

NEW YORK UNIVERSITY
LEONARD N. STERN SCHOOL OF BUSINESS

Financial Statement Analysis
ACCT UB 3-001
Fall 2024
Monday & Wednesday 2:00pm – 3:15pm
Bldg: TISC UC04 Loc: Washington Square

Professor: John P. Hopkins
Office: KMEC 10-79
Cell Phone: 201-481-3280
Email: jph9504@stern.nyu.edu
Office Hours: Professor Hopkins

- Monday and Wednesday, 1:00pm – 2:00pm
- Tuesday and Thursday, 9:15am – 10:15am
 - While certainly not required, I recommend, whenever possible, making an appointment for office hours. I certainly welcome all students dropping by when convenient for your schedules, but I just want to avoid you having to wait as I will need to give priority to those students who did make an appointment.
 - You can access my calendar to schedule an appointment using the following booking link:
link <https://calendar.app.google/KgbbxjquZyqCCuD6>
- Also available by appointment outside of the above days and times, including evenings and weekends via zoom.

Teaching Fellow: Thomas Werneck
trw8715@stern.nyu.edu
Office Hours: Friday 12:30pm – 1:30pm via zoom, in-person by appointment).
Zoom link:
<https://nyu.zoom.us/j/95843356675?pwd=dVAipd3oeYq604hZM6ev31A1f3EVF5.1>

PREREQUISITES:

The course assumes you have a solid grasp of general accounting concepts and principles.

COURSE OBJECTIVES:

The objective of this course is to understand how to read, interpret, and analyze financial statements. Throughout this course we will:

- Recognize the relationship the four financial statements (balance sheet, statement of operations, statement of stockholder's equity and the statement of cash flows, along with the accompanying footnote disclosures) have to the evaluation a business transaction. This understanding will assist you in becoming sophisticated users of the financial statements, each of which tell part of the story about the company's performance.
- Using real world examples, understand the financial issue together with the associated accounting disclosures.
- Study the major corporate financial reporting instruments which will include understanding Form 10-K, Form 10-Q and Form 8-K disclosure requirements.
- Study the interrelationships between financial statements and line items within each financial statement.
- Use ratio analysis to understand analytical trends within both an individual company and its competitors.
- Forecast future earnings using accounting disclosures.

REQUIRED MATERIALS:

Financial Statement Analysis & Valuation, by Easton, McAnally and Sommers, 7th edition, published by Cambridge Business Publishers, ISBN: 978-1-61853-625-9

Please refer to email sent on August 29 for textbook purchase instructions. Additionally, as an attachment to this syllabus (in the link below in Brightspace) are the instructions for purchasing the eBook with access to “myBusinessCourse” (“MBC”). The MBC platform is a powerful web application that is fully integrated with the textbook and is an easy to navigate tool for quiz and homework submissions. The software also provides additional learning tools that include eLectures videos and guided examples that will supplement the in-class lectures.

Section enrollment link: <https://mybusinesscourse.com/?code=1109-0103-2761>

You will not be required you to purchase a copy of the printed textbook. However, a printed textbook is also available for you to purchase if you prefer. Therefore, you have several options for purchasing the course’s materials which are detailed on the attachment.

1. Purchase a new print edition textbook with included MBC access
2. Purchase an e-book textbook with included access to MBC
3. Purchase a used textbook and separately, an access code for MBC

Whatever you obtain, you must have access to a textbook (print or e-book AND the MBC platform).

If you have any issues registering, please call or email Cambridge Business Publishers at 630-504-0505 or <https://mybusinesscourse.com/support>.

HOMEWORK ASSIGNMENTS and PRE-CLASS QUIZZES:

Each module within Brightspace will provide a link that will automatically connect you to MBC. Students are required to submit homework and quizzes in MBC. Grades will be posted in Brightspace.

Recognizing that students will occasionally be unable to complete an assignment in a timely manner for a variety of understandable reasons, I will allow you to drop the lowest two grades for the collective assignments. With that in mind, it is imperative that you pay close attention to the assignment due dates so that you do not unnecessarily use up one of the dropped assignment scores.

Once the due date passes, assignments will not be able to be completed in myBusinessCourse. The assignment results will be posted in Brightspace immediately after the assignment due date passes.

Homework: After we have concluded each module, a homework assignment will be made available to you on MBC. The MBC tool is interactive and will provide you with immediate feedback on your submitted solutions.

Pre-class quiz assignments: Prior to each class topic, a pre-class assignment, in the form of an MBC assignment, will be posted on MBC. These assignments should take about 15 minutes to complete. Use these MBC assignments to test your understanding of the material to be covered in class. Completing these assignments should also help you identify any topics you do not understand. As these are preparation assignments, they will be graded on effort rather than the correctness of your answers. What counts is showing that you have read the text and you are ready to apply the information in a coherent manner. The grading will simply be credit (100) or no credit (0) regardless of the grade you earn on MBC.

GRADING:

Each module within Brightspace will provide a link that will automatically connect you to “myBusinessCourse”, where the homework assignments and quizzes are clearly listed.

The grading in the course will be as follows:

Midterm Exam 1	19%
Midterm Exam 2	23%
Final Exam	30%
Project*	18%
In-Class Participation**	2%
Pre-class quizzes	2%
Homework	6%
Total	100%

If you believe that an exam has been incorrectly graded, you must submit and hand in to me a written request within 7 days of the announcement of grades, including a brief written statement identifying what may have been incorrectly graded and why you believe that an error in grading has been made. Requests made after that will not be considered. Please note that the entire exam will be re-graded. Exams that have been or are suspected of being altered for the purpose of re-grading will not be re-graded and the Student Disciplinary Committee will be notified.

*Detailed project instructions will be separately provided.

**In-class participation will primarily be based upon (1) your individual submission and verbal summarization of real-time financial statement issues (via published press releases, internet publications (i.e., WSJ, Forbes...), and (2) your active dialogue with you classmates regarding their submissions. This will be discussed at length in our first class.

CLASS ATTENDANCE / PARTICIPATION:

You are expected to attend all classes. Your participation, whether through questions or providing your insight on the topics we cover is very valuable as it provides the stimulus for a broader class discussion

As we will cover a great deal of material *in* the class sessions, which will include material not covered in the readings and/or homework, your attendance will be critical in keeping you current and prepared for the exams as all subjects covered, both in class and in the written materials, will be part of each exam. Past semesters have shown a strong correlation between class attendance and overall course performance. The material we cover in class supplements the material in the book. Therefore, reading the book is a complement (not a substitute) for attending class. I understand that over the course of 28 sessions, conflicts may arise and you may need to miss a class. If you miss class, please make sure to stay updated and review the material that you missed.

To make lectures more engaging, my class slides are edited to omit certain key words and phrases. I encourage you to take an active role in the learning process and fill out the notes as you listen. These notes are labeled "Edited" in Brightspace. If you are unable to attend a class lecture, please utilize the class recording, textbook chapters, and peer collaboration to complete the notes.

UNDERGRADUATE GRADING GUIDELINES

Grading Information for Stern Elective 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 agreed that for elective courses the individual instructor or department is responsible for determining reasonable grading guidelines.

LAPTOPS, CELL PHONES & OTHER ELECTRONIC DEVICES

The use of tablets and electronic devices that are laid flat on the desk, for the purpose of note-taking only, is permitted. However, students should make every effort to avoid distracting their classmates or disrupting the class, including arriving early and choosing a seat that is less distracting for peers.

BRIGHTSPACE PLATFORM:

This course makes extensive use of the NYU LMS (Brightspace) platform for communications, discussion and grading. Students should consult the course's Brightspace page, especially the Announcements, frequently. Important course information such as updates to the syllabus or changes to the course schedule will be communicated via Brightspace announcements.

EMAIL POLICY:

Please ensure that your email queries are self-contained and detailed and that it can be answered in a reasonably short way. Also, unless your question is specific to a particular problem in the readings or a homework exercise / problem, please pretend that we are with no books or documents in sight when we receive your email or we may not be able to appropriately answer you.

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 for Graduate and Undergraduate students.

(<https://www.stern.nyu.edu/portal-partners/registrar/policies-procedures/general-policies/code-conduct>) (<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>).

STERN CODE OF CONDUCT

The Stern Code of Conduct and Judiciary Process applies to all students enrolled in Stern courses. For undergraduates, information can be found here: <https://www.stern.nyu.edu/portal-partners/current-students/undergraduate/community/community-expectations>

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

ACADEMIC INTEGRITY

Our undergraduate [Academics Pillar](#) 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 Academic Integrity Policies](#) as well as 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.

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](tel: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

Our aim is for students to be as successful academically as they can, and to help them overcome any impediments to that. Bookmark the NYU Stern Well-being Resource Hub (<https://www.stern.nyu.edu/wellbeing>) for existing services at NYU and Stern covering a wide variety of topics including financial well-being, relationship well-being, mental well-being, and more. Any student who may be struggling and believes this may affect their performance in this course is urged to contact the Moses Center for Student Accessibility (see also the Student Accessibility section of this syllabus) at 212-998-4980 to discuss academic accommodations. If mental health assistance is needed, call the NYU's 24/7 Wellness Exchange hotline 212-443-9999. Furthermore, please approach me if you feel comfortable doing so. This will enable me to provide relevant resources or referrals. There are also drop in hours and appointments. Find out more at <http://www.nyu.edu/students/health-and-wellness/counseling-services.html>

RELIGIOUS OBSERVANCES AND OTHER ABSENCES

NYU's [Calendar Policy on Religious Holidays](#) 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.

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 preferred pronouns this way. Please utilize this link for additional information: [Pronouns & Name Pronunciation](#)

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.

{See next page for key dates, topics and deliverables}

KEY DATES, TOPICS AND DELIVERABLES:

Dates*						
Mon	Wed	Tue	Sun	Module	Topic**	Due Prior to Class
	4-Sep				Review of: (1) financial accounting and cost behavior concepts, and (2) course group project requirements	Purchase textbook
9-Sep	11-Sep			1	Framework for Analysis and Valuation	Read Module 1 / Complete Module 1 quiz
16-Sep	18-Sep			2	Review of Business Activities and Financial Statements	Read Module 2 / Complete Module 2 quiz / Complete Module 1 homework
23-Sep	25-Sep			3	Profitability Analysis and Interpretation	Read Module 3 / Complete Module 3 quiz / Complete Module 2 homework
30-Sep	2-Oct			4	Credit Risk Analysis and Interpretation	Read Module 4 / Complete Module 4 quiz / Complete Module 3 homework
7-Oct				10	Analyzing Leases, Pensions and Taxes	Read Module 10 / Complete Module 10 quiz / Complete Module 4 homework
	9-Oct				Catch-up and review and in-class project working session	Complete Module 10 homework / Bring questions to class
14-Oct					Fall Break - No class	
		15-Oct		1,2,3,4,10	Midterm Exam I - Legislative Monday - Class meets according to Monday schedule.	
	16-Oct			8	Equity Recognition and Owner Financing	Read Module 8 / Complete Module 8 quiz
21-Oct	23-Oct			5	Revenue Recognition and Operating Income	Read Module 5 / Complete Module 5 quiz / Complete Module 8 homework
28-Oct	30-Oct			6	Asset Recognition and Operating Assets	Read Module 6 / Complete Module 6 quiz / Complete Module 5 homework
4-Nov	6-Nov			7	Liability Recognition and Nonowner Financing	Read Module 7 / Complete Module 7 quiz / Complete Module 6 homework
11-Nov				11	Forecasting	Read Module 11 / Complete Module 11 quiz / Complete Module 7 homework
	13-Nov				Catch-up and review and project discussion	Complete Module 11 homework / Bring questions to class
18-Nov				5, 6, 7, 8 (not 11)	Midterm Exam II	
25-Nov	27-Nov			9	Intercorporate Investments	Read Module 9 / Complete Module 9 quiz
			1-Dec		Project Part 1 due at midnight	
2-Dec	4-Dec			Appendix B	Statement of Cash Flows	Read Appendix B / Complete Appendix B quiz / Complete Module 9 homework
9-Dec	11-Dec				Project Part II In-class group project presentations	
Date TBD			9, 11, Appendix B	Final Exam		