**Principles of Financial Accounting**

**ACCT-UB**

**SPRING 2024**

**Tisch LC-25**

**1/22/2024 - 5/6/2024**

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**Office Hours**: Monday 12:30-1:45 in person

Friday 12:00-1:00 pm on Zoom

Please make sure to have your cameras turned on during all virtual office hours.

## **Course Description:**

Welcome to Principles of Financial Accounting!

Accounting reports are an important means of communication with investors.

Have you ever wondered, while ordering your coffee or while shopping at Target, what, how, and when these companies report to the outside public, including details such as products they sell, their revenue and costs, and ultimately, their earnings?

Detailed financial information is available for "public" companies. But in order to understand the information, you must first learn the "language of business": Accounting. Accounting is the tool businesses use to measure and communicate their financial 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. The objective of this course is to help you develop into an informed user of financial statement information.

This course focuses on:

* Teaching the methods, rules, and processes used to develop financial accounting reports;
* Preparing financial accounting reports;
* Interpreting and analyzing financial accounting reports and
* Understanding what the reports contain, what assumptions and concepts accountants use to prepare them, and why they use those assumptions and concepts.
* Understanding where there is **discretion** in reporting financial results (and the implications).

Our perspective is that of *external* users of financial information, such as investors, creditors, customers, suppliers, government regulators, and business school students.

The course uses simple examples and occasionally current events to provide a clear understanding of accounting concepts and show the impact of accounting in the business world.

A solid understanding of accounting is one of the basic building blocks of the business world. You will use the skills you learn in this class in your future Stern classes and future career.

## **Course Objectives:**

By the end of the course, you should be able to:

* Appreciate how business activities are captured by financial statements.
* Understand the difference between cash and accrual accounting.
* Interpret Balance Sheets, Income Statements, and Statement of Cash Flows.
* Prepare simple financial statements.
* Explain how components of financial statements are linked together.
* Prepare simple journal entries, ledgers, trial balances, and end-of-period adjusting entries.
* Identify issues related to revenue recognition.
* Discuss issues related to assets, liabilities, and equities.
* Become aware of ways companies engage in earnings management activities.

## **Who is This Course for?**

Since this is a required course, there will be students with varying backgrounds in accounting in the class. This course is designed for students with no accounting background whatsoever. Thus, you should not be worried if others in the class have more business or accounting exposure. Conversely, if the course is not challenging enough for you, please reach out to me, and I will provide you with additional, more challenging material.

## **Required Text and Materials:**

## **Textbook, McGraw-HIll Connect Content, and Brightspace Material**

#### **Textbook and Connect**

For this course, the required textbook is Libby, Financial Accounting 11th edition. Also required is the McGraw-Hill Education Connect® access for the book.

You are required to purchase one of the following two bundles: either the Connect/Online Bundle, which includes all Connect online content and the **ebook,** or the Connect/Print Bundle, which includes all Connect online content and the **printed textbook**. Purchasing options are below:

1. **OPTION #1: Online - All Digital**

This is the most affordable option**.** **For this option, you must purchase Connect directly from our Brightspace course.** See the instructions below. This option comes without the print book, but it does include the complete eBook and access to all the Connect content. The cost of this package is **$105.**

1. **OPTION #2: Print + Digital**

**For this discounted bundle, you must purchase the print version at the NYU Bookstore (only).** They will give you the discounted Connect Access Card with your print purchase. There is no other place to get this bundled price. Financial Accounting Looseleaf + Connect Access Card is ISBN # **978-126-605456-3** (give them the ISBN in the NYU bookstore). The bundle will cost **$156.75**

Note: if you buy your textbook separately, on your own (not through the bundle), **you will unfortunately still need to purchase the entire Connect access** to complete your homework assignment for **$105.** You would do this through the course Brightspace (basically, you would have to choose option 1 above).

**Instructions for accessing/purchasing/registering for Connect:**

To register for (and/or purchase) Connect, regardless of the option you choose above, you will need to log into Brightspace and go to **Module 1**, click on the Lesson called **Connect for Module 1,** and then click on **Chapter 1 Reading:**  **Financial Statements and Business Decisions.** For directions on what to do next, if you need help, you can watch this McGraw Hill tutorial **but start watching only at minute 1:22.** Please do not watch the preceding material, it will confuse you as it is written in general and for a different setup. For the tutorial, [CLICK HERE](https://www.mheducation.com/highered/support/connect/first-day-of-class/d2l.html).

**Please ensure that you register for Connect using the same name and the Stern email address as used in Brightspace. Directions on how to register for Connect from Brightspace,** [**CLICK HERE**](https://www.mheducation.com/highered/support/connect/first-day-of-class/d2l.html)**.**

McGraw Hill Technical Support: If you have technical issues, please contact the McGraw Hill Technical Support Team. The following information is also available through links on the Connect pages: Technical Support Phone Number: 1-800-331-5094, Email and Chat Support: [www.mhhe.com/support](http://www.mhhe.com/support). Please keep track of your ticket number when contacting McGraw Hill support.

#### **Brightspace Materials**:

You will need to access the Brightspace site for the course frequently. I will be posting slides and other required material for your review. Please bring the printed or digital slides to class, but make sure, if digital, that you can annotate them during my lecture.

#### **Calculator**:

You will be bringing your calculator to the exams. When choosing a calculator to purchase or borrow, try to get a financial calculator (not necessary). Make sure you are comfortable with it. I will not review calculator instructions since everyone has a different model. It does not have to be pricey.

## **Grading**

SmartBook Reading 0% (but essential)

Weekly Problem Sets 20%

Attendance/Participation 15%\*See the section below on this.

Exam Composite Score (2 of 3 exams): 65%

There will be 3 exams in this course: Exam 1, Exam 2, and Exam 3. The exam dates are firm and are indicated in the table below.

The exam composite score (65% of the total course grade) is calculated as the (equally weighted) average of the max of 2 out of the 3 exams; that is, the lowest exam grade is automatically dropped. This means you can skip an exam (this includes the final exam). In other words, your top two exams will each be worth 32.5% of the total course grade.

Makeup policy: Please note that this ‘drop one exam’ grading policy is also your ‘makeup’ option. Instead of traditional makeup exams, you can skip one exam (but then both exams you take will obviously be counted). No makeup will be offered (see the time-sensitive alternative opt-out-of-my-policy option below).\* Please do remember to save the one skip for emergencies- that is what it is there for.

\*Time-Sensitive opt-out-of-my-policy option: If you do not like this policy, you may request by the end of the first week of the semester (and only then; this is a hard deadline), to forfeit the drop option and take all exams instead and buy yourself the option to make up one or more of the exams in the event that you will have a bona fide emergency (such as hospitalization, death in the family). If you choose this option, you are required to take all exams, no exam grade will be dropped (they will all count equally), and you may not change your mind after the deadline (one week after the semester starts). *To choose this option, email me and the TA directly (to our respective email addresses) by the end of the first week of the semester with the following subject line: “I would like to forfeit the drop option.”* Please note that this seems to be an inferior option to me, but I leave it up to you.

Weekly Problem Sets: Each problem set is assigned equal weight when computing the overall Problem Set Score for the course.

#### Extra Credit Opportunity:

There will be one extra credit opportunity in the form of a Discussion Board Assignment titled: ‘Accounting in the Real World’. If you choose to do it, it is due in Module 10. Based on how well you do, you will either receive + 0. +1, or +2 extra points on top of your numerical course grade. So, for example, if you are running an 88 in my course and you do the extra credit assignment and do well, your numerical score for my course will be a 90.

The course will follow the grading policies for core courses, stating that a maximum of 35% of the class can receive an A/A- grade.

I reserve the right to adjust your final grade based on your level of participation and your professionalism in class.

## **What You May Bring to the Exams:**

## Exams are all closed-book and closed notes. You will be bringing your calculator, but may not bring a calculator manual.

You will also be asked to write your exams using pen and paper. Please make sure to bring in pens to the exam.

Laptops, smartphones, smartwatches, and other devices will not be permitted.

## **Attendance, Class Environment, and Participation**

Attendance is required. Since you will be engaged in the most difficult processing of information in our class, your success depends critically on your presence in class. Please make every effort to arrive on time and remain for the entire class period. If you plan to arrive late or miss class (this should only be for exceptional reasons), please make sure to email me in advance with the following subject line: ‘Late arrival/Missing class’.

Remember, 15% of your grade is based on attendance/participation.

**The 15% attendance/participation grade is mainly based on attendance** but will be adjusted *downwards* for *negative* participation.

Thus the participation score is based solely on the avoidance of negative in-class behavior.

Negative participation includes disruptive behavior, texting while in class, using your cell phone while in class, frequent lateness, frequently leaving early, talking while I am lecturing, watching videos during class, etc.

I have each of our class sessions recorded and available on Brightspace. The class recordings are not a substitute for attending class.

## **Assignments**

### **Required Work Before Each Class:**

#### **Textbook/ Ebook Reading:**

There are two types of reading: The textbook/ebook reading and Smartbook (SB) reading which is an online activity that sits on the Connect platform. The textbook/ebook reading is mandatory and due before the first lecture of the week (which occurs on Tuesdays).

Each week, you are expected to read the chapter associated with the module before coming to class. This is required for you to be able to master the material. Reading it after the lectures will leave you confused and it will be very hard to make up the comprehension if this is not done in the requested order.

### **Required Work During Each Module Week**

**All weekly work is due on Fridays, 11:59 PM, the day after the Thursday lecture.**

#### **Connect SmartBook Reading Assignment:**

The Smartbook reading activity is not the same as the textbook/ebook reading that is required before each Tuesday and described immediately above.

I have selected material from each chapter for you to read and set up questions related to that material. SmartBook is an adaptive reading experience; it will guide you to spend the most amount of time on material you are least familiar with.

The SmartBook reading is not graded but is very important for your understanding. The SmartBook reading assignment will open at the beginning of each Module Week (Saturday at 12:00 AM) and will remain open for the duration of the semester, but is due by Friday night (11:59) pm of the Module week (one day after the Module’s Thursday lecture).

#### **Connect Online Graded Assignments:**

Each Module week, I will assign graded problems. Working on these assignments will make it possible for you to identify your areas of strength and weakness. After submitting your assignment, you will see your score, the correct answer, an explanation, and the solution. You should plan to spend 2-3 hours on homework for each hour of class time on average. **Note that the smart book reading is essential for being able to successfully complete these problem sets.**

These problem sets will open at the beginning of each Module Week (Saturday 12:00 AM) and will be due by Friday night (11:59) PM of the Module week (one day after the Module’s Thursday lecture). After the due date, these problems set windows will close. Assignments must be submitted by the due date, and late submissions will not receive credit. Y**our score and the solutions will appear one hour after the due date.**

You are welcome to work on homework problems with your classmates. However, the answers you submit via Connect must be your answers and submitted electronically by you; you may not share your login credentials. Please note that Connect presents the same problems but will use different numbers for different students; thus, you can discuss/analyze the problems theoretically as a group, but your actual answers will differ from those of your classmates.

#### **Extra Practice Problems:**

In addition to the graded assigned homework, the syllabus includes additional (ungraded ) practice problems. You are encouraged to complete these to reinforce your understanding of the material. It would be useful to complete these problems in small groups of 2-4 students, on paper. Doing this will help prepare you for the exams to be submitted on paper.

It is important to keep up in real time. The material is cumulative. Working a little bit every day is generally more effective than trying to master the material in one big chunk. If you attend class, keep up with the reading and problems, and spend the requisite time on the classwork weekly, you should feel comfortable with the subject matter.

The extra practice problems are open from the beginning of the semester and remain open for the duration of the semester, but it is preferable that you do them by Friday night (11:59) pm of the Module week (one day after the Module’s Thursday lecture).

## **Course Questions and Communication:**

* If you have questions about the material, please email me or the Teaching Fellow directly. When emailing, please include your full name, course name/section, and the word ‘*Question’* in the subject line.
  + If you are emailing about a specific homework problem, please include a screenshot as our TF and I may not have easy access to the textbook.
* If you have questions of a private nature, please email me or the Teaching Fellow directly; include your full name, course name/section, and the word ‘*Private’* in the subject line.

## **Course and Stern Policies**

#### **Academic Integrity**

Our undergraduate [Academics Pillar](https://www.stern.nyu.edu/programs-admissions/undergraduate/why-stern/our-pillars) states that ***we take pride in our well-rounded education and approach our academics with honesty and integrity***. Indeed, integrity is critical 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.Your location44 west 4th str
* 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:  [www.stern.nyu.edu/uc/codeofconduct](http://www.stern.nyu.edu/uc/codeofconduct)

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

#### **Stern Policy: General Conduct and Behavior**

Students are also expected to maintain and abide by the highest professional conduct and behavior standards. Please familiarize yourself with `Stern's Policy in Regard to In-Class Behavior and Expectations’: (<http://www.stern.nyu.edu/portal-partners/current-students/undergraduate/resources-policies/academic-policies/index.htm>) and the NYU Student Conduct Policy (<https://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/university-student-conduct-policy.html>).

#### **Student Accessibility**

If you will require academic accommodation of any kind during this course, please notify me at the beginning of the course and provide a letter from the Moses Center for Student Accessibility (212-998-4980, mosescsa@nyu.edu) verifying your registration and outlining the accommodations they recommend. If you will need to take an exam at the Moses Center for Student Accessibility, you must submit a completed Exam Accommodations Form to them at least one week prior to the scheduled exam time to be guaranteed accommodation. For more information, visit the CSA website:<https://www.nyu.edu/students/communities-and-groups/student-accessibility.html>

#### **Student Wellness**

Classes and life can become stressful. I encourage you to reach out if you need help. The NYU Wellness Exchange offers mental health support. You can reach them 24/7 at 212 443 9999 or via the “NYU Wellness Exchange” app. There are also drop-in hours and appointments. Find out more at<http://www.nyu.edu/students/health-and-wellness/counseling-services.html>

## 

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## **Weekly Class Schedule Grid**

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

Please make sure to print out this grid- you will need to refer back to it continuously throughout the semester for due dates, reading, and other assignments.

Except for Module 1, all graded assignments open on Saturdays at 12:01 a.m. (3 days before the first module lecture) and close Friday night at 11:59 p.m. (the day after the Thursday lecture).

| **Module** | **Lecture Dates** | **Assigned Reading from the ebook or textbook (due *before* the first lecture of the Module week)** | **Assignments Due: Submit via Connect, due at the end of each Module week (Fridays at 11:59 PM)** |
| --- | --- | --- | --- |
| Module 1: Introduction to Financial Accounting | Tuesday, January 23; Thursday, January 25 | Ebook/Textbook Ch 1: Financial Statements & Business Decisions, including Supplement A | Connect dates: Open from 1/17; due 1/28.   * Smartbook Reading, Ch1 * Graded: Chap 1: E1-2, E1-4, E1-5, E1-7, P1-1 * Ungraded: P1-3, CP1-5, IE1-1 * Because the first week is truncated, I extended the deadline to Sunday night, but please make sure to do the reading for Module 2 |
| Module 2: The Accounting System | Tuesday, January 30 & Thursday, February 1 | Ebook/Textbook Chap 2: Investing, Financing Decisions & the Balance Sheet | Connect dates: Open from 1/27; due 2/2.   * Smartbook Reading, Ch 2 * Graded: Chap 2: E2-5, P2-5 * Ungraded:: E2-3, E2-7, CP2-6, |
| Module 3: Operating Decisions and the Accounting System | Tuesday, February 6 & Thursday, February 8 | Ebook/Textbook Chap 3: Operating Decisions & the Income Statement | Connect dates: Open from 2/3; due 2/9.   * Smartbook Reading: Ch 3 * Graded: Chap 3: M3-2, E3-7, P3-4, P3-5 * Ungraded: M3-4, M3-5, M3-8, E3-12, E3-13, |
| Module 4: The Adjusting Process | Tuesday, February 13 & Thursday, February 15 | Ebook/TextbookChapter 4: Adjustments, Financial Statements & the Quality of Earnings | Connect dates: Open from 2/10; due 2/16.   * Smartbook Reading: Ch 4 * Graded: Chap 4: E4-10, E4-16, E4-18, E4-20, E4-21, E4-22 * Ungraded: E4-8, E4-19, P4-7, |
| Module 5: Review and Exam 1 | Tuesday  2/20 In-class: Review  **Thursday 2/22: Exam 1:**  Chapters 1-4; | Before Tuesday class: Review Modules 1-4. And review the sample exam and solutions | Note: The exam will be in class at our allotted class time that week. It will be a “pen and paper” exam that I shall personally collect. |
| Module 6: Revenue and Accounts Receivable | Tuesday, February 27 & Thursday, February 29 | Ebook/TextbookChap 6: Sales Revenue, Receivables & Cash | Connect dates: Open from 2/24; due 3/1.   * Smartbook Reading: Ch 6 * Graded: Chap 6: E6-9, E6-20, E6-23, P6-2, P6-4 * Discussion Board (Brightspace) * Ungraded: E6-8, E6-9, E6-14, Excel |
| Module 7: Inventory and COGS | Tuesday, March 5 & Thursday, March 7 | Ebook/TextbookEbook Chap 7: Cost of Goods Sold & Inventory (including Supp A, “LIFO Liquidations”, but not Supp B/C | Connect dates: Open from 3/2; due 3/8.   * Smartbook Reading: Ch 7 * Graded: Chap 7: E7-2, E7-8, E7-12, P7-6 * Ungraded: E7-5, P7-4, |
| Module 8: Long Term Assets | Tuesday, March 12 & Thursday, March 14 | Ebook/TextbookEbook Chap 8: (including Supp “Changes in Deprec Estimates” & read CP8-7) | Connect dates: Open from 3/9; due 3/15.   * Smartbook Reading: Ch 8 * Graded: Chap 8: E8-4, E8-10, E8-15, E8-17, E8-21, E8-24 * Ungraded: M8-1, E8-1, E8-3, E8-7, E8-8, E8-14, E8-18, E8-22, P8-6, |
| **SPRING BREAK** | **MARCH 18-24** | **NO CLASSES** | **ENJOY!** |
| Module 9: Liabilities | Tuesday, March 26 & Thursday, March 28 | Ebook/TextbookEbook Chap 9: Liabilities (including Supplement B) | Connect dates: Open from 3/16; due 3/29.   * Smartbook Reading Ch 9 * Graded: E9-2, E9-13, E9-14, P9-6, P9-9, P9-13 * Ungraded: E9-1, E9-9, P9-C4   While I opened the module early, you do not need to start until Spring break is over! You will still have the full week, as always. |
| Module: Review and Exam 2 | April 2: In-class Review  **April 4: Exam 2:**  COverage Chapters 6-9; | Before Tuesday class: Review Modules 6-9. And review the sample exam and solutions | Notes: The exam will be in class at our allotted class time that week. It will be a “pen and paper” exam that I shall personally collect. |
| Module 10: Bonds | Tuesday, April 9 & Thursday, April 11 | Ebook/TextbookEbook Chap 10: Bonds (chapter supplement is not required) | Connect dates: Open from 4/6; due 4/12.   * Smartbook Reading: Ch 10 * Graded: Chap 10: E10-24, P10-7, P10-10, P10-13, CP10-4 * Ungraded: P10-3, P10-11 * **Optional Extra Credit Assignment Due: Accounting in the Real World** |
| Module 11: Statement of Cash Flows | Tuesday, April 16 & Thursday, April 18 | Ebook/TextbookEbook Chap 12: Statement of Cash Flows, including Supp A & B (not C) | Connect dates: Open from 4/13; due 4/19.   * Smartbook Reading: Ch 12 * Graded: E12-4, E12-13, P12-1, P12-3, P12-5 * Ungraded: E12-8, E12-11, E12-15, E12-21 |
| Module 12: Equity | Tuesday, April 23 & Thursday, April 25 | Ebook/TextbookEbook Chap 11: Owner’s Equity | Connect dates: Open from 4/20; due 4/26.   * Smartbook Reading: Ch 11 * Graded: Chap 11: E11-4, E11-8, E11-15, E11-18, E11-23, P11-8 * Ungraded: M11-10, E11-10, E11-12, E11-13, P11-11 |
| Module: TBD and  Review for Exam | Tuesday, April 30 & Thursday, May 2 |  |  |
| Final Exam Week | See announcements on our designated day:  Cumulative Final Exam: All modules; | Exam duration: 1 hour and 50 minutes | Note: The exam will be in class at our allotted class time that week. It will be a “pen and paper” exam that I shall personally collect. |

***Enjoy the accounting experience; let the fun begin!***