

**NEW YORK UNIVERSITY**  
**Stern School of Business**

**Financial Accounting**  
**CORE-GB.1306.34**  
**SPRING 2018**  
**Wed. 6-9PM**

**FINANCIAL ACCOUNTING**  
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**Instructor**

Alex Dontoh  
KMC 10-72  
adontoh@stern.nyu.edu  
Ph. 212 998-0064  
Office Hours: Wed/Th 5:00p-6:00p  
and by appointment

**Teaching Assistant**

Brian Tanner  
bct276@stern.nyu.edu  
Office Hours: Tu. 6:00p-9:00p  
and by appointment  
Location: EY Learning Center, Tisch Upper Concourse

**Course Description**

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 those assumptions and concepts. Financial accounting reports are used in valuation assessment and contracting by investors, creditors, managers and the government. A good understanding of these reports is one of the basic building blocks of a business education. The course is divided into two parts. Part I is designed to develop your appreciation of fundamental accounting concepts and part II focus on the application of 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.

**Course Goals**

By the end of the course, you should: (1) develop an understanding of the core concepts of financial accounting, including how accountants analyze and record the effects of individual transactions, and the concepts that are essential to the recording them; (2) know the process through which outcomes of business transactions are reported in financial statements such as the balance sheet, income statement, statement of shareholders' equity and cash flow statement, and how these statements relate to one another; (3) be able to read and interpret financial reports, and use the information obtained from them to analyze and evaluate company performance and financial well being.

**Teaching Philosophy**

I believe the most efficient use of class time is reinforcing what the student has tried to achieve on an individual basis prior to class. In-the-classroom learning is achieved by (a) whole-hearted and serious studying of the assigned readings and solving the assigned problems or cases; (b) in-class discussions of the material by the students and instructor; and (c) underscoring of important points via short lectures. In light of this, adequate preparation for the class, and participation during class are essential.

**Preparing for Class**

We have considerable amount of material to cover in the course in a relatively short period of time. For most efficient use of class time, it is critical that you prepare adequately for each and every class. It is your responsibility to read the class schedule provided in pages 6-8 of this syllabus

carefully to find out 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. To complete reading assignments you will need to have read the assigned pages from the textbook and then complete the assigned pre-class exercise on CONNECT prior to the class session. Since the goal of pre-class assignments is to prepare you adequately to for each class, the CONNECT system will be set up to allow you multiple attempts to complete the assignment and to give you immediate feedback after you complete each question. All pre-class reading assignments will be graded on preparation effort and not on the correctness of your answers. There are 10 of these exercises. You are allowed to drop any two of them. Completion of 8 will earn 10 percentage points, 9, 0.87 points, etc.

### **Connect Registration and Login**

1. Go to the course Connect website at <https://connect.mheducation.com/class/prof-dontoh-financial-accounting-spring-2018-section34>
2. Confirm the course and instructor information displayed on the right side of the screen and click "Register Now".
3. Enter your e-mail address.
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 "Submit".
  - b. If you don't have a code yet, click "Buy Online" to purchase one with a credit card.
  - c. Not ready to purchase yet? Try Connect History for free for three weeks by clicking on "Start Free Trial".
5. Fill out the registration form.
6. Once you have completed and submitted the form, you can access your Connect homepage by clicking on "Go To Connect Now"
7. At your Connect homepage you can access Assignment 1 to be completed after you have read chapter 1 of the text. Start by clicking the assignment title displayed.

### **Homework Problems**

The homework problems are more challenging than class prep assignments. They are drawn mostly from the end-of-chapter problems. Unlike class prep assignments, homework assignments are due approximately one week *after* discussion of the relevant chapter. Again I will be asking you to submit your homework problems using CONNECT. There will be 8 homework assignments, completion of all 8 will earn you 10 percentage points, 7, 8.75 percentage points etc. I encourage you to do the homework in small groups of 4-6 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 do not accept assignments submitted after the posted due date. I will however make an exception to this policy in cases of documented serious illness or family emergencies. Also, I will consider exceptions for reasons of religious observance or civic obligation *only* when the assignment cannot reasonably be completed prior to the due date, and you make arrangements for late submission with me in advance.

### **Exams**

There will be one midterm exam and one final exam. All exams will be closed book. However, you are allowed to bring into the exam one double sided 8 ½" x 11" page of your own notes (cheat sheet). Due to the cumulative nature of the course material, all exams will necessarily be

cumulative unless indicated otherwise. You will require a simple calculator, one able to display up to 10 digits, for exams and homework assignments. Scientific or financial calculators are optional and not required. Use of laptops, cell phones and other hand-held smart devices that have internet access will not be permitted during exams.

### **Class Attendance/Presence and Class participation:**

Class attendance is required and constitutes part of your course grade. Absences may be excused only in the case of documented serious illness, family emergency, religious observance, civic or important work obligation. If you anticipate missing a class for religious observance or civic obligation, you must inform me no later than 24 hours before the start of the class. Recruiting activities and business trips are not acceptable reasons for absence from class. You are responsible for knowing what goes on in class, which may include material not covered in the readings, modifications to the syllabus, and announcements concerning exams. Most course announcements shall be made in class and email messages will be sent to your NYU email address only. It is your responsibility to ensure that this is correct, and to check the email and/or make sure that it is correctly forwarded to an address that you do check on frequent basis. Also, it is your responsibility to check the NYUClasses and CONNECT course web sites regularly and often for uploaded class materials, and postings of homework assignments. Lastly, this is a hands-on course and in-class participation is essential to how well you perform. You should therefore make every effort to attend all class sessions.

During some portion of class time you will be working in small groups to tackle more challenging problems. One of the best ways of clarifying your understanding and remembering a concept or process is to explain it to someone else. Since you will be engaged in the most difficult processing of information in class, your success depends critically on your presence in class.

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

Students are expected to arrive to class on time and stay to the end of the class period. Arriving late or leaving class early will have impact on the course grade. Students may enter class late only if given permission by 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 and I will be inviting you to contribute to the discussion even when you don't volunteer. Please refrain from using laptops, cell phones, smart phones and other electronic devices during class and during exams.

### **Academic Integrity**

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.

**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 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>).

**Students with Disabilities**

If you have a qualified disability and 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 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 will 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.

**Textbook**

The required textbook for the course is NYU custom edition of Financial Accounting, 9th Ed. (McGraw-Hill) by Libby, Libby and Hodge. It is available at the NYU bookstore on Broadway Ave.. The text comes with an access code for CONNECT, an online digital learning and assessment tool. All class preparation assignments and homework assignments will done through the companion 9th edition CONNECT web-based assignment and assessment platform. Please be aware that earlier editions of the text are not compatible with the current version of CONNECT - be sure the edition of the text, should you acquire it from a source other than NYU bookstore, is the 9th edition, and come bundled with an access code for CONNECT registration. CONNECT access codes may be purchased separately but it is considerably cheaper to acquire the one bundled with the 9th edition of the text.

**Grading Policy**

Class Preparation Assignments	10%
Homework Assignments	15%
Class Attendance/Participation	5%
Midterm Exam	25%
Final Exam	45%

**Grades are determined following the Undergraduate *Grading Guidelines* for Core 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 adopted a grading guideline for core courses with enrollments of more than 25 students in which approximately 35% of students will receive an “A” or “A-“ grade. In core classes of less than 25 students, the instructor is at liberty to give whatever grades they think the students deserve, while maintaining rigorous academic standards.

# CLASS SCHEDULE

## PART I

<b>SESSION 1 - Overview Of Financial Statements And Reporting Process</b>		Course Pack Session 1
<b>Date</b>	<b>Reading Assignment</b>	<b>Class Prep</b>
<b>Feb. 7</b>	LLS Ch1 pp. 2-21	Prepare E1-3
	LLS Ch2 pp.. 42-49	Prepare E2-5
<b>Class Discussion Problem:</b>	E1-5, E1-7	
<b>SESSION 2 - Recording Transactions &amp; Preparing Financial Statements</b>		Course Pack Session 2
<b>Feb. 14</b>	LLS Ch2 pp. 49-70	Prepare E2-13
	LLS Ch3 pp. 102-128;	Prepare E3-5
<b>Class Discussion Mini Case:</b>	Partco Company, Planet of the Grapes. E3-10	
<b>Self Study Demonstration Case:</b>	Terrific Lawn Corp. Part 1&2 LLS pp. 71;129	
<b>SESSION 3 - Income Measurement And Accrual Accounting</b>		Course Pack Session 3
<b>Feb. 21</b>	LLS: Ch. 4 pp. 164-177	Prepare E4-3
	LLS: Ch. 4 pp. 177-187	Prepare E4-6
<b>Class Discussion Mini Case:</b>	Village Appliance Shop	
<b>Self Study Demonstration Case:</b>	Terrific Lawn Corp. LLS pp. 188	
<b>SESSION 4 - Statement of Cash Flows</b>		Course Pack Session 4
<b>Date</b>	<b>Reading Assignment</b>	<b>Class Prep</b>
<b>Feb. 28</b>	LLS: Ch12 548-561	Prepare E12-1
	LLS: Ch12 562-571	Prepare E12-10
<b>Class Discussion Mini Case:</b>	Breda Enterprises Inc.	
<b>Self Study Demonstration Case:</b>	National Beverage Corp. LLS p 571	
<b>SESSION 5 - Revenue Recognition And Accounts Receivable:</b>		Course Pack Session 5
<b>Date</b>	<b>Reading Assignment</b>	<b>Class Prep</b>
<b>March 7</b>	LLS: Ch6 230-246	Prepare E6-2
	LLS: Ch6 256-257	Prepare E6-12
	Prepare Mantes Corporation	
<b>Class Discussion Mini Case:</b>	Mantes Corporation	
<b>Self Study Demonstration Case:</b>	Wholesale Warehouse Stores LLS pp. 253	

**March 14**      **Spring Break – No class**

**March 21**      **Midterm Exam**

**SESSION 6 - Inventory And Cost Of Goods Sold**

Course Pack Session 6

**March 28**

LLS: Ch7 280-292

Prepare E7-1

LLS: Ch7 296--307

Prepare E7-5, E7-12

**Class Discussion Mini Case:**

Boston Oil.

**Self Study Demonstration Case:**

Balent Appliances LLS pp. 304

**SESSION 7 - Long Lived Tangible And Intangible Assets**

Course Pack Session 7

**Date**

**Reading Assignment**

**Class Prep**

**April 4**

LLS: Ch8 336-353

Prepare E8-3

**April 11 (1<sup>st</sup> Half)**

LLS: Ch8 354-367, 371-372

Prepare E8-8, E8-12

**Class Discussion Mini Case:**

Problem P8-10 in LLS

Upjane Corporation and Dakota Corporation

**Self Study Demonstration Case:**

Diversified Industries LLS 368

**SESSION 8 - Long Term Liabilities: Bonds & Capital Leases**

Course Pack Session 8

**April 11  
(2<sup>nd</sup> Half)**

**Current Liabilities, Present Value  
Concepts, Bond Valuation**

LLS: CH9 406-418,  
CH9 418-429;

Prepare E9-1; E9-9

**April 18**

**Bond Interest Calculations;**

LLS: 454-476

Prepare E10-7; E10-13

**April 25**

**Installment Debt**

LLS: 420

**Class Discussion Mini Case:**

Acronis Bridge Construction Company; Ivy Corporation

**Self Study Demonstration Cases:**

Patagonia Co. p. 429; Zeus Company LLS 477

**SESSION 9 - Reporting And Interpreting Owners' Equity**

Course Pack Session 9

**Date**

**Reading Assignment**

**Class Prep**

**April 25**

**Composition of Equity**

LLS: Ch 11 502-518

Prepare E11-1; E11-9

**Class Discussion Mini Case:**

Monk Corporation

**Self Study Demonstration Case:**

Chapter 11 Corp. LLS p. 521

**May 2**

**Final Exam**

**HOMEWORK ASSIGNMENTS - SEE CONNECT course site for due dates.**

HW Assignment 1

HW Assignment 2

HW Assignment 3

HW Assignment 4

HW Assignment 5

HW Assignment 6

HW Assignment 7

HW Assignment 8





