

**New York University**  
**Stern School of Business**  
**Principles of Financial Accounting**  
**Summer 2018**  
**(ACCT-UB.0001.01) MW 9:00 a.m.-12:10 p.m.**

**INSTRUCTOR DETAILS**

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**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.

**REQUIRED COURSE MATERIALS**

**Textbook:** Libby, Libby and Hodge, *Financial Accounting*. Custom Edition for NYU. 9<sup>th</sup> edition is recommended (not required). 8<sup>th</sup> edition should also be fine. The textbook covers the basic material in the course, including background information, accounting rules and conventions.

**Lecture Slides:** Most lectures will use the aid of Powerpoint slides. Any material included in the slides is fair game for exams.

**ASSESSMENT COMPONENTS**

**Homework:** There will be 4 homework assignments, and you only need to submit 3 of them. If you hand in all 4, the highest 3 scores will be counted in your grade. You must submit a hardcopy of your completed homework at the beginning of class on the date due; late submission will not be accepted.

**Quizzes/Exams:** There will be one midterm and one final exam. Please see the course outline section for more information.

**Grading:** Your final grade will be determined as follows: 15% homework, 30% midterm, 45% final exam, and 10% class participation

At NYU Stern we seek to teach challenging courses that allow students to demonstrate their mastery of the subject matter. In general, students in undergraduate core courses can expect a grading distribution where:

- 25-35% of students can expect to receive A's for excellent work
- 50-70% of students can expect to receive B's for good or very good work
- 5-15% of students can expect to receive C's or less for adequate or below work

Note that while the School uses these ranges as a guide, the actual distribution for this course and your grade will depend upon how well you perform in this course.

## **SCHEDULING CONFLICTS**

Only the instructor 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 the instructor via email at least one week in advance of any conflicts with your other courses. In case of a legitimate scheduling conflict, the instructor will grant permission to the student to take the quiz/exam early or late. 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 the instructor 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, including upper respiratory infections (i.e., colds), 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.

A student who has permission to miss a quiz/exam will receive a grade of "incomplete" for the semester. If a student has permission to miss a quiz/exam, he/she will be required to take a make-up quiz/exam on the University's officially scheduled make-up exam date. After the student takes the make-up, the instructor will change the incomplete to the earned course grade. If a student fails to show up for the make-up quiz/exam, he/she will receive a failing grade for the course. Make-up quiz/exams will not be offered at any other time.

## **STUDENTS WITH DISABILITIES**

If you have a qualified disability and will require academic accommodation of any kind during this course, you must notify the instructor at the beginning of the course and provide a letter from the Moses Center for Students with Disabilities (CSD, (212) 998-4980, [www.nyu.edu/csd](http://www.nyu.edu/csd)) verifying your registration and outlining the accommodations they recommend. If you need to take an exam at the CSD, you must submit a completed Exam Accommodations Form to them at least one week prior to the scheduled exam time to be guaranteed accommodation.

## **ACADEMIC INTEGRITY AND CODE OF CONDUCT**

Integrity is critical to the learning process and 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 this 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.

Students are also expected to maintain and abide by the highest standards of professional conduct and behavior. Please familiarize yourself with Stern’s policy regarding In-Class Behavior & Expectations and the NYU Disruptive Behavior Policy (<http://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/bullying--threatening--and-other-disruptive-behavior-guidelines.html>).

## **COURSE OUTLINE**

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

<b>Dates (Instructor)</b>	<b>Topics</b>
5/21 (Dou)	Introduction and Overview of Financial Statements <i>please read: Libby, Libby &amp; Hodge (LLH), Chapter 1</i>
5/23 (Meng)	Balance Sheet and Recording the Effects of Transactions <i>please read: Libby, Libby &amp; Hodge (LLH), Chapter 2</i>
5/23, 5/30 (Meng)	Income Statement: Cash versus Accrual Accounting <i>please read: Libby, Libby &amp; Hodge (LLH), Chapter 3 and 4</i>
6/4 (Meng)	Accounting Cycle and Closing the book
6/4, 6/6 (Meng)	Statement of Cash Flows <i>please read: Libby, Libby &amp; Hodge (LLH), Chapter 12</i>
<b>6/11 (Meng)</b>	<b>Review and Midterm</b>
6/13 (Meng)	NPV and Liabilities <i>please read: Libby, Libby &amp; Hodge (LLH), Chapter 9</i>
6/16 (Dou)	Bonds <i>please read: Libby, Libby &amp; Hodge (LLH), Chapter 10</i>
6/18 (Dou)	Shareholders’ Equity and Ratio Analysis <i>please read: Libby, Libby &amp; Hodge (LLH), Chapter 11</i>
6/25 (Dou)	Receivables, Inventories, and PP&E <i>please read: Libby, Libby &amp; Hodge (LLH), Chapter 6, 7, 8</i>
<b>6/27 (Dou)</b>	<b>Review and Final Exam</b>