



**Principles of Financial Accounting  
Spring 2021**

**Section 004 MW 2:00 pm – 3:15 pm  
Section 013 MW 3:30 pm – 4:45 pm**

**Monday classes: Online (Zoom)  
Wednesday classes: TISC-UC-50**

**INSTRUCTOR**

Name: **Chongho Kim**  
Email: [ck3260@stern.nyu.edu](mailto:ck3260@stern.nyu.edu)  
Office: KMC 10-84 (10<sup>th</sup> floor)  
Office Hours: MW 10:00 am – 12:00 pm, and by appointment

**Teaching Assistant**

Name:	Karan Tibriwal	Elton Zhu
Email:	<a href="mailto:kt1757@stern.nyu.edu">kt1757@stern.nyu.edu</a>	<a href="mailto:elton.zhu@stern.nyu.edu">elton.zhu@stern.nyu.edu</a>
Office Hours:	TBA	TBA

**COURSE DESCRIPTION**

The course is intended for students with no previous exposure to financial accounting. The objective is to help you become intelligent readers of the financial reports of publicly traded companies. The course focuses on the development, analysis, and use of these reports. It also provides an understanding of what these reports contain, what assumptions and concepts accountants use to prepare them, and why they use those assumptions and concepts. A solid understanding of the fundamentals covered in this course should enable you to do well in more advanced finance and accounting courses and to interview intelligently for jobs in finance and consulting.

The course begins with the basic concepts of accounting. We look 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. Keep in mind that the objective of this course is not to train you to become an accountant but rather to help you develop into an informed user of financial statement information. Therefore, our perspective is that of *external* users of financial information, such as investors, creditors, customers, suppliers, government regulators, and, of course, business school students.

**COURSE FORMAT**

**Class Format:** Our course will be conducted in a rotation format. Monday classes will be in a synchronous, online format, i.e., there will be a live Zoom session on every Monday. Please make every effort to log in to class on time, have your camera on, and remain for the entire class period.

For those of you who are not able to attend a live session, a link to a recording of each session will be posted to Brightspace shortly after the session ends. On the topic of questions, keep in mind that the online format makes it more difficult for students and instructor to interact. However, if there is something which you do not understand, you will have plenty of opportunities to ask about it and review it both during our live lectures as well as one-on-one with your instructor (e.g., office hours).

Wednesday classes will be traditional in-person classes in a classroom (with social distancing). You are expected to attend the Wednesday classes in-person, but for those of you who are not able to attend in-person, a link to a recording of each in-person session will also be posted to Brightspace shortly after the session ends. To accommodate movement in and out of the classroom under social distancing, Wednesday classes will start 5 minutes later than scheduled.

**Office Hour Format:** The main office hours (MW 10 am – 12 pm) will be open Zoom sessions that you can freely enter and exit. I will also be available for in-person meetings outside the main office hours, but an advance appointment is required. If you want to meet in a more open space than my office, that request will be accommodated to the best extent possible.

### **COURSE MATERIALS**

**Textbook (optional):** For this course, the recommended textbook is Libby, Libby, and Hodge, *Financial accounting, 10<sup>th</sup> edition* provided by McGraw-Hill Education Connect® access. The Connect platform will provide full access to the eBook and (ungraded) practice questions. Please be aware that if you purchase a used textbook, you will still need to purchase Connect access to be able to use the online material in the Connect platform.

The textbook is not required but recommended. In our efforts around affordability, we have a few options for our students as follows:

- **Online - All Digital (most affordable option):** You can purchase Connect (without the print book, but this includes the complete eBook and access to all course content) directly from the course website for \$99.
  - Connect URL: TBD
- **Print Version at NYU Bookstore:** If you would like a print version of the text and access to Connect, the bookstore is carrying a discounted bundle for \$146.
  - ISBN # 978-126-408216-2
- **McGraw Hill Technical Support:** If you have technical issues, please contact the McGraw Hill Technical Support Team. The following information is also available through links on the Connect pages:
  - Technical Support Phone Number: 1-800-331-5094
  - Email and Chat Support: [www.mhhe.com/support](http://www.mhhe.com/support)

**Student PDFs:** Most lectures will use the aid of PowerPoint slides, which will be available prior to each class on Brightspace. If you do not have a textbook, I recommend you read the slides and content notes on Brightspace before each class. You can use the complimentary access to Adobe to take notes on the PDF.

- Complimentary Adobe Access for students: sign up with NYU account ([NetID@nyu.edu](mailto:NetID@nyu.edu)) at <https://www.nyu.edu/life/information-technology/getting-started/software/adobe.html>

**Brightspace:** This class has been selected as part of the Brightspace Spring Pilot Program, which is part of NYU’s implementation of its new Learning Management System (LMS). Therefore, I will be using Brightspace instead of NYU Classes to post other materials such as notes and homework assignments, and to communicate with you throughout the term. Please make sure you are registered and check our site on a regular basis. All graded homework assignments will be available through Brightspace and will not require the textbook.

General course questions should be posted to Brightspace’s Class Questions Topic, under the Discussion tab. By doing so, the entire class can see questions posted by students and the responses. If you have questions of a private nature or those that would give away pending homework answers, please email me or our TA directly. When emailing, please include your full name and class time/section in the email. If you are emailing about a specific homework problem, please include a screenshot as our TA and I may not have easy access to the textbook.

Please use the following website for general information about NYU’s LMS implementation.

- NYU LMS Introduction: <https://www.nyu.edu/life/information-technology/instructional-technology-support/instructional-technology-tools-and-services/nyu-lms-brightspace.html>

**Accounting Standards Codification:** While not a natural component of an introductory financial accounting course, you should be aware that, as of September 2009, all extant GAAP can be found in the Accounting Standards Codification (ASC). The ASC is a single, searchable database of GAAP with hyperlinks to implementation guidance and examples. The ASC also includes a master glossary with hyperlinks to all uses of terms in GAAP that you might find useful. At some point during the course, I will log on to ASC and briefly demonstrate how it can be used. Interested students can obtain full access to the ASC at <http://www2.aaahq.org/ascLogin.cfm>, with username AAA51819 and password nPG7H5y.

### **GRADING**

Homework Assignments	25%
Midterm Exam 1	20%
Midterm Exam 2	20%
Final Exam	35%

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.

I reserve the right to adjust your final grade based on your level of participation and your professionalism in class. I hope you will be an active participant in class. I will be prepared for class and make every effort to make our class sessions a hospitable and inclusive environment where you feel comfortable expressing your ideas. I would expect you to make the same effort in return.

Each component of the class is discussed in detail below.

**Homework:** After we have concluded each class topic, assignments will be due that will give you an opportunity to show me, and yourself, that you have understood and learned the material. There will be 6 homework assignments, and you only need to submit 5 of them. If you hand in all 6, the highest

5 scores will be counted in your grade. You must submit your completed homework on Brightspace before 2 pm on the date due; late homework will not be accepted. I will not accept assignments over the web, through e-mail, etc. Solutions to homework will be posted to Brightspace.

You are welcome and encouraged to discuss and work on homework problems with your classmates. However, all of you must individually submit your own answers via Brightspace.

**Exams:** There will be three exams, two midterms (non-cumulative) and one final (cumulative). Although the final exam is cumulative, the emphasis will be on the material covered since the last exam. All exams are open book/open note, but you must finish them by yourself and cannot communicate with anyone else. The exams will be given online, and I will follow the University guidelines in giving the exams.

Exam dates will not be rescheduled for any individual student. If you miss any exam, you will receive zero credit for that exam. The midterms will be administered during class time on Mondays.

**SmartBook:** This is your online reading available in the Connect platform. I have selected material from each chapter for you to read as indicated in the syllabus and set up questions related to that material. SmartBook is an adaptive reading experience so it will guide you to spend the most amount of time on material you are least familiar with and will not spend extra time on material you already know. SmartBook will work well for you if you read all the material (not just material highlighted in yellow) and answer the SmartBook questions honestly. Each time you answer a question, SmartBook will prompt you to rate your confidence in your answer. An honest answer will result in the most learned in the least amount of time. This is not graded but intended to ensure you read and understand the material.

**Extra Practice Problems:** In addition to the graded assigned homework, I will suggest additional practice problems. Out of respect for your busy schedules, these problems will not be due or part of your grade. However, you should complete them to ensure sufficient reinforcement of the material. The suggested practice problems will be from the textbook itself, but your textbook and Connect include even more practice problems that you can solve for areas that you find particularly challenging.

### **NYU/STERN POLICIES**

**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 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.

The entire Stern Student Code of Conduct applies to all students enrolled in Stern courses

- Stern Student Code of Conduct: <https://www.stern.nyu.edu/portal-partners/current-students/undergraduate/resources-policies/code-of-conduct>

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

**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 Student Conduct Policy.

- Stern Academic Policies: <http://www.stern.nyu.edu/portal-partners/current-students/undergraduate/resources-policies/academic-policies/index.htm>
- NYU Student Conduct Policy: <https://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/university-student-conduct-policy.html>

**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, [mosescsa@nyu.edu](mailto: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.

- CSA: <https://www.nyu.edu/students/communities-and-groups/student-accessibility.html>

**Student Wellness:** Classes can get stressful. I encourage you to reach out if you need help. The NYU Wellness Exchange offers mental health support. You can reach them 24/7 at [212-443-9999](tel:212-443-9999), or via the “NYU Wellness Exchange” app. There are also drop in hours and appointments. Find out more at the NYU Counseling and Wellness Services (CWS) website.

- CWS: <http://www.nyu.edu/students/health-and-wellness/counseling-services.html>

## CLASS SCHEDULE

The following is a tentative schedule of classes, readings, and assignments. I may make adjustments as circumstances require.

DATE	TOPICS	READINGS	HOMEWORK
Mon, Feb 1	Introduction	Chapter 1	
Wed, Feb 3	Overview of Financial Statements	Chapter 1	
Mon, Feb 8	Balance Sheet Concepts	Chapter 2	
Wed, Feb 10	Balance Sheet Concepts	Chapter 2	#1 due on Feb 17
Mon, Feb 15	NO CLASS (President's Day)		
Wed, Feb 17	Income Statement Concepts	Chapter 3	
Thu, Feb 18	LEGISLATIVE DAY (Monday Schedule) Income Statement Concepts	Chapter 3	
Mon, Feb 22	Adjustments and Closing the Books	Chapter 4	
Wed, Feb 24	Adjustments and Closing the Books	Chapter 4	#2 due on Mar 3
Mon, Mar 1	Miscellaneous Background	Skim Chapter 5	
Wed, Mar 3	Review for Midterm 1		
Mon, Mar 8	<b>Midterm Exam 1</b>		
Wed, Mar 10	Revenue and Receivables	Chapter 6	
Mon, Mar 15	Revenue and Receivables	Chapter 6	
Wed, Mar 17	Cost of Goods Sold and Inventory	Chapter 7	
Mon, Mar 22	Cost of Goods Sold and Inventory	Chapter 7	#3 due on Mar 31
Wed, Mar 24	Property, Plant, and Equipment	Chapter 8	
Mon, Mar 29	Property, Plant, and Equipment Liabilities	Chapter 8 Chapter 9	
Wed, Mar 31	Liabilities Bonds	Chapter 9 Chapter 10	#4 due on Apr 7
Mon, Apr 5	Bonds	Chapter 10	
Wed, Apr 7	Review for Midterm 2		
Mon, Apr 12	<b>Midterm Exam 2</b>		
Wed, Apr 14	Leases	Skim Lease Overview (MBA Companion)	
Mon, Apr 19	NO CLASS (University Holiday)		
Wed, Apr 21	Shareholders' Equity	Chapter 11	
Mon, Apr 26	Shareholders' Equity Statement of Cash Flows	Chapter 11 Chapter 12	#5 due on May 3
Wed, Apr 28	Statement of Cash Flows	Chapter 12	
Mon, May 3	Statement of Cash Flows	Chapter 12	#6 due on May 10
Wed, May 5	Miscellaneous Topics	Skim Appendix A and Income Taxes Overview (MBA Companion)	
Mon, May 10	Review for Final		
TBD	<b>Final Exam</b>		