**PRINCIPLES oF**  **FINANCIAL ACCOUNTING**

**UB1 SECTION 3**

**M-W 11:00-12:15pm**

**PROFESSOR ALEX DONTOH**

**Course Descriptions and Syllabus – Fall 2022**

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| **PRINCIPLES OF FINANCIAL ACCOUNTING –** **UB1 - Section 3****FALL 2022****Location: KMEC Room: 3-90** |
| **Instructor**Alex Dontohad3@stern.nyu.eduDepartment  of Accounting TaxationOffice Hrs. Mon/Wed 4:45-6:00pm & by appt. |  |

**Course Description**

Financial accounting reports are used in valuation, contracting, by investors, creditors, managers, and the government. A good understanding of these reports is one of the basic building blocks of business education. This course focuses on the development, preparation, analysis, and use of financial reports. The course provides an understanding of what financial reports contain, what assumptions and concepts accountants use to prepare them, and why they use them. The course is divided into two parts. Part I is designed to develop your appreciation of fundamental accounting concepts. Part II focuses on applying your accounting knowledge on earnings quality issues and earnings management activities related to assets, liabilities, and equity. Topics covered include accounts receivables, inventory, long-term assets, intangible assets, bonds, leases, income taxes, and shareholders' equity.

**Goals**

By the end of the course, you should:

i. understand the core concepts of financial accounting, including how accountants analyze and record the effects of individual transactions, and the concepts that are essential to understanding financial reports such as assets, liabilities, owners' equity, revenues, expenses, and cash flows;

ii. be able to interpret annual report information and analyze a company's performance using this information; iii. be "fluent" in the language of business, i.e., be able to summarize and quantify outcomes of business transaction through financial statements.

**Teaching Philosophy**

I believe the most efficient use of class time reinforces what the student already knows about the topic individually from preparing for class. In-the-classroom learning is achieved by

i. whole-hearted and focused studying the assigned readings and solving the assigned problems or cases;

ii. discussions of the material by the students and instructor during class sections;

iii. underscoring of important points via short lectures by the instructor. For this to work, students need to prepare for every class adequately and actively participate in class discussions.

**Preparing for Class**

We have a considerable amount of material to cover in a relatively short period. For the most efficient use of class time, you must prepare adequately for every class. It is your responsibility to carefully read the class schedule provided on pages 10-11 of this syllabus to determine the reading assignments required for each class session. To ensure that pre-class reading assignments are done, each class meeting will be preceded by a pre-class assignment based on the reading assignment. All pre-class assignments are to be submitted through the McGraw-Hill Connect online platform described below. Since pre-class assignments aim to prepare you adequately for each class, I will configure the system to allow for multiple attempts to complete assignments and provide you immediate feedback upon completion of each question. There are 25 of these exercises. You can drop any 5 of them. Completion of 20 will earn 10 percentage points, 19, 9.5 points, etc.

**Required Textbook**

The course textbook is Financial Accounting 10th Ed., (Custom Edition for New York University – Digital and Print versions), by Robert Libby, Patricia Libby, and Frank Hodge, McGraw Hill, New York, 2019 **ISBN # 978-126-408216-2. The text** includes access to the CONNECT platform online digital learning and assessment tool. Most class preparation assignments and homework assignments are to be submitted through the CONNECT web-based assignment and assessment tool. Please be aware that the current version of CONNECT is linked to the 10th edition of the course textbook; earlier editions are not compatible. Should you decide to acquire the textbook from a source other than the NYU bookstore, ensure it is the 10th edition and comes bundled with the access code needed to register on CONNECT. You may purchase the access code separately, but it is considerably cheaper to acquire the one bundled with the 10th edition from the NYU bookstore. See page 5 below for instructions on how to register for Connect.

**Homework Assignments**

The homework problems will be more challenging and will be drawn from the end-of-chapter problems. These will be due in the week *after* we have concluded our class discussion of the relevant chapter. Again I will be asking you to submit homework assignments using McGraw-Hill's Connect website. I encourage you to do the homework in small groups of 3-4 people**.**If you do this, you will find yourself far more engaged and far better prepared for class, and you will learn significantly more.**Please understand that doing these exercises and problems is the key to success in the course.**  I will not accept late homework assignments unless due to documented serious illness or family emergency. However, I will make an exception to this policy for reasons of religious observance or civic obligation, but *only* when the homework cannot reasonably be completed before the due date, and you make arrangements for late submission with me in advance.

**Tests and Exams**

There will be several quizzes, two midterm exams, and a final exam. The midterm and final exams will be closed book. Due to the course material's progressive nature, all exams will necessarily be cumulative unless indicated otherwise.

**Class Attendance/Presence:**

Class attendance constitutes an essential part of your course grade and is required. Absences may be excused only in documented severe illness, family emergency, religious observance, civic or necessary work obligation. If you anticipate missing a class for religious observance or a civic obligation, you must inform me no later than the first week of class. Recruiting activities and business trips are not acceptable reasons for absence from class. You are responsible for knowing what goes on in class, including material not covered in the readings, modifications to the syllabus, and announcements concerning exams, etc. I will make most announcements either in class, on NYU LMS Brightspace or by email. Emails will be sent to your email addresses listed on NYU LMS only. Therefore, it is your responsibility to ensure that the address listed there is correct. Please check the email, and make sure that it is correctly forwarded to an address you frequently check. Also, it is your responsibility to check the NYU LMS Brightspace course site regularly and often. From experience, here is my advice: plan on attending every class since some class materials are not discussed in the course pack or textbook. Moreover, class participation will count toward your course grade.

**Arriving Late, Leaving Early, Coming & Going**

Students are expected to arrive at class on time and stay until the end of the class period. Arriving late or leaving in the middle of class will impact your course grade. You may join the class late only if you have permission from me and can do so without disrupting the class. I would appreciate knowing if you are going to come to class late, and if you are going to be late, please enter as unobtrusively as possible. You are encouraged to participate in class discussions. You are not allowed to use laptops, cell phones, smartphones, and other electronic devices during class and exams unless permitted to do so.

**Academic Integrity**

Integrity is critical to the learning process and to all that we do here at NYU. As members of our community, all students agree to abide by the NYU 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.
* You are expected to acknowledge others' work and efforts 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 others' work should be fully referenced.
* You are expected to 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. Also, you have an abligation to report any observed violations of this Code of Conduct or other School and University policies that are deemed to affect the NYU community adversely.

**Diversity and Inclusive Classroom**

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. 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.

**General Conduct & Behavior**

Students are also expected to maintain and abide by the highest standards of professional conduct and behavior. Please familiarize yourself with NYU's policy regarding in-class behavior & expectations and the NYU Disruptive Behavior Policy at the following site:

(<http://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/bullying--threatening--and-other-disruptive-behavior-guidelines.html>).

**Grading Policy**

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| Attendance and Participation 5%Prep Assignments 10%Homework Assignments 10% | Midterm Exam 1 20%Midterm Exam 2 20%Final Exam 35% |

**NYU Brightspace**

NYU LMS course platform shall serve as a depository for all class materials and a portal to the **Connect** platform. To access the course, you will first need to log into NYU LMS using your NYU account here: https://brightspace.nyu.edu/d2l/home and select your class from the tabs at the top of the screen (you can also use the NYU mobile app, tap on the drop-down tab and select NYU LMS (Brightspace), tap on the MY SITES tab and select your class section).

**CONNECT REGISTRATION AND LOGIN**

1. Go to the course Connect website by clicking on the link below (you can also copy and paste it in a browser)  <https://connect.mheducation.com/class/dontoh-section-3-mon-wed-1100am-1215pm>, the Welcome Screen on page 6 below left will appear. Enter your NYU email address and select BEGIN to bring up the registration screen on the right.
2. Confirm the course and instructor information displayed on the right side of the screen and enter your NYU email in the space provided and click "BEGIN."

 3. Enter the requested information using your NYU email address, agree to the terms, and click CONTINUE.

 4. Next, you will be presented with three options:

   a. If you already received an access code with your new text OR if you purchased an access card from your bookstore, enter your code in the appropriate field, and click "REDEEM".

  b. If you don't have a code yet, click either "BUY IT "to purchase one with a credit card or PayPal.

  c. Click "RENT IT" to rent the hard copy version.

  d. Not ready to purchase yet? Get started with two weeks free of access to Connect by clicking on "ACCESS NOW" Your work will be saved and available to you and the instructor when you complete the purchase.

5. Once you have completed and submitted the form, you can access the course homepage.

 6. At your Connect homepage, you can access Practice Assignment 1 to be completed after you have read chapter 1 of the text. Start by clicking the assignment title displayed.



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| **TOPICAL STRUCTURE** |
| **PART I – THE ACCOUNTING CYCLE** |
| **SESSION 1 - Overview Of Financial Statements and Reporting Process** |
| **SESSION 2 - Recording Transactions & Preparing Financial Statements** |
| **SESSION 3 - Income Measurement And Accrual Accounting** |
| **SESSION 4 - Statement of Cash Flows**  |
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| **PART II - ACCOUNTING FOR CURRENT AND OTHER ASSETS** |
| **SESSION 5 - Revenue Recognition And Accounts Receivable:**  |
| **SESSION 6 - Inventory And Cost Of Goods Sold**   |
| **SESSION 7 - Long Lived Tangible And Intangible Assets**  |
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| **PART III - ACCOUNTING FOR LIABILITIES AND EQUITY** |
| **SESSION 8 - Long Term Liabilities: Bonds & Capital Leases**  |
| **SESSION 9 - Reporting and Interpreting Owners' Equity** |
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| **COURSE MATERIALS**  |
| **Textbook**The textbook for the course is *Financial Accounting* 10th Ed., (Custom Edition for New York University – Digital and Print versions), by Robert Libby, Patricia Libby, and Frank Hodge,McGraw Hill, New York, 2019 **ISBN # 978-126-408216-2**. All assigned readings and pre-class assignments are from this text. e-book. An electronic version of the textbook is included in Connect Registration. |
| **Coursepack**I shall provide a coursepack containings lecture notes, solutions to class problems, and other course documents. The course pack contains templates for all class slides and illustrative cases and extra practice problems and solutions, and you are expected to bring relevant sections to class. The coursepack will be posted on NYU LMS Brightspace for download at no cost to you. |
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| **Practice Problem Set**The problem sets contain numerous problems and solutions, including end-of-chapter problems from the textbook. There are three practice problem sets; Problem Set 1 contains on the Accounting Cycle and Cash Flow Statements. Set 2 contains problems and solutions on Accounts Receivable, Inventories, and Long-Lived Tangible and Intangible Assets. Problem Set 3 contains problems and solutions on present value concepts, bond valuation, bond interest expense calculations, and stockholders' equity. Sections of the problem Set will be posted on NYU LMS Brightspace for download. |

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| **DETAILED COURSE SCHEDULE** |
| **PART I – THE ACCOUNTING CYCLE** |
| **SESSION 1 - Overview Of Financial Statements and Reporting Process** | Course Pack Session 1 |
| Date |  | Reading Assignment |  |
| Sept. 7 | Accounting Principles |  Ch. 1 pp. 1-6, 16-21 | - |
| Sept. 12 | The Balance Sheet |  Ch. 1 pp. 6-9, 15-16 | Connect Assignment 1 |
| Sept. 14 | Income & Cash Flow Statement  |  Ch 1 pp. 9-15 |  Connect Assignment 2 |
| Class Discussion: | Apple Computer Financial Statements |
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| **SESSION 2 - Recording Transactions & Preparing Financial Statements** | Course Pack Session 2 |
| Sept. 19 | Accounting Transactions |  Ch2 pp. 45-70 |  Connect Assignment 3 |
| Sept. 21 | The Accounting System |  Ch3 pp. 104-116 |  Connect Assignment 4 |
| Sept. 26 | Transaction Analysis |  Ch3 pp. 118-129 |  Connect Assignment 5 |
| Class Discussion Mini Case: | Partco Company, Planet of the Grapes.  |
| Self Study Case: | Terrific Lawn Corp. pp. 73-76, 132-136 |
| **SESSION 3 - Income Measurement and Accrual Accounting** |  Course Pack Session 3 |
| Sept. 28 | Adjusting Revenues & Expenses |  Ch. 4 pp. 164-187 |  Connect Assignment 6 |
| Oct. 3 | Preparing Financial Statements Closing Entries |  Ch. 4 pp. 183-187,190-193 |  Connect Assignment 7 |
| Class Discussion Mini Case: | Village Appliance Shop |  |
| Self Study Case: | Terrific Lawn Corp. pp. 194-198 |
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| **SESSION 4 - Statement of Cash Flows**  | Course Pack Session 4 |
| Oct. 5 | Statement of Cash Flows |  Ch12 pp. 614-620 |  Connect Assignment 8  |
| Oct. 11 Tues | Preparing Cash Flows Statements |  Ch12 pp. 621-632 |  Connect Assignment 9  |
| Oct. 12 | Preparing Cash Flows Statements |  Ch12 pp. 633-637, 642-643 |  Connect Assignment 10 |
| Class Discussion Mini Case: | Breda Enterprises Inc. |
| Self Study Quiz: | National Beverage Corp. p 637-638 |
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| **Oct. 17** |  **Midterm Exam 1** |
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| **PART II - ACCOUNTING FOR CURRENT AND OTHER ASSETS** |
| **SESSION 5 - Revenue Recognition And Accounts Receivable:**  |  Course Pack Session 5 |
| Oct. 19 | Accounting for Receivables |  Ch6 pp. 288-300 | Connect Assignment 11 |
| Oct. 24 | Estimating Allow. For Bad Debts |  Ch6 pp. 300-303 | Connect Assignment 12 |
| Oct. 26 | Managing Account Receivables |  Ch6 pp. 303-304, 315 | Connect Assignment 13 |
|  | Class Discussion Mini Case: | Mantes Corporation |  |
| Self Study Quiz: | Wholesale Warehouse Stores pp. 312-313 |
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| **SESSION 6 - Inventory And Cost Of Goods Sold**  Course Pack Session 6 |
| Oct. 31 | Accounting for Cost of Goods Sold |  Ch7 pp. 340-347 | Connect Assignment 14 |
| Nov. 2 | Inventory Costing Methods |  Ch7 pp. 348-354 | Connect Assignment 15 |
| Nov. 8 | Inventory Costing Methods (cont.) | Ch7 pp. 356-364, 367-369 | Connect Assignment 16 |
|  | Class Discussion Mini Case: | Adnan Oil Heat Co. |  |
| Self Study Quiz: | Balent Appliances pp. 365 |
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| **SESSION 7 - Long Lived Tangible And Intangible Assets** Course Pack Session 7 |
| Nov. 9 | Accounting for Tangible Assets |  Ch8 pp. 396-419, 431-432 | Connect Assignment 17 |
| Nov. 14 | Accounting for Intangible Assets |  Ch8 pp. 420-428 | Connect Assignment 18 |
| Nov. 16 | Goodwill Impairment  | Course Pack  | Connect Assignment 19 |
|  | Class Discussion Mini Case: | Upjane Corporation and Dakota Corporation |
| Self Study Quiz: | Diversified Industries p. 429 |
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| **Nov. 21 Midterm Exam II** |  |
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| **PART III - ACCOUNTING FOR LIABILITIES AND EQUITY** |
| **SESSION 8 - Long Term Liabilities: Bonds & Capital Leases**  |  Course Pack Session 8 |
| Nov. 28 | Current & Contingent Liabilities |  Ch9 pp. 468-481 | Connect Assignment 20 |
| Nov. 30 | Present Values; Bond Valuation |  Ch9 484-492; Ch10 518-523 | Connect Assignment 21 |
| Dec. 5 | Bond Interest Calculations |  Ch10 pp. 524-539 | Connect Assignment 22 |
| Dec. 7 | Installment Debt; Retirement |  Course Pack |  Connect Assignment 23 |
|  | Class Discussion Mini Case: | Acronis Bridge Construction Company; Ivy Corporation |
| Self Study Problem: | Patagonia Co. p. 493 |
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| **SESSION 9 - Reporting and Interpreting Owners' Equity** |  Course Pack Session 9 |
| Dec. 12 | Common Stock  |  Ch 11 pp. 568-582 | Connect Assignment 24 |
| Dec. 14 | Statement of Stockholders Equity |  Ch 11 pp. 583-584, 593 | Connect Assignment 25 |
|  Class Discussion Mini Case: | Monk Corporation |  |
| Self Study Quiz: | Chapter 6 Corp. p. 588 |
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| **HOMEWORK AND CLASS PREP ASSIGNMENTS DUE DATES** |
| **Due****Date** | **Time Due** | **Assignment** | **Location** |
| Sept. 12 | 30 minutes Before Scheduled Class |  | CONNECT PLATFORM |
| Sept. 14 | 30 minutes Before Scheduled Class |  | CONNECT PLATFORM |
| **Sept. 18** | **11:59pm**  | **Homework Assignment 1** | **CONNECT PLATFORM** |
|  |  |  |  |
| Sept. 19 | 30 minutes Before Scheduled Class |  | CONNECT PLATFORM |
| Sept. 21 | 30 minutes Before Scheduled Class |  | CONNECT PLATFORM |
| Sept. 26 | 30 minutes Before Scheduled Class |  | CONNECT PLATFORM |
| **Oct. 2** | **11:59pm**  | **Homework Assignment 2** | **CONNECT PLATFORM** |
|  |  |  |  |
| Sept. 28 | 30 minutes Before Scheduled Class |  | CONNECT PLATFORM |
| Oct. 3 | 30 minutes Before Scheduled Class |  | CONNECT PLATFORM |
| **Oct. 9** | **11:59pm**  | **Homework Assignment 3** | **CONNECT PLATFORM** |
|  |  |  |  |
| Oct. 5 | 30 minutes Before Scheduled Class |  | CONNECT PLATFORM |
| Oct. 11 | 30 minutes Before Scheduled Class |  | CONNECT PLATFORM |
| Oct. 12 | 30 minutes Before Scheduled Class |  | CONNECT PLATFORM |
| **Oct. 16** | **11:59pm**  | **Homework Assignment 4** | **CONNECT PLATFORM** |
|  |  |  |  |
| Oct. 19 | 30 minutes Before Scheduled Class |  | CONNECT PLATFORM |
| Oct. 24 | 30 minutes Before Scheduled Class |  | CONNECT PLATFORM |
| Oct. 26 | 30 minutes Before Scheduled Class | Class Prep Assignment 13 | CONNECT PLATFORM |
| **Oct. 30** | **11:59pm**  | **Homework Assignment 5** | **CONNECT PLATFORM** |
|  |  |  |  |
| Oct. 31 | 30 minutes Before Scheduled Class |  | CONNECT PLATFORM |
| Nov. 2 | 30 minutes Before Scheduled Class |  | CONNECT PLATFORM |
| Nov. 8 | 30 minutes Before Scheduled Class |  | CONNECT PLATFORM |
| **Nov. 13** | **11:59pm**  | **Homework Assignment 6** | **CONNECT PLATFORM** |
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| Nov. 10 | 30 minutes Before Scheduled Class |  | CONNECT PLATFORM |
| Nov. 15 | 30 minutes Before Scheduled Class |  | CONNECT PLATFORM |
| Nov. 17 | 30 minutes Before Scheduled Class |  | CONNECT PLATFORM |
| **Nov. 20** | **11:59pm**  | **Homework Assignment 7** | **CONNECT PLATFORM** |
|  |  |  |  |
| Nov. 28 | 30 minutes Before Scheduled Class |  | CONNECT PLATFORM |
| Nov. 30 | 30 minutes Before Scheduled Class |  | CONNECT PLATFORM |
| **Dec. 4** | **11:59pm**  | **Homework Assignment 8** | **CONNECT PLATFORM** |
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| Dec. 5 | 30 minutes Before Scheduled Class |  | CONNECT PLATFORM |
| Dec. 7 | 30 minutes Before Scheduled Class |  | CONNECT PLATFORM |
| **Dec. 11** | **11:59pm**  | **Homework Assignment 9** | **CONNECT PLATFORM** |
|  |  |  |  |
| Dec. 12 | 30 minutes Before Scheduled Class |  | CONNECT PLATFORM |
| Dec. 14 | 30 minutes Before Scheduled Class |  | CONNECT PLATFORM |
| **Dec. 18** | **11:59pm**  | **Homework Assignment 10** | **CONNECT PLATFORM** |