



**Principles of Financial Accounting
Spring 2022**

**Section 008 TR 8:00 am – 9:15 am
Section 011 TR 9:30 am – 10:45 am
Section 012 TR 11:00 am – 12:15 pm**

Location: KMEC 2-65

INSTRUCTOR

Name: **Chongho Kim** (he, him, his)
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Office: KMEC 10-84 (10th floor)
Office Hours: TR 2:30 pm – 4:30 pm, and by appointment

Teaching Assistants

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Office Hours:	By appointment	

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 MATERIALS

Textbook (optional): For this course, the recommended textbook is Libby, Libby, and Hodge, *Financial accounting, 10th 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 \$132. McGraw Hill also provides temporary access for 14 days, which you can use to see whether the material is worth purchasing.
 - Connect URL: <https://connect.mheducation.com/class/c-kim-spring-2022>
- **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

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) at <https://www.nyu.edu/life/information-technology/getting-started/software/adobe.html>

Brightspace: I will use Brightspace to post class slides and 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.

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 yKG3w9R.

GRADING

Homework Assignments	15%
Midterm Exam 1	25%
Midterm Exam 2	25%
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 11:59 pm on the date due; late homework will be penalized. 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.

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 Tuesdays.

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) verifying your registration and outlining the accommodations they recommend. 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. Find out more at:

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

Name Pronunciation and Pronouns: NYU Stern students now have the ability to include their pronouns and name pronunciation in Albert. I encourage you to share your name pronunciation and pronouns this way. Please utilize this link for additional information: [Pronouns & Name Pronunciation](#)

Religious Observances and Other Absences: NYU’s [Calendar Policy on Religious Holidays](#) states that members of any religious group may, without penalty, absent themselves from classes when required in compliance with their religious obligations. You must notify me in advance of religious holidays or observances that might coincide with exams, assignments, or class times to schedule mutually acceptable alternatives. Students may also contact religiousaccommodations@nyu.edu for assistance.

NYU Stern is committed to ensuring an equitable educational experience for all students regardless of identity or circumstances and strives to recognize the obligations its students have outside of Stern. Please review all class dates at the start of the semester and review all course requirements to identify any foreseeable conflicts with exams, course assignments, projects, or other items required for participation and attendance. If you are aware of a potential conflict, please contact me as soon as possible to discuss any potential conflicts to determine whether/how they can be accommodated.

Inclusion Statement: 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. By participating in this course, it is the expectation that everyone commits to making this an inclusive learning environment for all.

CLASS SCHEDULE

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

DATE	TOPICS	READINGS	HOMEWORK
Tue, Jan 25	Introduction	Chapter 1	
Thu, Jan 27	Overview of Financial Statements	Chapter 1	
Tue, Feb 1	Balance Sheet Concepts	Chapter 2	
Thu, Feb 3	Balance Sheet Concepts	Chapter 2	#1 due on Feb 16
Tue, Feb 8	Income Statement Concepts	Chapter 3	
Thu, Feb 10	Income Statement Concepts	Chapter 3	
Tue, Feb 15	Adjustments and Closing the Books	Chapter 4	
Thu, Feb 17	Adjustments and Closing the Books	Chapter 4	#2 due on Feb 23
Tue, Feb 22	Miscellaneous Background	Skim Chapter 5	
Thu, Feb 24	Review for Midterm 1		
Tue, Mar 1	Midterm Exam 1		
Thu, Mar 3	Revenue and Receivables	Chapter 6	
Tue, Mar 8	Revenue and Receivables	Chapter 6	
Thu, Mar 10	Revenue and Receivables	Chapter 6	#3 due on Mar 30
Tue, Mar 15	NO CLASS (Spring Break)		
Thu, Mar 17	NO CLASS (Spring Break)		
Tue, Mar 22	Cost of Goods Sold and Inventory	Chapter 7	
Thu, Mar 24	Cost of Goods Sold and Inventory Property, Plant, and Equipment	Chapter 7 Chapter 8	
Tue, Mar 29	Property, Plant, and Equipment Liabilities	Chapter 8 Chapter 9	#4 due on Apr 6
Thu, Mar 31	Liabilities Bonds	Chapter 9 Chapter 10	
Tue, Apr 5	Bonds	Chapter 10	
Thu, Apr 7	Review for Midterm 2		
Tue, Apr 12	Midterm Exam 2		
Thu, Apr 14	Leases	Skim Lease Overview (MBA Companion)	#5 due on Apr 27
Tue, Apr 19	Shareholders' Equity	Chapter 11	
Thu, Apr 21	Shareholders' Equity Statement of Cash Flows	Chapter 11 Chapter 12	
Tue, Apr 26	Statement of Cash Flows	Chapter 12	
Thu, Apr 28	Statement of Cash Flows	Chapter 12	#6 due on May 4
Tue, May 3	Miscellaneous Topics	Skim Appendix A and Income Taxes Overview (MBA Companion)	
Thu, May 5	Review for Final		
TBD	Final Exam		