

WARNING: This 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 class schedule.

COURSE SYLLABUS – SUMMER 2024

Your instructor

Professor: Julian Yeo
Email: jyeo@stern.nyu.edu
Consultation hours: By Appointments
Teaching Assistant: John Marshall <john.marshall@stern.nyu.edu>

COURSE DESCRIPTIONS

Accounting reports are an essential means of communication with investors. This course focuses on developing, analyzing, and using these reports. It provides an understanding of what these reports contain, what assumptions and concepts accountants use to prepare them, and why they use those assumptions and concepts.

The course uses simple examples to provide students with a clear understanding of accounting concepts. It stresses applying these concepts to real-world cases, which are complex and ambiguous by their very nature. In addition to text-oriented materials, the classes also include cases so that students can discuss applications of basic concepts and actual financial reports.

The course is divided into two parts. Part I of the course is designed to develop your appreciation of fundamental accounting concepts. You will understand why professional judgments and discretion are required when preparing financial statements. Part II of the course focuses on applying your accounting knowledge to earnings quality issues and earnings management activities related to assets, liabilities, and equity. Topics covered include accounts receivables, inventory, long-term assets, bonds, and leases.

COURSE OBJECTIVES

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

- Appreciate how financial statements capture business activities.
- Understand the difference between cash and accrual accounting.
- Interpret Balance Sheets, Income Statements, and Statements 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. These issues include (but are not limited to): accounting for frequent flyer programs, trade/promotional coupons, activation/installation fees, long-term contracts, and when to report gross or net revenue.

- Discuss issues related to assets, liabilities, and equities. Some of these issues include (but not limited to) when to capitalize or expense, setting allowance using the balance sheet or income statement approach, impairment of assets, LIFO reserve, why is debt reported on the balance sheet approximates the market value of the debt, capital or operating leases.
- Apply ratio analysis to companies in different industries
- We know how companies engage in earnings management activities by topics we covered.

COURSE MATERIALS

Lecture slides, class notes, class exercises, solutions to class exercises, review questions, solutions to review questions, sample exams, and other lecture-related materials are available in electronic format on *NYU LMS (Brightspace)*.

ASSESSMENTS

Your final grade is calculated based on:

Assignments	20
Mini Tests	20
Mid-term Exam	20
Final Exam	40

GRADING

The course will follow the grading policies of core courses:

A/A- max of 35% of the class

Assignments (individual submission, collaboration allowed)

There are two assignments for this course. All assignments must be submitted at the start of the class. You can find the due dates of your assignments on our class schedule. **You are allowed to work on the assignments in groups; however, each individual must submit his or her own written version.**

Mini Tests (individual assessment)

To ensure that you put consistent effort into the course, mini-tests are designed to test your progress. Mini Tests are available under “Tests & Quizzes” on NYU LMS Brightspace.

Exams

The mid-term exam will cover all materials in Part I of the tentative class schedule. The final exam will cover the entire course (both Parts I and II).

CLASS SCHEDULE

At the end of this document, you will find a class schedule. You will find it beneficial to read (or skim) the class notes. You may want to read (or skim) the assigned background readings from the recommended text for those without an accounting background. You will find class exercises assigned for selected topics when reviewing the handouts. Discussions of class exercises have been scheduled during class time and typically occur after a new topic is introduced. These class exercises are designed to consolidate your understanding of key accounting concepts and apply your accounting knowledge to situations/cases with a dimension of realism. Solutions to class exercises are posted on LMS Brightspace as well.

'Review questions with solutions' are additional questions you can attempt to grasp the accounting concepts/issues better.

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 to understand how others might see situations differently. To support this approach, this syllabus has been reviewed by NYU Stern's Office for Diversity and Inclusion to ensure inclusivity and a representative pedagogical approach to learning. By participating in this course, everyone is expected to commit to making this an inclusive learning environment for all.

ACADEMIC INTEGRITY

Academic integrity and honesty is central to our mission as an educational institution. [The MBA Code of Conduct](#), which all students sign, therefore places particular emphasis on academic integrity. Notably this includes refraining from any method or means that provides an unfair advantage in exams or papers, and clearly acknowledging the work of others in your own work. As a reminder, the [entire Code of Conduct is available here](#).

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

STUDENT ACCESSIBILITY

New York University is committed to providing equal educational opportunity and participation for students with disabilities. Students who are interested in applying for academic accommodations are advised to reach out to the Moses Center for Student Accessibility (CSA) as early as possible in the semester. If you already receive accommodations through CSA, you are encouraged to request your accommodation letters through the Moses portal as soon as possible.

Moses Center for Student Accessibility (CSA), 212-998-4980, mosescsa@nyu.edu, www.nyu.edu/csa

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

DIVERSITY & INCLUSION

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TENTATIVE CLASS SCHEDULE

Date	Class Content	Assignment Due Date
(1) 7/2	Introduction and course logistics Overview of 4 statements Δ Cash vs Net Income	
(2) 7/8	Balance Sheet and the Accounting Equation; Accounting Cycle	
(3) 7/9	Balance Sheet and the Accounting Equation; Accounting Cycle (cont.)	
(4) 7/11	Adjusting Entries and Completing the Accounting Cycle; Statement of Cash Flows	
(5) 7/15	Statement of Cash Flows	A#1 due 7/16
(6) 7/16	Mid-Term Review	
(7) 7/18	Mid-Term Exam	
(8) 7/22	Revenue Recognition	
(9) 7/23	Assets: Accounts Receivables	
(10) 7/25	Assets: Long-Lived Assets	
(11) 7/26	Assets: Inventory	
(12) 7/29	Liabilities: Bonds Liabilities: Leases	
(13) 7/30	Review of concepts and a set of financial statements Ratios from different industries	A#2 due 8/4 at 11.59pm
(14) 8/1	Final Exam	

Enjoy the accounting experience. Let the fun begin!