

NEW YORK UNIVERSITY
LEONARD N. STERN SCHOOL OF BUSINESS

Financial Statement Analysis
ACCT UB 3 003
Fall 2022

Tuesday & Thursday 9:30am – 10:45am
Bldg: KMEC Room 4-120 Loc: Washington Square

Professor: John P. Hopkins
Office: KMEC 10-79
Cell Phone: 201-481-3280
Email: jph9504@stern.nyu.edu
Office Hours: Monday and Wednesday 12:45pm – 1:45pm
Tuesday 8:15am – 9:15am

Also available by appointment, including evenings and weekends. For evenings and weekends, please call my cell or request a Zoom call.

Teaching Fellow: Kyle Yih
ky1206@stern.nyu.edu
Office Hours: Friday 11:00am – 12:00pm

PREREQUISITES:

The course assumes you have a solid grasp of general accounting concepts and principles.

COURSE OBJECTIVES:

The objective of this course is to understand how to read, interpret, and analyze financial statements. Throughout this course we will:

- Recognize the importance of understanding the four financial statements (balance sheet, statement of operations, statement of stockholder's equity and the statement of cash flows, along with the accompanying footnote disclosures) are to the evaluation a business transaction.
- Using real world examples, understand the financial issue together with the associated accounting disclosures.
- Study the major corporate financial reporting instruments which will include understanding Form 10-K, Form 10-Q and Form 8-K disclosure requirements.
- Study the interrelationships between financial statements and line items within each financial statement.
- Use ratio analysis to understand analytical trends within both an individual company and its competitors.
- Forecast future earnings using accounting disclosures.

REQUIRED MATERIALS:

Required textbook:

Financial Statement Analysis & Valuation, by Easton, McAnally and Sommers, 6th edition, published by Cambridge Business Publishers, ISBN: 978-1-61853-360-9

As an attachment to this syllabus are the instructions for purchasing the eBook with access to “myBusinessCourse” (MBC). The MBC platform is a powerful web application that is fully integrated with the textbook and is an easy to navigate tool for quiz and homework submissions. The software also provides additional learning tools that include eLectures videos and guided examples that will supplement the in-class lectures.

Section enrollment link:

<https://mybusinesscourse.com/?code=1075-8202-3509>

You will not be required you to purchase a copy of the printed textbook. However, a printed textbook is also available for you to purchase if you prefer. Therefore, you have several options for purchasing the course’s materials which are detailed on the attachment.

1. Purchase a new print edition textbook with included MBC access
2. Purchase an e-book textbook with included access to MBC
3. Purchase a used textbook and separately, an access code for MBC

Whatever you obtain, you must have access to a textbook (print or e-book AND the MBC platform).

If you have any issues registering, please call or email Cambridge Business Publishers at 630-504-0505 or <https://mybusinesscourse.com/support>.

HOMWORK ASSIGNMENTS and PRE-CLASS QUIZZES:

Each module within Brightspace will provide a link that will automatically connect you to MBC. Students are required to submit homework and quizzes in MBC. Grades will be posted in Brightspace.

Homework: After we have concluded each module, a homework assignment will be made available to you on MBC. The MBC tool is interactive and will provide you immediate feedback on your submitted solutions. After the due date, solutions to the assignments will be made available on Brightspace.

Pre-class quiz assignments: Prior to each class topic, a pre-class assignment, in the form of an MBC assignment, will be posted on MBC. These assignments should take about 15 minutes to complete. Use these MBC assignments to test your understanding of the material to be covered in class. Completing these assignments should also help you identify any topics you do not understand. As these are preparation assignments, they will be graded on effort rather than the correctness of your answers. What counts is showing that you have read the text and you are ready to apply the information in a coherent manner. The grading will simply be credit (100) or no credit (0) regardless of the grade you earn on MBC. To assist in the learning process, pre-class assignments will close, and their answers will be published, shortly after their due date. This prevents granting extensions on these assignments.

GRADING:

Each module within Brightspace will provide a link that will automatically connect you to “myBusinessCourse”, where the homework assignments and quizzes are clearly listed.

The grading in the course will be as follows:

| | |
|-------------------|------|
| Midterm Exam 1 | 20% |
| Midterm Exam 2 | 25% |
| Final Exam | 25% |
| Project* | 20% |
| Pre-class quizzes | 3% |
| Homework | 7% |
| Total | 100% |

If you believe that an exam has been incorrectly graded, you must submit and hand in to me a written request within 7 days of the announcement of grades, including a brief written statement identifying what may have been incorrectly graded and why you believe that an error in grading has been made. Requests made after that will not be considered. Please note that the entire exam will be re-graded. Exams that have been or are suspected of being altered for the purpose of re-grading will not be re-graded and the Student Disciplinary Committee will be notified.

*Detailed project instructions will be separately provided.

CLASS ATTENDANCE / PARTICIPATION:

You are expected to attend all classes. Your participation, whether through questions or providing your insight on the topics we cover is very valuable as it provides the stimulus for a broader class discussion

As we will cover a great deal of material *in* the class sessions, which will include material not covered in the readings and/or homework, your attendance will be critical to keeping current and being prepared for the exams as all subjects covered, both in the class and in the written materials, will be part of each exam. Past semesters have shown a strong correlation between class attendance and overall course performance. The material we cover in class supplements the material in the book. Therefore, reading the book is a complement (not a substitute) for attending class. I understand that over the course of 28 sessions, personal and religious conflicts come up and you may need to miss a class. If you miss class, please ensure to stay updated and review the material that you missed

BRIGHTSPACE PLATFORM:

This course makes extensive use of the NYU LMS (Brightspace) platform for communications, discussion and grading. Students should consult the course’s Brightspace page, especially the Announcements, frequently. Important course information such as updates to the syllabus or changes to the course schedule will be communicated via Brightspace announcements.

EMAIL POLICY:

Please ensure that your email queries are self-contained and detailed and that it can be answered in a reasonably short way. Also, unless your question is specific to a particular problem in the readings or a homework exercise / problem, please pretend that we are with no books or documents in sight when we receive your email or we may not be able to appropriately answer you.

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

ACADEMIC INTEGRITY:

Academic integrity and honesty is central to our mission as an educational institution. [The MBA Code of Conduct](#), which all students sign, therefore places particular emphasis on academic integrity. Notably this includes refraining from any method or means that provides an unfair advantage in exams or papers, and clearly acknowledging the work of others in your own work. As a reminder, the entire code of conduct is available at <https://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/code-of-ethical-conduct.html>.

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

STUDENT ACCESSIBILITY:

New York University is committed to providing equal educational opportunity and participation for students with disabilities. Students who are interested in applying for academic accommodations are advised to reach out to the Moses Center for Student Accessibility (CSA) as early as possible in the semester. If you already receive accommodations through CSA, you are encouraged to request your accommodation letters through the Moses portal as soon as possible.

Moses Center for Student Accessibility (CSA), 212-998-4980, mosescsa@nyu.edu, www.nyu.edu/csa

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. 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>

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, or via the "NYU Wellness Exchange" app. There are also drop in hours and appointments. Find out more at <http://www.nyu.edu/students/health-and-wellness/counseling-services.html>

{See next page for key dates, topics and deliverables}

KEY DATES, TOPICS AND DELIVERABLES:

| | | | | | |
|-------------------------------------|-----------------|---------------|---------------|--|--|
| New York University | | | | | |
| Leonard N. Stern School of Business | | | | | |
| Financial Statement Analysis | | | | | |
| ACCT-UB 3.003 and ACCT-UB 3.004 | | | | | |
| Tuesday and Thursday | | | | | |
| Fall 2022 | | | | | |
| Dates* | | | | | |
| Tuesday | Thursday | Sunday | Module | Topic** | Due Prior to Class |
| | 1-Sep | | | Review of financial accounting concepts and project discussion | Purchase textbook |
| 6-Sep | | | 1 | Framework for Analysis and Valuation | Read Module 1 |
| | 8-Sep | | 1 | Framework for Analysis and Valuation | Complete Module 1 quiz |
| 13-Sep | | | 2 | Review of Business Activities and Financial Statements | Read Module 2 / Complete Module 2 quiz / Complete Module 1 homework |
| | 15-Sep | | 2 | Review of Business Activities and Financial Statements | |
| 20-Sep | | | 3 | Profitability Analysis and Interpretation | Read Module 3 / Complete Module 3 quiz / Complete Module 2 homework |
| | 22-Sep | | 3 | Profitability Analysis and Interpretation | |
| 27-Sep | | | 4 | Credit Risk Analysis and Interpretation | Read Module 4 / Complete Module 4 quiz / Complete Module 3 homework |
| | 29-Sep | | 4 | Credit Risk Analysis and Interpretation | |
| | | 2-Oct | | Project - Part 1 | Part 1 of the project consists of completing: T1, T2, T3 and T4 |
| 4-Oct | | | 11 | Financial Statement Forecasting (Part 1) | Read Module 11 / Complete Module 4 homework |
| | 6-Oct | | 1, 2, 3, 4 | Catch-up and review and project discussion | |
| 11-Oct | | | | Legislative Day - Monday Schedule - No Classes | |
| | 13-Oct | | | Midterm Exam 1 | |
| 18-Oct | | | 5 | Revenue Recognition and Operating Income | Read Module 5 / Complete Module 5 quiz / Begin completing Module 11 homework |
| | 20-Oct | | 5 | Revenue Recognition and Operating Income | |
| 25-Oct | | | 6 | Asset Recognition and Operating Assets | Read Module 6 / Complete Module 6 quiz / Complete Module 5 homework |
| | 27-Oct | | 6 | Asset Recognition and Operating Assets | |
| 1-Nov | | | 7 | Liability Recognition and Nonowner Financing | Read Module 7 / Complete Module 7 quiz / Complete Module 6 homework |
| | 3-Nov | | 7 | Liability Recognition and Nonowner Financing | |
| 8-Nov | | | 11 | Financial Statement Forecasting (Part 2) | Read Module 11 / Complete Module 11 quiz / Complete Module 7 homework |
| | 10-Nov | | | Catch-up and review and project discussion | Bring questions to class |
| 15-Nov | | | 5, 6, 7 | Midterm Exam 2 | |
| | 17-Nov | | 8 | Equity Recognition and Owner Financing | Read Module 8 / Complete Module 8 quiz |
| 22-Nov | | | 8 | Equity Recognition and Owner Financing | |
| | 24-Nov | | | Fall Break- No Classes | |
| 29-Nov | | | 9 | Intercorporate Investments | Read Module 9 / Complete Module 9 quiz / Complete Module 8 homework |
| | 1-Dec | | 9 | Intercorporate Investments | |
| | | 4-Dec | | Project - Part 2 | Part 2 of the project consists of completing: T5, T6, T7, T8, T9, T10 and T11 |
| 6-Dec | | | 10 | Analyzing Leases, Pensions and Taxes | Read Module 10 / Complete Module 10 quiz / Complete Module 9 homework |
| | 8-Dec | | 10 | Analyzing Leases, Pensions and Taxes | |
| | | 11-Dec | | Project - Part 3 | Part 3 of the project consists of completing the one page executive summary of investment recommendation |
| 13-Dec | | | | Catch-up and review | Complete Module 10 homework and finalize completion of Module 11 homework / Bring questions to class |
| | | | 8, 9, 10, 11 | | |
| | | | 8, 9, 10, 11 | Final Exam | |
| | Date TBD | | | | |

* This schedule is subject to change. Changes will be announced in Brightspace.

** As required, a review of Financial Accounting concepts will be revisited in each module to ensure clear comprehension of the subject matter.