

ACCT
GB 1306

Financial Accounting
Spring 2024



INSTRUCTOR:

Professor Ming Deng

Email: md5269@stern.nyu.edu

Office Location: KMC 10-93

Office hours: Wednesdays 4:45-5:45 PM or by appointment

CLASS TIMES & LOCATIONS

Class time: Wednesdays 6:00-9:00 PM

Classroom: KMC 3-90

TEACHING FELLOW:

To be announced

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

Textbook: Libby, Libby and Hodge, *Financial Accounting, 11th Edition*. Both regular edition and NYU custom edition are fine.

<https://www.mheducation.com/highered/product/financial-accounting-libby-libby/1264229739.html>

The textbook covers the basic material in the course, including background information, accounting rules and conventions. I recommend you read the related chapters before each class. McGraw Hill CONNECT access card is **NOT** required for the course.

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

ASSESSMENT COMPONENTS

Quizzes: There will be three quizzes. Quizzes will take 15 minutes (during class time), each of which is worth four percent of the course grade.

Homework: The homework problems are a study aid and provide practice in accounting skills and experiences in interpreting financial statement information. The homework problems will not be graded, but working on these problems will prepare you for the quizzes and the exams.

Students are required to submit the *Ralph Release* data sheet, which has a value of two points. The details of the assignment will be announced separately.

Exams: Two exams will be given during the term. The exams will be closed-book and closed-notes. The Midterm Exam covered Chapters 1, 2, 3, 4, 6 will be administered in class on the date indicated in the syllabus. The final Exam is cumulative, but has a heavy emphasis on the most recent material (i.e., Chapters 7, 8, 9, 11, 12).

Group Presentation: I will assign students into one of 7 groups to analyze two public companies: American Eagle Outfitters and Express, Inc. Their financial statements are available in Appendix B at the end of the textbook. Each group will analyze the financial statements and address questions specified in the textbook (see the table below). Instead of offering itemized answers, the group should summarize and present the key findings in a 10-minute PowerPoint presentation to the class on the due dates. Each member of the group must speak during the presentation. Submit the presentation slides as an email to the instructor one day before the due dates. No requests for postponements will be granted.

Group Number	Area	Textbook Problem	Page Number
2	Analysis of Balance Sheet	CP2 1-3	102
3	Analysis of Income Statement	CP3 1-3	165
4	Accruals, EPS and Profit Margin	CP4 1-3	227
6	Sales Revenue Receivables and Cash	CP6 1-3	338
7	Inventories	CP7 1-3	396
8	Long-Lived Assets	CP8 1-3	464
11	Stockholders' Equity	CP11 1-3	621

Presentations will be graded by the following guidelines. To ensure fairness, all members in a group will receive the same grade for the presentation, provided that all members have reasonably shared the workload. However, a free-rider unanimously identified by other group members will receive a lower or zero score on the presentation.

Presentation Grading Guidelines			
Presentation Content 30%	Visual Aids 30%	Performance 20%	General 20%
Simplicity	Clear catchy slides	Smooth transition from issue to issue	Organized & within 10 minutes
Requirements clearly stated	Colors not distracting	Audience and eye contact	Clear “take home message”
Results easily and clearly interpreted	Font convey results effectively	Body language and gestures	Ability to answer questions by all team members

Group Projects: In addition to the group presentation, each group must complete three group projects. I will later in class provide more details about the group projects.

Group Project 1: Understanding accounting transactions (3%)

Group Project 2: Understanding the relations among financial statements using Excel (3%)

Group Project 3: Analyzing a public company using financial statement analysis (4%)

Each group must submit one copy of the group projects at the beginning of class on the session shown in the course schedule. Do NOT email the completed group projects to the instructor. They will be graded on a scale of 0 to 10. The grading guidelines are:

<u>Grade</u>	<u>Grading Guideline</u>
10	Problem is complete and nearly correct
8	Problem is complete, but has several substantial errors
6	Problem is incomplete and/or has major errors
0	Not turned in

USE OF CALCULATORS DURING EXAMS AND QUIZZES: Students are allowed to use simple calculators during the exams and quizzes. We must restrict the use of computational devices to basic math functions. Only allowed are basic four-function calculators that do not have programmable or communications capabilities. Not allowed are computational devices that can store text (i.e., all portable computers, such as Blackberry or cell phones). All devices that are programmable are prohibited. If you are in doubt about the acceptability of your computational device, check with me.

Grading: Your final grade is the best out of the following two options:

	<u>Option 1</u>	<u>Option 2</u>
Midterm	29%	21%

Final exam	37%	45%
Group Projects	10%	10%
Group Presentation	10%	10%
Quizzes	12%	12%
Ralph release	2%	2%

Grading Information for Stern Core Courses

At NYU Stern, we strive to create courses that challenge students intellectually and that meet the Stern standards of academic excellence. To ensure fairness and clarity of grading, the Stern faculty have adopted a grading guideline for core courses with enrollments of more than 25 students in which approximately 35% of students will receive an "A" or "A-" grade. In general, students in graduate 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.

SCHEDULING CONFLICTS

Only the instructor 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 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.

A WORD OF ENCOURAGEMENT

The course requires constant attention and consistent effort. Batch processing will almost surely be inefficient, frustrating, and unproductive. I urge you to keep up with the assignment schedule.

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) 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.

	2024	Textbook Chapter	Homework	Group Presentation	Due Dates
1	Feb 07	Course Introduction Ch 1: Financial Statements and Business	E1-5, E1-7, E1-9, E1-13, E1-14		
2	Feb 14	Ch 2: Investing and Financing Decisions	E2-4, E2-6, E2-9, E2-15, E2-17, E2-18		
3	Feb 21	Ch 3: Operating Decisions and the Accounting System	E3-2, E3-3, E3-4, E3-9, E3-10	2	Quiz 1
4	Feb 28	Ch 4: Adjustments, and the Quality of Earnings	E4-8, E4-10, E4-15, E4-16, E4-19	3	
5	Mar 06	Ch 6: Sales Revenue, Receivables, and Cash	E6-3, E6-12, E6-14, E6-16, E6-18, E6-23	4	Quiz 2
6	Mar 13	Ch 7: Cost of Goods Sold and Inventory Midterm Review	E7-7, E7-12, E7-15, E7-19, E7-21	6	Project 1
	Mar 20	Spring Break			
7	Mar 27	Midterm Exam (Chapters 1, 2, 3, 4, 6) Ch 9, 10: Liabilities	E9-1, E9-4, E9-5, E9-9		
8	Apr 03	Ch 8: Property, Plant and Equipment; Intangible	E8-6, E8-11, E8-16, E8-24, CP8-8	7	
9	Apr 10	Ch 11: Stockholders' Equity	E11-3, E11-4, E11-9, E11-15, E11-18, E11-22	8	Quiz 3 Ralph Report
10	Apr 17	Ch 12: Statement of Cash Flows	E12-7, E12-15, E12-18, E12-21, E12-23	11	Project 2
11	Apr 24	Ch 13: Financial Statement Analysis Final Exam Review			
12	May 01	Final Exam (Comprehensive)			Project 3