**New York University**

**Stern School of Business**

**Undergraduate College**

**Principles of Financial Accounting**

**Spring 2024**

 **(ACCT-UB.0001.011) TR 11:00 a.m.-12:15 p.m., TISC-LC-25**

 **(ACCT-UB.0001.012) TR 2:00 p.m.-3:15 p.m., TISC-LC-25**

 **(ACCT-UB.0001.013) TR 3:30 p.m.-4:45 p.m., TISC-LC-25**

 **Professor Information**

|  |  |
| --- | --- |
| **Name:** | Xiaojing Meng |
| **Email:** | xm4@stern.nyu.edu |
| **Office Hour:** | Tuesday 12:30-1:30pm or by appointment |
|  |  |

**Teaching Assistants (TAs) Information**

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| --- |
| **Name:** |
| **Email:** |
| **Office Hour:** |

**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. Both regular edition and NYU custom edition are fine.*  The textbook is not required. 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. Note that the exam will be based on slides and assignments, but NOT on LLH.

**Assessment Components**

**Homework:**   I will give you 5 homework assignments, and you only need to submit 4 of them, i.e., you can skip one. If you hand in all 5 of them, the highest 4 (out of the 5) scores will be counted in your grade. You must submit your completed homework before 5pm 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. Please see the course outline section for more information.

**Class participation and Professionalism**. I expect the following general behaviors from you in class:

1. Be on time.
2. Although I will not explicitly take attendance during lecture, we will have Q&A sessions and polls during the lecture. Regular participation is encouraged (you won’t be penalized for wrong answers), and your overall class participation will form a small portion of your final grade.

**Grading:**

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

|  |  |  |  |
| --- | --- | --- | --- |
| Class participation and Professionalism | 5% | 5% |  |
| Homework | 10% | 10% |  |
| First Midterm | 20% | 25% |  |
| Second Midterm  | 25% | 20% |  |
| Final Exam  | 40% | 40% |  |

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.

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 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 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.

**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**

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:

<https://www.stern.nyu.edu/portal-partners/currentstudents/undergraduate/resources-policies/code-of-conduct>

To help ensure the integrity of our learning community, 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.

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 and the NYU Student Conduct Policy.

* Stern Academic Policies:

<http://www.stern.nyu.edu/portal-partners/currentstudents/undergraduate/resources-policies/academic-policies/index.htm>

* NYU Student Conduct Policy:

<https://www.nyu.edu/about/policies-guidelinescompliance/policies-and-guidelines/university-student-conduct-policy.html>

Student Accessibility: If you 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
Student Accessibility (212-998-4980, mosescsa@nyu.edu) verifying your registration and outlining the accommodations they recommend. For more information, visit the CSA website.

* CSA:

<https://www.nyu.edu/students/communities-and-groups/student-accessibility.html>

Student Wellness: Classes can get 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 the NYU Counseling and Wellness Services (CWS) website. Find out more at:

* CWS:

<http://www.nyu.edu/students/health-and-wellness/counseling-services.html>

Name Pronunciation and Pronouns: NYU Stern students now have the ability to include their pronouns and name pronunciation in Albert. I encourage you to share your name pronunciation and pronouns this way. Please utilize this link for additional information: [Pronouns & Name Pronunciation](https://www.nyu.edu/students/student-information-and-resources/registration-records-and-graduation/forms-policies-procedures/pronouns-and-name-pronunciation.html)

Religious Observances and Other Absences: NYU’s [Calendar Policy on Religious Holidays](https://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/university-calendar-policy-on-religious-holidays.html) states that members of any religious group may, without penalty, absent themselves from classes when required in compliance with their religious obligations. You must notify me in advance of religious holidays or observances that might coincide with exams, assignments, or class times to schedule mutually acceptable alternatives. Students may also contact religiousaccommodations@nyu.edu for assistance.

NYU Stern is committed to ensuring an equitable educational experience for all students regardless
of identity or circumstances and strives to recognize the obligations its students have outside of
Stern. Please review all class dates at the start of the semester and review all course requirements to
identify any foreseeable conflicts with exams, course assignments, projects, or other items required
for participation and attendance. If you are aware of a potential conflict, please contact me as soon as
possible to discuss any potential conflicts to determine whether/how they can be accommodated.

Inclusion Statement: This course strives to support and cultivate diversity of thought, perspectives, and experiences. The intent is to present materials and activities that will challenge your current perspectives with a goal of understanding how others might see situations differently. By participating in this course, it is the expectation that everyone commits to making this an inclusive learning environment for all.

**Course Outline**

The following is a “tentative” schedule of course outline and readings. I reserve the right to make adjustments as circumstances require.

|  |  |
| --- | --- |
| **Date**  | **Chapter**  |
|  1/23  | Overview of Accounting |
|  1/25  | Overview of Accounting  |
|  1/30  | Overview of Financial Statement |
|  2/1  | Balance Sheet and Recording the Effects of Transactions |
|  2/6 | Income Statement: Cash versus Accrual Accounting |
| 2/8  | Income Statement: Accounting Cycle and Closing the book |
| 2/13  | Income Statement: Accounting Cycle and Closing the book |
| 2/15  | Income Statement: Accounting Cycle and Closing the book |
|  2/20  | Misstatement, Fraud & Shame |
| **2/22**  | **Midterm I**  |
| 2/27  | Statement of Cash Flows |
| 2/29  | Statement of Cash Flows |
|  3/5  | Statement of Cash Flows |
|  3/7  | NPV |
|  3/12  |  Bonds  |
| 3/14  |  Bonds  |
|  3/26  |  Bonds  |
|  3/28  | Leases and Other liabilities |
|  **4/2** | **Midterm II** |
| 4/4  | Revenue and Account Receivables |
|  4/9  | Revenue and Account Receivables |
|  4/11  | Cost of goods sold and Inventory |
|  4/16  | Cost of goods sold and Inventory |
|  4/18 | Long-lived assets |
| 4/23  | Long-lived assets |
|  4/25  | Shareholder’s Equity |
|  4/30  | Financial Statement Analysis: Ratio Analysis and Basic valuation |
|  5/2  | Review |
| **Exam Period: 5/8-5/14**  | **Final Exam**  |