

**THE LEONARD N. STERN SCHOOL OF BUSINESS  
NEW YORK UNIVERSITY  
ACCT-GB.1306: FINANCIAL ACCOUNTING AND REPORTING  
Fall 2019**

**Professor Eli Bartov**  
**Office: 10-96 KMEC**

**Office Hours: Wednesdays 11:00-1:00pm and by appointment**

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## **1. Introduction**

This introductory accounting course assumes no prior academic knowledge of accounting. The purpose of this course is to introduce you to the concepts of financial reporting, the language of business, and its underlying assumptions. We will discuss the uses and limitations of the financial statements. Procedural aspects of accounting will be discussed in order to enhance your understanding of the content of the financial statements. However, the emphasis of the class is on using accounting information in the evaluation of business performance and risk. This aspect will be highlighted throughout, but more so in the second part of the course (after the midterm).

## **2. Required Textbook**

The textbook is Horngren, Sundem, Elliott & Philbrick, Introduction to Financial Accounting, 11th edition (2014, Pearson, ISBN-10: 0-13-325103-9). The book's suggested retail price is \$325.00; used books are available for a fraction of this price, however (see, for example, [www.amazon.com](http://www.amazon.com)).

## **3. Preparation for Class Sessions**

### Assigned Chapters and Problems

The most effective and efficient use of classroom time teaching introductory-level financial accounting aims at reinforcing or clarifying what you have tried to learn on your own before entering the classroom. Hence, prior to each class you should read the assigned chapters and do the assigned problems listed on the syllabus. Doing problems is the best way to learn accounting and to understand how the transactions affect the financial statements. I recommend that all assigned problems be *hand-written*, completed before coming to class, and turned in at the beginning of class. Still, all assignments are subject to one-week grace period. The assignments will be graded as either zero (no credit due to insufficient effort) or one, and be returned the following class. Solutions to all problems will be available on *NYU Classes* once they are collected. The assigned problems will be used in class discussions; be prepared to answer questions regarding them in class.

### Mini-Cases

The class discussions will also focus on two “mini-cases” that will be available on *NYU Classes*. These cases, which must be *hand-written*, will be collected at the beginning of class (no grace period), and returned the following class. This is a group project, and you should work with your assigned study group or on your own. The cases will also be graded as either zero or one. Solutions to all mini-cases will be available on *NYU Classes* once they are collected.

#### 4. Learning Accounting

Experience in this course suggests the following:

- Classes make extensive use of homework problems assigned from the text and the mini cases. I will not discuss all the assigned work in class. You will learn accounting better (and will perform better on the problem-oriented exam) if you do the assigned reading and if you work on the assigned problems prior to each class.
- Each class in Financial Accounting builds on material from previous classes. You therefore must keep up to date, or you will find subsequent classes difficult.
- Data from course evaluations of earlier offerings of this course suggest it requires a relatively large amount of time devoted to both reading and working on problems and cases.
- Showing up late to class disrupts class, so I do not permit late entrance, defined as arriving at the door more than one minute after scheduled start time.
- Videotaping encourages absenteeism and may constrain what I say in class, hence no class videotaping.

#### 5. Teaching Assistant

Block No.	Classroom	Name	Office Hours (KMEC 10-181)	E-Mail
4	KMEC	Jessica Kaliski	TBA	jrk515@stern.nyu.edu

#### 6. NYU Classes

All course materials including the solutions manual, this syllabus, the two electronic progress tests, the lectures notes, and the cases are available through NYU Classes, a web-based course administration package. To access *NYU Classes*, please log in to <http://sternlife.stern.nyu.edu/> with your Stern NetID and password, and then click on the *NYU Classes* link.

#### 7. Stern Code of Conduct

You are required to abide by and uphold the *NYU Stern* Code of Conduct that you signed at orientation. To be sure, unethical behavior of any form—including but not limited to plagiarizing or otherwise cheating on any course assignment or exam, failing to reference incorporation of work of others, or reusing your own work for other purposes (e.g., a submission from another course)—will not be tolerated, and may result in a steep penalty (e.g., dismissal from the program).

#### 8. Grading Procedure

There are two open-books electronic progress tests, which should be completed online through *NYU Classes* (<http://sternlife.stern.nyu.edu/>), logging in using your Stern NetID and password within the

specific time period indicated in the class schedule. There are also two cumulative in-class examinations. You should bring a calculator (simple, financial, or scientific) to these exams; laptops or smart phones are not allowed. I will not give a makeup midterm examination for any reason. All in-class exams are closed books/notes; you may bring in one 8.5"x11" sheet of notes, which may be hand written or typed on the front, back, and edges.

Course Grade Computation

Classroom Professionalism	15%
Diagnostic Test 1 (Sep. 21– 23)	5%
Diagnostic Test 2 (Sep. 28 – 30)	5%
Weekly Problem and Mini-Case Assignments	10%
Midterm Examination I (Oct. 30)	25%*
Optional Cumulative Midterm Examination II (Dec. 11)	<u>40%*</u>
	<u>100%</u>

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\*If the optional midterm exam II is not taken, the weights are 65% midterm exam I and 0% optional midterm exam II. If you missed midterm exam I and have a valid reason, or midterm exam II score exceeds that of I, then the weights are 0% midterm exam I and 65% midterm exam II. Also, should you decide to appeal an exam's score, you must, within seven days of the announcement of grades, return the exam paper and email me a memorandum explaining your appeal, specifying in detail the grading errors. Once I receive the two documents, I'll review the entire exam paper and the appeal, and your exam's score may go up, down, or remain unchanged. If you have a qualified disability and will require academic accommodation, please contact me directly at the beginning of the semester.

## CLASS SCHEDULE

Date	Day	Reading Assignment	Assigned Problems / Mini-Cases <sup>1</sup>
1. Sep. 4	Wed.	<b>Introduction:</b> Organizational Issues, and Introduction to Financial Accounting (purpose; users; institutional setting)  <b>Chapter 1:</b> The Balance Sheet	1-40, 1-43, 1-55
2. Sep. 11	Wed.	<b>Chapter 2:</b> Income and Cash Flow Statements; Accrual vs. Cash-Basis Accounting; Income Recognition	2-33, 2-52, 2-55
3. Sep. 18	Wed.	<b>Chapter 3:</b> Recording Transactions and the Accounting Cycle	3-28, 3-39, 3-51
4. Sep. 21, Sat., 7am – Oct. 23, Mon., 9pm		<b>DIAGNOSTIC TEST 1:</b> Measuring Income (Chapters 1 & 2 and Lecture Notes)	45 min.; 15 questions. (Available on <i>NYU Classes</i> ).
5. Sep. 25	Wed.	<b>Chapter 4:</b> The Adjustment and Closing Processes	4-22, 4-31, 4-47  <b>Case: AOL</b> (Available on <i>NYU Classes</i> ).
6. Sep. 28, Sat., 7am – Sep. 30, Mon., 9pm		<b>DIAGNOSTIC TEST 2:</b> Recording Transactions (Chapter 3 & 4 and Lecture Notes)	45 min.; 15 questions. (Available on <i>NYU Classes</i> ).
7. Oct. 2	Wed.	<b>Chapters 1-4:</b> Communicating Financial Information  <b>Chapter 6:</b> Revenue, Cash and Accounts Receivable	6-46, 6-75
8. Oct. 16	Wed.	<b>Chapter 7:</b> Inventory and Cost of Goods Sold	7-45, 7-58, 7-65, 7-78  Sample midterm exam (Available on <i>NYU Classes</i> )
9. Oct. 23	Wed.	<b>Chapter 8:</b> Long-Lived Assets  <b>Review:</b> Chapters 1-4 & 6-7	8-41, 8-48, 8-60, 8-72  <b>Case: Delta Airlines</b> (Available on <i>NYU Classes</i> ).
10. Oct. 30	Wed.	<b>MIDTERM EXAM I (Chapters 1-4 &amp; 6-7)</b>	
11. Nov. 6	Wed.	<b>Chapter 11:</b> Acquisitions & Goodwill (pp. 504-509; 515-516)  <b>Chapter 9:</b> Time Value of Money (pp. 422-429)  <b>Chapter 9:</b> Current Liabilities (pp. 386-393)	11-36  9-46  9-38, 9-39
12. Nov. 13	Wed.	<b>Chapter 9 (cont'd):</b> Accounting for Bonds (pp. 394-405)  <b>Chapter 5:</b> Preparing the Cash Flow Statement	9-59, 9-66, 9-69

<b>CLASS SCHEDULE</b>			
<b>Date</b>	<b>Day</b>	<b>Reading Assignment</b>	<b>Assigned Problems / Mini-Cases<sup>1</sup></b>
13. Nov. 20	Wed.	<b>Chapter 5 (Cont'd):</b> Preparing the Cash Flow Statement	5-49, 5-50, 5-56
14. Dec. 4	Wed.	<b>Chapter 5 (Cont'd):</b> Preparing the Cash Flow Statement <b>Review:</b> Chapters 1-9 & 11	Sample final exam (Available on <i>NYU Classes</i> ).
15. Dec. 11	Wed.	<b>OPTIONAL MIDTERM EXAM II</b> <b>(Chapters 1-9 &amp; 11)</b>	

<sup>1</sup> Assignments are due at the beginning of class on the date shown (with one-week grace period for problems); no need to turn in sample exams.