades are determined following the Undergraduate Grading Guidelines for Core Courses:

- 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

Professional Responsibilities For This Course

We cover a lot of ground in this course, and it is cumulative, building layer upon layer. It is essential that you keep up with the course (if not stay ahead); by all means, do not fall behind.

Attendance

Class attendance is essential to your success in this course and is part of your grade. An excused absence may only be granted in case of serious illness, grave family emergencies, or religious observance, and must be documented. Job interviews and incompatible travel plans are considered unexcused absences. Where possible, please notify me in advance of an excused absence.

Students are responsible for the course materials, including lectures, from the first day of this class, forward. It is the student's obligation to bring himself/herself up to date on any missed coursework.

Please come to class on time, having completed the homework assignment, and prepared to participate in class.

Participation

In-class contribution is a significant part of your grade and an important component of our shared learning experience. The better you and your classmates prepare and participate, the better the discussion will be, and you will all learn the material in a more thorough manner. Your active participation helps me to evaluate your overall performance and knowledge of the material.

Assignments

Homework normally will involve readings and some problems. Readings are designed to expose you to material and concepts which we will cover in class. It gives you THREE chances to master the material – HW before class, note-taking during class, and review of notes after class. They are designed to help you learn the material and are not normally handed in. You are expected to complete this **before** class. You may not understand all the concepts fully and may not get the answer to the problem, but grappling with it in advance will make the lessons in class that much more meaningful. If you arrive at class without having seen the material in advance, it may be more challenging to learn the concepts.

I use BlackBoard (and will be utilizing McGraw-Hill CONNECT) regularly for announcements, assignments and posting of material. Please make sure you are correctly registered for both platforms.

There will be several assignments which must be handed in and will be graded. These assignments must be submitted through CONNECT by the start of the class – I do **NOT** accept e-mail submissions. These assignments will only be accepted if handed in by you. Late assignments will **NOT** be accepted unless due to documented serious illness or grave family emergency. Exceptions to this policy for reasons of religious observance or civic obligation will only be made when the assignment cannot reasonable be completed prior to the due date and you make arrangements for late submission in advance.

Classroom Norms

Arrive to class on time and prepared to stay to the end of the class period. Chronically arriving late and/or leaving early is unprofessional and disruptive. Repeated tardiness will negatively impact your grade.

Bring your Name card to each class and place it in front of your seat. If I don't know your name, it's hard to give you credit for class participation.

Sorry, but I do not allow students to use computers (or other electronic devices) in class. Studies have shown that computers in class disrupt both the student using the computer and the students surrounding them.

Turn off all electronic devices prior to the start of class. Laptops, cell phones and other electronic devices are a distraction to everyone.

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.

Collaboration on Graded Assignments

Students may not work together on graded assignment unless the instructor gives express permission.

Course Evaluations

Course evaluations are important to us and to students who come after you. I find students' constructive comments helpful in improving my teaching and in making the class a better learning experience for everyone. Please complete them thoughtfully.

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:

Undergraduate College: <http://www.stern.nyu.edu/uc/codeofconduct>

Graduate Programs: http://w4.stern.nyu.edu/studentactivities/involved.cfm?doc_id=102505

To help ensure the integrity of our learning community, prose assignments you submit to Blackboard 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.

Recording of Classes

Your class may be recorded for educational purposes

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.

Group Projects

Guidelines for Group Projects

Business activities involve group effort. Consequently, learning how to work effectively in a group is a critical part of your business education.

Every member is expected to carry an equal share of the group's workload. As such, it is in your interest to be involved in all aspects of the project. Even if you divide the work rather than work on each piece together, you are still responsible for each part. The group project will be graded as a whole: its different components will not be graded separately. Your exams may contain questions that are based on aspects of your group projects.

It is recommended that each group establish ground rules early in the process to facilitate your joint work including a problem-solving process for handling conflicts. In the infrequent case where you believe that a group member is not carrying out his or her fair share of work, you are urged not to permit problems to develop to a point where they become serious. If you cannot resolve conflicts internally after your best efforts, they should be brought to my attention and I will work with you to find a resolution.

You will be asked to complete a peer evaluation form to evaluate the contribution of each of your group members (including your own contribution) at the conclusion of each project. If there is consensus that a group member did not contribute a fair share of work to the project, I will consider this feedback during grading.

Re-Grading

The process of assigning grades is intended to be one of unbiased evaluation. Students are encouraged to respect the integrity and authority of the professor's grading system and are discouraged from pursuing arbitrary challenges to it.

If you believe an inadvertent error has been made in the grading of an individual assignment or in assessing an overall course grade, a request to have the grade re-evaluated may be submitted. You must submit such requests in writing to me within 7 days of receiving the grade, including a brief written statement of why you believe that an error in grading has been made.

NYU Stern School of Business -- Undergraduate College

ACCT-UB.0001 Section 02 – Principles of Financial Accounting – Fall 2013

Professor Henry M. Dachowitz – Mondays/Wednesdays 8:00AM to 9:15AM -- Location:Tisch T-LC25

Course Outline

Text: Financial Accounting, Libby, Libby & Short, 7th (custom NYU) ed., McGraw-Hill

Date & Topic	Homework Readings	Homework Problems
Wed Sep 4	Financial accounting p.3-5; Operating cycle p.103-4; Cash vs. accrual p.107-8;GAAP p.18-19; Accounting principles p.45-46; Acctng equation p.8 & 52-53; double-entry bookkeeping p. 62-64; debits/credits p. 58; journal entries p. 59-60; G/L & T-accts p.60-62	Chap 3 q 1,2,5,7 (p.135); Chap 1 q 1,2,4,5,7,8 (p.27) ; multiple choice q 1,2,5,9 (p. 28-29); M1-1 & M1-2 (p.29);
Mon Sep 9	Financial stmts & balance of Chapter1 including Supplement A p. 6-25; Chapter 2 Intro p. 43-44; Balance Sheet p. 46-50 and 66-67; Transactions and Journal Entries p. 50-59;	Chap 1 E1-4 & E1-6 (p.31-32); Demo Case Chap 1 (p. 23-24); Chap 2 q 2,3,8 (p.78); multiple choice q 2,6,8 (p.78-79); Demo Case Chap 2 p.72-74; M2-3, 2-4, 2-5 (p.80);
Wed Sep 11	Journal Entries p. 60-65; Chapter 3 Intro p.101-102; Income Statement p.104-107; Revenue recognition and entries p.108-109; Matching Principle p.111-112;	E2-1 items #2,8,13,17,18 (p.82); E2-2 (p.83); AP2-1 & AP2-3 items #1-4 (p.92-94); Chap 3 Demo Case (p.128-132); mult ch q 3,7 (p.136); M3-1 (p.137);
Mon Sep 16	Journal entries p.113-121; P&L Stmt and other fin'l stmts p.122-124; Read Chapter 4 adjusting entries (accruals & deferrals) p.162-175	E3-1 #3,4,7 (p.140); E3-3 (p.141); E3-4 (p.142); E3-9 (p.144); P3-4 #1-3 (p.150-151); Chap 4 Demo Case (p.186-192);
Wed Sep 18	Chapter 4 preparing financial statements p.177-181; closing entries p. 183-184	Chap 4 q 1,4,11,13 (p.194); mult ch q3 (p.195);

		M4-1, M4-4, M4-6 & M4-8 (p.196-8); E4- 7 # 2 only (p.202); E4-17 #1 & 2 only (p.207-8)
	This is graded assignment #1. It must be turned in through CONNECT by 8:00AM <u>Wednesday September 25.</u>	Prepare Problem COMP4-2 Items #1, 2, 3, 4 (Balance Sheet & Income Statement only), and 5
Mon Sep 23	Continuation of Journal Entries, Postings to T-accts, Adjusting entries, Trial Balance, P&L, Closing Entries and Balance Sheet	
Wed Sep 25	Review of Problem COMP4-2 and entire course to date (primarily Chapters 1 through 4)	
Mon Sep 30	EXAM #1	
Wed Oct 2	(In class) Review of Exam – (HW) Read entire Chapter 6. Sales & A/R	Chap 6 q.2,7,8,11,14 (p. 306-7); Mult choice 1,2,5,6,9 (p.307-308)
Mon Oct 7	Finish Chap 6 – Bad Debts & Bank Reconciliations Ratios: Working Capital (p.467), Current Ratio (p.68) Quick Ratio (p.458) Profit Margin (p.182) Gross Profit Percentage (p.284) EPS (p.556)	Chap 6 M6-4, M6-5, M6-8 (p.309); E6-3,E6-11,E6-12, E6-24(p.310-317) ; P6-3 (p.319)
Wed Oct 9	Read entire Chapter 7 – Inventory and CoGS (Cost of Goods Sold)	Chap 7 q.1,4,6,8,9 (p. 363); Mult choice 1,4,5 (p.363)
Mon Oct 14	NO CLASSES – Columbus Day	
Wed Oct 16	Finish Chapter 7 – Inventory Costing Methods Turnover ratios: Asset (p.127) A/R (p.292) Inventory (p.347) Fixed Asset (p.390) A/P (p.460)	Chap 7 M7-3, M7-4 (p.365); E7-2, E7-3, E7-5, E7-13 (p.366-370)
Mon Oct 21	Read entire Chapter 8 – PP&E and Depreciation	Chap 8 q.1,2,5,12-15 (p.422); Mult choice 1,10 (p.422-423)
Wed Oct 23	Finish Chapter 8 – Intangibles, Depletion & Amortization	M8-4, M8-5, M8-6, M8-9 (p.425); E8-7, E8-8, E8-13, E8-20 (p.427-432)
Mon Oct 28	Read Chapter 9 excluding present value concepts (p. 471 -478) – A/P and Accrued Liabilities	Demo Case items #1-5 (p.477-478) Chap 9 q.1,4-8,10 (p.485); Mult choice 3,4,7,9 (p.485-486)
Wed Oct 30	Finish the balance of Chap 9 concepts (excluding present value p. 471- 478) – Estimated and Contingent Liabilities	M9-1, M9-4 (p.487); E9-1 (p.488), E9-10 (p.490-491); P9-1 (p.494)

Mon Nov 4	Review of Chapters 6-9 in preparation for exam	
Wed Nov 6	EXAM #2	
Mon Nov 11	(in class) Review of Exam – PV Concepts (HW) Read Chapter 9 Present Value (p.471-478), and Chapter 9 Supplement C (p.481-483) Chap 9 Demo Case #6-7 (p.477-478)	Chap 9 q.1,4-8,10 (p.485); Mult choice 1,8,10(p.485-486); M9-7 through M9-10 (p.487-488); E9-15, E9-19, E9-20 (p.492)
Wed Nov 13	Read entire Chapter 10 Accounting for Bonds	Demo Case (p.525); Chap 10 q.2,3,4,6,8,9,11 (p.534); Mult choice 1,3,4,5,6,8,9 (p.534-535)
	This is graded assignment #2. It must be turned in thru CONNECT by 8:00AM Wed. Nov. 20	Prepare Problem P10-8 (p. 544) Items #1, 2, and 3 only.
Mon Nov 18	Finish Chapter 10 Accounting for Bonds: at Par, Premium and Discount	M10-1 through M10-8 (p.535-536); E10-2, E10-5, E10-8, E10-9, E10-16, E10-17(p.537-540)
Wed Nov 20	Review of graded HW assignment. Read entire Chapter 11 - Stockholders' Equity, Authorized, Issued & Outstanding	Chap 11 q.1,3,4,6,7,9,12,13,15 (p.574-575);Mult choice 1,2,4,5,6,10(p.575-6)
Mon Nov 25	Finish Chap 11 – Accounting for stock issuance, repurchase, dividends, stock dividends & splits, Preferred Stock	Chap 11 M11-3, M11-8 (p.576-577); E11-3 thru E11-6, E11-8, E11-18 (p.577-582); P11-1 (p.585-586)
Wed Nov 27	Read entire Chapter 12 – Investments in Other Corporations including Demo Case A (p.616-617)	Chap12 q.1-5 (p.620), Chap 12 M12-2 thru M12-6 (p.622-623)
Thur Nov 28	Enjoy your THANKSGIVING holiday!	
Mon Dec 2	Balance of Chap 12 – Investments with Significant Influence and Control (Consolidation) – Read Demo Cases B & C (pages 617-618)	Chap 12 q.6-9 (p.620), Mult choice 1-8 (p.621), M12-7 thru M12-9 & M12-11 (p.623-4), Exercises E12-2 thru E12-7 (p.624-625)
Wed Dec 4	Finish and Wrap-up of Chap 12 Read entire Chapter 13 – Statement of Cash Flows	Chap 13 q.4,6,13 (p.669); Mult choice 1,3,4,6thru10 (p.669-670)
Mon Dec 9	Finish Chap 13 & Discussion of Auditing & Fraud	M13-1,M13-2,M13-5,M13-6(p.670-1) E13-1, -6, -11, -15 (p.672-677)
Wed Dec 11	Review of Entire Course for Final Exam	To be announced
Wed Dec 18	FINAL Exam (8:00AM – 9:50AM)	Room to be confirmed