

NEW YORK UNIVERSITY
Leonard N. Stern School of Business

COR1-GB.1306.36 (35)
Financial Accounting and Reporting
Spring 2014

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COURSE OUTLINE

<u>Date</u>	<u>Topic</u>	<u>Readings</u>	<u>Class Assignment</u>
I. PRELIMINARIES			
2/11/14 (2/12/14)	A. Financial information: users, uses, and vulnerabilities. The reporting framework: generally accepted accounting principles (GAAP).	Ch. 1 (pp.2-24, Except 19-21)	1. 1-44 <u>Reality check:</u> A disconcerting letter from Satyam's chairman
II. STATEMENT OF FINANCIAL POSITIONS: THE BALANCE SHEET			
	B. The balance sheet: A snapshot of assets, liabilities, and owners equity; historical and fair values of assets and liabilities.		
	C. Accounting procedures: Double entry and asset/liabilities' records.		
III. STATEMENT OF OPERATIONS: THE INCOME STATEMENT			
2/18/14 (2/19/14)	A. Enterprise performance measurement: Accrual earnings vs. cash flows.	Ch. 2 (pp.44-66)	1. Exercise on current assets and current liabilities 2. 2-47, 2-50, 2-51
	B. Earnings measurement: Revenue and expense recognition rules. The matching process. The income statement.		
2/25/14 (2/26/14)	The accounting process: journal entries and T-accounts	Ch. 3 (pp.90-116)	1. Exercise on income management 2. 3-23, 3-34
3/4/14 (3/5/14)	Preparing the financial statements	Ch. 4 (pp. 140-156)	1. Exercise on income management II 2. 4-35, 4-38

IV. SPECIFIC ASSETS, LIABILITIES, EQUITIES

3/11/14 (3/12/14)	Sales and accounts receivable. Revenue recognition in unusual circumstances.	Ch. 6 (pp.238-257)	1. Exercise on accounts receivable 2. 6-54, 6-67 3. Handout Question (different recognition rules)
3/25/14 (3/26/14)	A. MID-TERM EXAM. B. From retail to manufacturing operations.	Appendix 7B (pp. 315-317)	
4/1/14 (4/2/14)	Inventory valuation methods.	Ch. 7 (pp.284-301, and Appendix 7A, (pp. 311-314)*	1. Exercise on inventory valuation. 2. 7-47, 7-56
4/8/14 (4/9/14)	Physical assets and depreciation. Intangible capital and intellectual property.	Ch. 8 (pp.338-349, and pp.359-364)	1. 8-33, 8-56
4/15/14 (4/16/14)	Investment in securities and in other companies. Fair value accounting.	Ch. 11 (pp.492-504)	1. Exercise on marketable securities 2. 11-28, 11-29.
4/22/14 (4/23/14)	The statement of cash flows, preparation and interpretation. ("Indirect Method" only)	Ch. 5 (pp.188-207) [†]	1. 5-56, 5-61
4/29/14 (4/30/14)	Liabilities (short- and long-term), off-balance sheet financing, and shareholder equity.	Ch. 9 (pp.386-405, 408-411, and Appendix 9, pp.422-428) Ch. 10 (pp.448-456)	1. 9-36, 9-60, 9-63
5/6/14 (5/7/14)	FINAL EXAM		

* The discussion of Gross Profit (pp.304-308) is optional, but important for students interested in investment decisions.

[†] Omit the "direct Method" in pp.201-202. For our class, focus only on the "Indirect Method."

PLEASE NOTE:

Class attendance is required. One or two missed classes for health reasons or unexpected travel will be accepted.

Textbook: Hongren, Sundem, Elliott and Philbrick, Introduction to Financial Accounting, 11th edition, 2014, Pearson.

Financial Report: Print Cisco's 2013 financial report (on NYU Classes) and bring to each class.

Exercises for class discussion are posted on NYU Classes.

Grading: Final grade will be primarily based on the midterm and final exams, as well as on the quality of weekly homework assignments and class discussion.

Midterm Exam is on 3/25/14 (3/26/14).

Final Exam is on 5/6/14 (5/7/14)

Office Hours: Tuesdays and Wednesdays 5:00-6:00 pm, and by appointment (212-998-0028).

<u>Date</u> <i>(To be handed in class)</i>	<u>Homework Assignment</u>
2/18/14 (2/19/14)	1-31, 1-40
2/25/14 (2/26/14)	2-48, 2-53, 2-56
3/4/14 (3/5/14)	3-25, 3-40, 3-44
3/11/14 (3/12/14)	4-37, 4-39, 4-47
3/25/14 (3/26/14)	6-69, 6-71, 6-74
4/1/14 (4/2/14)	No homework
4/8/14 (4/9/14)	7-58, 7-67, 7-75
4/15/14 (4/16/14)	8-37, 8-41, 8-48
4/22/14 (4/23/14)	11-33, 11-39, 11-40
4/29/14 (4/30/14)	5-62, 5-65, 5-73
5/6/14 (5/7/14)	9-62, 9-64, 9-73