

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

**Principles of Financial Accounting  
Fall 2017**

**(ACCT-UB.0001.06) TR 9:30 a.m.-10:45 a.m., TLC-25  
(ACCT-UB.0001.07) TR 11:00 a.m.-12:15 a.m., TLC-25  
(ACCT-UB.0001.08) TR 2:00 p.m.-3:15 p.m., TLC-25**

**INSTRUCTOR DETAILS  
MENG, XIAOJING**

Email: [xmeng@stern.nyu.edu](mailto:xmeng@stern.nyu.edu)

Phone: 212-992-6812

Office Hours: TR 3:30-5:30pm or by appointment

Office Location: KMC 10-85

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(781)801-3512  
Office Hours: Wednesday 6-9pm  
Office Hours location: KMC UC100

**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. 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.

## **COURSE MATERIALS**

**(Optional) Textbook:** Libby, Libby and Short, *Financial Accounting, 8<sup>th</sup> Edition*. Both regular edition and NYU custom edition are fine. The textbook is not required, but recommended. The textbook covers the basic material in the course, including background information, accounting rules and conventions. I recommend you to read the related chapters before each class.

**Lecture Slides:** Most lectures will use the aid of Powerpoint slides. Any material included in the slides is fair game for exams.

## **ASSESSMENT COMPONENTS**

**Homework:** I will give you 6 homework assignments, and you only need to submit 5 of them, i.e., you can skip one. If you hand in all 6 of them, the highest 5 (out of the 6) 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 get one point off for each day delayed.

**Exams:** There will be three exams: two midterms and one final, all during the semester. Final will be cumulative, with a focus on the materials after the second midterm. 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, 25% first exam, 15% second exam, 40% final exam, and 5% class Professionalism;
- (2) 15% homework, 15% first exam, 25% second exam, 40% final exam, and 5% class Professionalism.

Class Professionalism includes the following general behaviors I expect from you in class:

1. No talking to others during the lecture. If you constantly talk to others during the lecture, you may be asked to leave the classroom and lose 3 points in class professionalism;

2. No cell phones ringing and no texting during class;
3. Be on time;
4. Actively participate in class discussion.

## **SCHEDULING CONFLICTS**

Only I can grant permission to be excused from a scheduled quiz/exam because of a scheduling conflict. Teaching assistants cannot grant such permission. To obtain permission to be excused from a scheduled quiz/exam because of a scheduling conflict, students must provide documented evidence of the conflict. Notify me via email at least one week in advance of any conflicts with your other courses. In case of a legitimate scheduling conflict, I will grant permission to the student to take the quiz/exam early or late under my supervision. Only scheduling conflicts with other courses or university representation will be considered. Internship, interviews, family vacation, or other travel plans are not acceptable scheduling conflicts. If you miss a quiz or exam without permission, your grade will be zero on that quiz/exam.

Only I can grant permission to be excused from a scheduled quiz/exam for illness. To obtain permission to be excused from a scheduled quiz/exam because of illness, students must provide documented evidence of the illness. A note documenting a visit to health services is not a sufficient excuse for missing a quiz/exam. Minor illnesses, including upper respiratory infections (i.e., colds), or fatigue, are unacceptable reasons for missing a quiz/exam. Also, illness during the time that a student had intended to study for a quiz/exam is not an excuse for missing a scheduled quiz/exam.

## **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](http://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
9/5	Overview of Accounting
9/7; 9/12	Overview of Financial Statement <i>please read: Libby, Libby &amp; Short (LLS), Chapter 1</i>
9/14	Balance Sheet and Recording the Effects of Transactions <i>please read: Libby, Libby &amp; Short (LLS), Chapter 2</i> <b>Homework: TBA, due on 9/19</b>
9/19; 9/21; 9/26	Income Statement: Cash versus Accrual Accounting Accounting Cycle and Closing the book <i>please read: Libby, Libby &amp; Short (LLS), Chapter 3 and 4</i> <b>Homework: TBA, due on 9/28</b>
9/28	Misstatement, Fraud & Shame
10/3	Review for Midterm

<b>10/5</b>	<b>Midterm Exam 1 (chapter 1-4)</b>
10/10; 10/12; 10/17; 10/19	Statement of Cash Flows <i>please read: Libby, Libby &amp; Short (LLS), Chapter 12</i> <b>Homework: TBA, due on 10/24</b>
10/24; 10/26; 10/31; 11/2	Liabilities: Current Liabilities, Bond and Lease <i>please read: Libby, Libby &amp; Short (LLS), Chapter 9, 10</i> <b>Homework: TBA, due on 11/7</b>
11/7	Review for Exam 2
<b>11/9</b>	<b>Midterm Exam 2 (chapter 12, 9, 10)</b>
11/14; 11/16	Shareholder's Equity <i>please read: Libby, Libby &amp; Short (LLS), Chapter 11</i> <b>Homework: TBA, due on 11/21</b>
11/21	Receivables and Sales revenue <i>please read: Libby, Libby &amp; Short (LLS), Chapter 6</i>
11/28	Inventories and Cost of goods sold <i>please read: Libby, Libby &amp; Short (LLS), Chapter 7</i> <b>Homework: TBA, due on 11/30</b>
11/30	PP&E <i>please read: Libby, Libby &amp; Short (LLS), Chapter 8</i>
12/5	Financial Statement Analysis: Ratio Analysis and Basic valuation
12/7	Review for the full class
12/14	Review for Final Exam