**NEW YORK UNIVERSITY**

**Stern School of Business**

**ACCT-GB.1306: FINANCIAL ACCOUNTING AND REPORTING**

**Spring 2024**

**PROFESSOR INFORMATION:**

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Weekly Office Hours: Mondays from 12-1pm and by appointment
Location:My office KMC10-90 or Zoom link below

<https://nyu.zoom.us/j/6338208015>

**TEACHING ASSISTANT:**

Name: TBD

Email: TBD

Weekly Office Hours: TBD

Location: TBD

**COURSE DESCRIPTION**

Do you use Instagram, Snapchat or Google? Do you wear any Nike or Adidas products or eat at a Chipotle or Starbucks? If so, all these companies are required to report their financial results, details such as how much they earn from selling their products or services (even the salaries of their top executives!). Detailed financial information is available for "public" companies. But to understand the information, you must first learn the "language of business": *accounting*.

**COURSE OBJECTIVE**

The objective of this course is not to train students to become an accountant that produces financial statements. Such producers need a working knowledge of over 12,000 pages accounting standards that comprise GAAP in the United States. And, for companies operating in other countries, there are another 3,000-plus pages of international financial reporting standards (IFRS) governing those financial statements. While similar, there are often important differences.

The objective of this course is to help students develop into informed consumers of financial statement information. To achieve that objective, 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.
* Understanding where there is discretion (permissible alternatives), as well as estimates (many) and judgments (that can result in biased reporting), 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. I will regularly refer to current events that 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. Students will use the skills they learn in this class in future Stern classes and future career.

**ACCOUNTING VARIANTS**

Broadly speaking, accounting is a critical business tool that comes in three variants: financial, management and tax accounting. While all three variants are based on the same underlying transactions, each variant is designed with different end users in mind. And, notably, each variant is based on different sets of rules, regulations and standards.

The financial accounting variant covered in this course is used to measure and communicate a company’s financial results to investors and other external users such as banks. Most users don’t have direct access to management and to the underlying data, so standards (aka generally accepted accounting principles or GAAP) have been developed over the past century to create a common method of communicating financial performance. By understanding those standards that underpin financial accounting, not only will students be able to evaluate the current financial condition—liquidity, flexibility, solvency—of a business, but they will also be able to assess its likely prospects.

**REQUIRED TEXT AND MATERIAL**

For this course, the required textbook is Libby, Financial Accounting 11th edition provided by McGraw-Hill Education ***Connect*** ® access. The ***Connect*** platform will provide full access to the eBook and homework assignments, so students are not required to have a print text. Please be aware if a used textbook is purchased, the student will still need to also purchase ***Connect*** access to complete homework assignments. In our efforts around affordability, we have a few options for our students as follows:

**Online - All DIGITAL (most affordable option):** Students can purchase ***Connect*** (without the print book, but this includes the complete eBook and access to all course content) directly from the course website.

**Print Version at NYU Bookstore:** If a student would like a printed version of the text and access to ***Connect***, the bookstore is carrying a discounted bundle (ISBN # 978-126-408216-2). Please make sure to register for the book with your Stern email address: ***Connect*** URL: https://connect.mheducation.com/class/a-shehata-fall2023financialaccounting

**McGraw Hill Technical Support:** If a student has technical issues, they should contact the McGraw Hill Technical Support Team. The following information is also available through links on the ***Connect*** pages, as well as by phone (1-800-331-5094), email ([www.mhhe.com/support](http://www.mhhe.com/support)) and chat.

**Lecture Slides:** The slides used in class are available on Brightspace. Students should bring either a digital or printed version to class to take notes and follow along.

**GRADING**

No grading system is perfect. However, each course grading component is intended to provide a fair and equitable assessment of an individual student’s understanding of the course content from different perspectives. History shows that the most successful students attend all classes and complete all assignments. And it’s that demonstrated commitment to learning that tends to contribute to good performance on exams.

Outlined below, in the two columns on the left, are the course grading components with respective weights assigned to each component. The three exams collectively affect 70% of the overall course grade, with the remaining components affecting 30%. Any changes to those weights will be communicated, but don’t expect any. The other two columns illustrate an application of those weights.

 ***Illustration***

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| **Course Grading Components** | **Weights** | **Component Score** | **Weighted-****Average Score** |
| Midterm Exam I  | 20%  | 75%  | 15.00%  |
| Midterm Exam II  | 20%  | 70%  | 14.00%  |
| Final Exam (Cumulative) | 30% | 65% | 19.50% |
| **All Exams** | **70%** |  | **48.50%** |
| Attendance, Preparation & Participation | 10% | 95% | 9.50% |
| Homework  | 10%  | 85%  | 8.50%  |
| Project |  10%  |  90%  |  9.00%  |
| **All Other** | **30%** |  | **27.00%** |
| **Total**  | **100%**  |  | **75.50%**  |

➢➢ Extra-credit projects will NOT be considered so put 100% effort into the assigned work.

***Overall Course Grade:*** NYU Stern strives 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.

The instructor reserves the right to adjust a student’s final grade based on that student’s level of participation and professionalism in class. Each component of the overall course grade is discussed in detail below.

***Midterms and Final Exams:*** There will be two midterm exams, as well as a cumulative final exam, given during the designated class schedule. Make-ups are not permitted unless approved for extraordinary circumstances.

***Attendance, Preparation & Participation:*** All classes will start on time so plan accordingly. A sign-in sheet will be used to help track attendance and to aid the instructor in quickly associating names with faces. Experience shows that a student’s success depends critically on a consistent, as well as an active, presence in class.

*Attendance* provides each student with an opportunity to demonstrate command of the subject matter and to get help when it’s needed. Therefore, every effort should be made to arrive ahead the scheduled start time and remain for the entire class period. If a student anticipates arriving late (or missing class for exceptional reasons), an email sent in advance to the instructor is appreciated.

*Preparation* is another critical element to success. Each chapter should be read in advance of the class meeting covering the related material because class time will be spent developing a deeper understanding of that material. Instructor comments and observations will focus on the more challenging concepts presented in the textbook and will aim to present the “big picture” of how the concepts build upon each other and relate to each other. Class time will be a collaborative working session of problem-solving and interactive discussion. Additionally, news articles (there’s almost always some breaking news!) will be discussed in class that tie the academic material back to real-world current events.

*Participation* is often the most challenging for students. That’s because learning to ask the right question in the right way, using the right terms, can be difficult given the complexities of accounting. An effort will be made to create a hospitable and inclusive environment where students feel comfortable expressing their ideas. (Maybe “less uncomfortable” is more accurate because public speaking is seldom stress free.) There is an expectation that each registered student will make the same effort.

An overall score for this component is necessarily subjective, but will be based on consistent attendance, quality and thoughtfulness to questions asked, responses to in-class questions posed by the instructor and engagement during class discussions. If a student has concerns, they should express those concerns directly to the instructor. The instructor reserves the right to adjust a student’s final grade based on an expected level of participation and professionalism in class.

***Homework:*** To reinforce the textbook material and classroom discussions, completion of homework and quizzes is required. See following sections for a discussion of ***Connect***.

**Project:** The subject matter covered in this class—the financial reporting ecosystem—can be described as a supply chain that includes three distinct components: production, distribution and consumption. A substantial portion of the material covered throughout the semester focuses on the production of financial information. This project is intended to expand each student’s understanding about its consumption by requiring specific information be located and extracted from a Form 10-K and then be effectively communicated in a written form. Knowing where to find decision-useful information; understanding it in the context of an individual company or industry; and then, effectively communicating insights, observations and conclusions (particularly in written form) are critical business skills, regardless of career path. This project will require that each student choose a “public” company (from a prescribed list) that is traded on a US stock exchange (e.g., NYSE, NASDAQ) and provide answers to a series of questions. A separate, more detailed set of instructions will be provided at the beginning of the semester.

**ONLINE GRADED HOMEWORK**

This class will make extensive use of the McGraw-Hill ***Connect*** online platform that allows each student to complete homework assignments anytime and anywhere; get feedback on their work; and access additional resources. Each student is responsible for ensuring that they are registered for ***Connect*** using the same name and the Stern email address as used in Brightspace. Once a student has purchased the registration code, they will need this URL to register: <https://connect.mheducation.com/class/a-shehata-fall2023financialaccounting>

After the conclusion of each class topic, students will be given six days to complete an assignment designed to demonstrate and measure how well they understand the material. All of the problems have been selected by the instructor with the intent of being representative of important concepts. Students should start working on these assignments after each chapter is discussed in class; do not wait until the last minute to begin these assignments. The ***Connect*** website has been set up so that it provides immediate feedback after the completion of each question.

The purpose of graded homework assignments is to identify areas a student may need to revisit to improve. After submitting an assignment, each student will see their score, the correct answer, an explanation and the solution. Each chapter’s graded problem set is worth 10 points and your lowest score will be dropped. Students should plan to spend 2-3 hours on homework for each hour of class time on average.

The assignment will be due after we have completed a chapter. The specific due date and time will be included on ***Connect*** and on the syllabus; it is each student’s responsibility to ensure it is submitted on time for credit. Assignments are available to begin at the conclusion of each class covering the related material and may be submitted at any time during the six-day period prior to the due date. Please understand that completing these homework assignments is a key to success in the course. Assignments will be accepted after the due date, but with a point reduction corresponding the days past the due date.

Students are encouraged to discuss and work on homework problems with their classmates. However, the answers submitted via ***Connect*** must be each student’s own answers; in other words, no one else should have another student’s login credentials and submit answers on their behalf.

Please note that ***Connect*** presents the same problems but will use different numbers for different students, thus, students may discuss/analyze the problems theoretically as a group but individual answers may differ between students.

The problems listed on the syllabus correspond to the textbook problems at the end of related chapter. Each student must submit their responses via ***Connect***; textbook problem numbers if students would like to review the problems offline.

**EXTRA PRACTICE ASSIGNMENTS**

In addition to the graded assigned homework, the syllabus includes additional practice problems. In consideration of your busy schedules, completing these problems is not required nor included as part of your grade. However, students should attempt completing these exercises and problems to ensure sufficient reinforcement of the material. Students are strongly encouraged to complete the additional problems in small groups of two to four students.

While the assignments are available on ***Connect***, it is recommended they be completed on paper. The digital ***Connect*** platform is a wonderful and convenient tool, but solving problems on paper is very important and will help students prepare for the final exam (which is on “paper”!). The course textbook and ***Connect*** include even more practice problems that a student may use in areas that they find particularly challenging.

I have assigned the “due date” for these extra practice to be the end of the semester; I have also set up these assignments so you can return to them after the due date for extra study attempts.

If you are diligent in attending class, completing the in-class problems and the textbook assignments (graded and ungraded), you will master the curriculum.

**OPTIONAL: SUPPLEMENTARY VIDEOS and DEMOS on BRIGHTSPACE**

Supplemental videos related to material covered in the course are posted on Brightspace. Some of the recordings are introductions to the curriculum and are optional viewing. Others, labeled “Demo”, are demonstrations of me solving practice problems that I strongly recommend you watch. I hope you find them to be helpful in achieving our learning objectives.

**SMARTBOOK ASSIGNMENTS**

SmartBook is an adaptive reading experience so it will guide each student to spend the most amount of time on material they are least familiar with and will not spend extra time on material they already know. SmartBook works well for students that read ALL the material (not just material highlighted in yellow) AND answer the SB questions honestly. Each time a student answers a question, SB will prompt them to rate confidence in their answer. An honest answer will result in maximizing material learned in the least amount of time.

Material from each chapter has been selected for students to read (as indicated in the syllabus) and to answer questions related to that material. This is not graded but intended to ensure students read and understand the material.

**BRIGHTSPACE**

The instructor will use Brightspace to email students, as well as to post lecture notes, homework solutions, relevant articles and other course material. Students are responsible for registering and checking the site on a regular basis.

**CLASS RECORDINGS:**

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

**COURSE QUESTIONS AND COMMUNICATIONS**

Students with questions of a private nature, please email the Professor or Teaching Assistant directly. When emailing, include your full name and class time/section in the email. When a student emails about a specific homework problem, they should include a screenshot of the question and answers to make the process more efficient.

**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.
* 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, prose assignments submitted to Brightspace will be submitted to Turnitin. Turnitin will compare each student’s submission to a database of prior submissions to Turnitin, current and archived Web pages, periodicals, journals and publications. Additionally, each student’s document will become part of the Turnitin database.

**GENERAL CONDUCT & BEHAVIOR**

Students are also expected to maintain and abide by the highest standards of professional conduct and behavior. Please familiarize yourself with Stern's Policy in Regard to In-Class Behavior & 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 a student needs academic accommodation for this course, please obtain and provide a letter from the Moses Center for Student Accessibility (212-998-4980, mosescsa@nyu.edu) verifying your registration and outlining the recommended accommodations. If a student needs to take an exam at the Moses Center for Student Accessibility, they must submit a completed Exam Accommodations Form to the Center at least one week prior to the scheduled exam time to be guaranteed space availability. For more information, visit the CSA website: <https://www.nyu.edu/students/communities-and-groups/student-accessibility.html>

**STUDENT WELLNESS**

Classes and life can get stressful. Students are encouraged to reach out if they need help. The NYU Wellness Exchange offers mental health support. Students can reach them 24/7 at 212 443 9999, or via the “NYU Wellness Exchange” app. There are also drop-in hours and appointments. More information is available at<http://www.nyu.edu/students/health-and-wellness/counseling-services.html>

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

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| --- | --- | --- | --- |
| **Date** | **Class #** | **Assigned Textbook Reading** | **Graded Problem Sets:** **Submit via *Connect*** |
| Wed, 2/7/24 | 1 | Ch 1: Financial Statements & Business Decisions, including Supplement A | Ch 1 Prob Set: due Tues, 2/13/24 by 11:59 pmE1-2, E1-11, P1-1 (three parts), LO1-2**Additional Practice (ungraded)**: P1-3, CP1-5, IE1-1 Excel Simulation |
| Wed,2/14/24 | 2 | Ch 2: Investing, Financing Decisions & the Balance Sheet | Ch 2 Prob Set: due Tues, 2/20/24, by 11:59 pmE2-4, E2-6, P2-3 (three parts), P2-5 (four parts)**Additional Practice (ungraded)**: E2-3, E2-7, CP2-6, Excel Simulation |
| Wed, 2/21/24 | 3 | Ch 3: Operating Decisions & the Income Statement | Ch 3 Prob Set: due Tue, 2/27/24, by 11:59 pmE3-2, E3-3, E3-7, P3-2, P3-4**Additional Practice (ungraded):** M3-4, M3-5, M3-8, E3-12, E3-13, Excel Simulation |
| **Wed, 2/28/24** | **4.1** | **Review** | **Covering material for Classes 1 through 3** |
| **Wed, 2/28/24** | **4.2** | **Midterm Exam I** | **Covering material for Classes 1 through 3** |
| Wed, 3/6/24 | 5 | Ch 4: Adjustments, Financial Statements & the Quality of Earnings | Ch 4 Prob Set: due Tues, 3/12/24 by 11:59 pmE4-9, P4-7 (three parts), COMP4-1 (three parts)**Additional Practice (ungraded):**E4-8, E4-19, Excel Simulation |
| Wed, 3/13/24 | 6 | Ch 6: Sales Revenue, Receivables & Cash | Ch 6 Prob Set due Tues, 3/19/24, by 11:59 pmE6-28, P6-1 (two parts), P6-3 (three parts)**Additional Practice (ungraded):**E6-8, E6-9, E6-14, Excel Accounting in the Real World, Part 1, due Mon, 10/16/2023  |
| **3/18-22/24** |  | **SPRING BREAK** | **NO CLASSES** |
| Wed, 3/27/24 | 7.1 | Ch 7: Cost of Goods Sold & Inventory (including Supp A, “LIFO Liquidations”, but not Supp B/C) | Ch 7 Prob Set due Tues, 4/2/24, by 11:59 pmE7-6, P7-3**Additional Practice (ungraded):**E7-5, P7-4, Excel Simulation |
| Wed, 3/27/24 | 7.2 | Ch 8: Property, Plant & Equipment; Natural Resources; & Intangibles (including Supp “Changes in Depreciation Estimates” & read CP8-7) | Ch 8 Prob Set due Tues, 4/2/24, by 11:59 pmE8-3, E8-10 **Additional Practice (ungraded)**: M8-1, E8-1, E8-7, E8-8, E8-14, E8-18, E8-22, P8-6, Excel Simulation |
| **Wed,4/3/23** | **8.1** | **Review** | **Covering material for Classes 5 through 7.2** |
| **Wed,4/3/23** | **8.2** | **Midterm Exam II** | **Covering material for Classes 5 through 7.2** |
| Wed, 4/10/24 | 9 | Ch 9: Liabilities (including Supplement B)Ch 10: Bonds (chapter supplement is not required) | Ch 9 Prob Set due Tues, 4/16/24, by 11:59 pmE9-4, E9-9, E9-14, E9-15, E9-18**Additional Practice (ungraded):** E9-1, P9-12Ch 10 Prob Set due Tues, 4/16/24, by 11:59 pmE10-4, E10-13, P10-6 (four parts), P10-9 (four parts)**Additional Practice (ungraded):**P10-3, P10-11, Excel Simulation |
| Wed, 4/17/23 | 10 | Ch 11: Owners’ Equity | Ch 11 Prob Set due Tues, 4/23/24, by 11:59 pmE11-4 (four parts), E11-12 (two parts)**Additional Practice (ungraded):**M11-10, E11-10, E11-13, P11-1, P11-11 |
| Wed, 4/24/23 | 11 | Ch 12: Statement of Cash Flows, including Supplements A, B & C | Ch 12 Problem Set due Tues, 4/30/24, by 11:59 pmP12-1, P12-2, P12-5**Additional Practice (ungraded)**E12-8, E12-11, E12-15, E12-21, Excel Simulation |
| **Wed, 5/1/24** | **12.1** | **Review** | **Covering material for Classes 1 through 11** |
| **Wed,****5/1/24** | **12.2** | **Cumulative Final Exam**  |  **Covering material for Classes 1 through 11** |