

# FINANCIAL ACCOUNTING & REPORTING

COR1-GB 1306 61

SPRING 2023

2/2023 - 5/2023

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**Office Hours:** By appointment (virtually).

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**Office Hours:** Every Sunday on Zoom (you can click in the "Zoom" tab in Brightspace to find the link).  
Hours to be determined.

Please make sure to have your cameras turned on during all office hours.

## Course Description:

Accounting reports are an important means of communication with investors. This course focuses on developing, analyzing, and using these reports. It 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.

The course uses simple examples to provide students with a clear understanding of accounting concepts.

The course is divided into two parts.

- Part I of the course is designed to develop your appreciation of fundamental accounting concepts. You will understand how accountants record transactions, make adjustments, and prepare financial statements. We will cover these topics during the first four sessions.
- Part II of the course focuses on applying your accounting knowledge to earnings quality issues and earnings management activities related to assets, liabilities, and equity. Topics covered include revenue, accounts receivables, inventory, long-term assets, and bonds.

## Course Objectives:

By the end of the course, you should be able to:

- Appreciate how business activities are captured by financial statements.
- Understand the difference between cash and accrual accounting.

- Interpret Balance Sheets, Income Statements, and Statement of Cash Flows.
- Prepare simple financial statements.
- Explain how components of financial statements are linked together.
- Prepare simple journal entries, ledgers, trial balances, and end-of-period adjusting entries.
- Identify issues related to revenue recognition.
- Discuss issues related to assets, liabilities, and equities.
- Become aware of ways companies engage in earnings management activities.

## Who This Course is for:

Since this is a required course, there will be students with varying backgrounds in accounting in the class. This course is designed for students with no accounting background whatsoever. Thus, you should not be worried if others in the class have more business or accounting exposure. Conversely, if the course is not challenging enough for you, please reach out to me and I will provide you with additional, more challenging material.

## Course Materials:

No text is required. The course material is fully contained within the Powerpoint presentations on *NYU Brightspace*. Presentations will be made available to you at the start of the course but I will only be entertaining questions regarding the current week's content.

Should you wish to consult a text, however, I recommend Easton, P., Wild, J., Halsey, R., and M. McNally, *Financial Accounting*, Cambridge Business Publishers, 8e.

You will also be asked to write your exams using pen and paper. Please make sure to bring in pens to the exam. You may also use your calculator during the exam, but laptops and other devices will not be permitted.

## Grading Scheme:

Your final grade is calculated based on:

Group Assignment	35%
Midterm Exam	25%
Final Exam	40%

The course will follow the grading policies for core courses, stating that a maximum of 35% of the class can receive an A/A- grade.

## **Group Assignment:**

There is one group assignment in this course. It is posted on Brightspace. You can find the due date of the assignment on our class schedule below. You are allowed to work on the assignment in self-chosen groups of 3-4 people; however, each individual is to submit their own written version of the assignment. Please make sure to form your groups by the second week of class.

## **Exams**

The mid-term exam coverage is specified in the weekly class schedule below. The final exam will cover the full course – It is simply not feasible in accounting to separate different parts of a course.

## **Class Schedule and Weekly Activities**

At the end of this document, you will find a weekly class schedule.

Each week, you are expected to read and review the power points prior to each session. At the end of each PowerPoint, you will find weekly exercises that you are expected to solve as ungraded homework. These homework exercises will not be collected, but they constitute important practice for the exams and are helpful in terms of mastering the material. It is important for you therefore to solve these exercises assiduously. The solutions to class exercises will be posted on NYU Brightspace. It is helpful to try to first solve these problems without looking at the solution so that you can use them as practice questions. Please also try to work on these in real-time (each week) since each session builds on prior material. The TA will hold Sunday office hours and in the first hour will solve the weekly practice problems (this part will be recorded). The last half hour will be reserved for questions regarding any other material.

Other in-class exercises, called 'extras', will be made available each week along with their solutions. If we do not have time to discuss these in class, please feel free to use them as review/practice, and to contact me or the Teaching Fellow if you have questions.

## **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](tel: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: <https://www.nyu.edu/students/communities-and-groups/student-accessibility.html>

### Weekly Class Schedule

**Dates given are for the entire week in which the module will be covered. Please make sure to do all readings and practice during that week.**

Session	Week	Class Content
Session 1; Lecture 1	February 6-February 12	Introduction to Financial Reporting
Session 2; Lecture 2	February 13-February 19	Financial Accounting & Reporting (A): Balance Sheet and the Accounting Equation
Session 3; Lecture 3	February 20- February 26	Financial Accounting & Reporting (B): The Accounting Cycle
Session 4; Lecture 4	February 27-March 5	The Statement of Cash Flows
Session 5; Lecture 5	March 6- March 12	Revenue Recognition and Midterm Review  *Group Assignment due; email before the start of class.
<b>SPRING BREAK</b>	<b>March 13-19</b>	<b>NO CLASSES</b>
<b>Session 6; Exam</b>	<b>March 20- March 26:</b>  <b>Exam will be in class, at our allotted class time that week.</b>	<b>MIDTERM EXAM</b>  <b>Coverage: Lectures 1-4</b>

Session 7; Lecture 6	March 27- April 2	Assets: Accounts Receivable
Session 8; Lecture 7	April 3- April 9	Assets: Long-Term Assets (PP&E)
Session 9; Lecture 8	April 10 - April 16	Assets: Inventory
Session 10; Lecture 9	April 17- April 23	Liabilities: Bonds
Session 11; Lecture 10	April 24- April 30	Review
<b>Session 12; Exam</b>	<b>May 1 -May 6:</b>	<b>FINAL EXAM</b>

***Enjoy the accounting experience, let the fun begin!***