

Course Descriptions and Syllabus – Fall 2020

PRINCIPLES OF FINANCIAL ACCOUNTING –

UB1 - Section 2

FALL 2020

Location: ONLINE

Faculty

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Course Description

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

Goals

By the end of the course, you should: (1) understand the core concepts of financial accounting including how accountants analyze and record the effects of individual transactions, and the concepts that are essential to understanding financial reports such as assets, liabilities, owners' equity, revenues, expenses, and cash flows; (2) be able to interpret annual report information and analyze a company's performance using this information; and (3) be fluent in the language of business.

Teaching Philosophy

I believe the most efficient use of class time aims at reinforcing what the student has tried to achieve on an individual basis before class. In-the-classroom learning is achieved by (a) whole-hearted and focused studying of the assigned readings and solving the assigned problems or cases; (b) discussions of the material by the students and teacher in class; 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 a considerable amount of material to cover in a relatively short period. For the most efficient use of class time, you must prepare adequately for every class. It is your responsibility to read the class schedule provided in pages 10-11 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 work the exercise from the back of the chapter *before the class session*. All pre-class assignments should be submitted through the McGraw-Hill Connect online assignment website established for the class. Since the goal of pre-class assignments is to prepare you adequately for each class, the Connect system will be set up to allow you multiple attempts to complete assignments 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 your answers' correctness. The grading will be credit (1) or no credit (0). There are 24 of these exercises. You can drop any 4 of them. Completion of 20 will earn 10 percentage points, 19, 9.5 points, etc.

The CONNECT Platform

The course textbook includes access to the CONNECT platform, an online digital learning and assessment tool. Most class preparation assignments and homework assignments will be done through CONNECT web-based assignment and assessment platform. Please be aware that the current version of CONNECT is linked to the 10th edition of the course textbook: *Financial Accounting* 10th Ed., (Custom Edition for New York University – Digital and Print versions), by Robert Libby, Patricia Libby, and Frank Hodge, McGraw Hill, New York, 2019 ISBN # **978-126-408216-2**; earlier editions of the text are not compatible with the platform. Should you decide to acquire the text from a source other than the bookstore, make sure it is the 10th edition, and come bundled with the access code needed to register for CONNECT. The access code may be purchased separately, but it is considerably cheaper to acquire the one bundled with the 10th edition of the textbook from the NYU bookstore or online. See page 5 below for instructions on how to register for Connect.

Homework Assignments

The homework problems will be more challenging and will be drawn from the end-of-chapter problems. These will be due in the week *after* we have concluded our class discussion of the relevant chapter. Again I will be asking you to submit homework assignments using McGraw-Hill's Connect website. I encourage you to do the homework in small groups of 3-4 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 will not accept late homework assignments unless due to documented serious illness or family emergency. However, I will make an exception to this policy for reasons of religious observance or civic obligation, but *only* when the homework cannot reasonably be completed before the due date, and you make arrangements for late submission with me in advance.

Tests and Exams

There will be several quizzes, two midterm exams, and a final exam. The midterm and final exams will be closed book. Due to the course material's progressive nature, all exams will necessarily be cumulative unless indicated otherwise.

Class Attendance/Presence:

Class attendance constitutes an essential part of your course grade and is required. Absences may be excused only in cases of documented serious illness, family emergency, religious observance, civic or necessary work obligation. If you anticipate missing a class for religious observance or a civic obligation, you must inform me no later than the first week of 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 will be made on NYU New Classes or by email. Emails will be sent to your email addresses listed on NYU Classes only. It is your responsibility to ensure that this is correct, check the email, and make sure that it is correctly forwarded to an address that you frequently check. Also, it is your responsibility to check the NYU Classes course web site regularly and often. From experience, here is my advice: plan on attending every class since some class materials are not discussed in the course pack or textbook. Moreover, class participation will count toward your course grade.

Arriving Late, Leaving Early, Coming & Going

Students are expected to arrive at class on time and stay until the end of the class period. Arriving late or leaving in the middle of class will impact your course grade. Students may join the 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 discussions. You are not allowed to use laptops, cell phones, smartphones, and other electronic devices during class and exams unless permitted to do so.

Academic Integrity

Integrity is critical to the learning process and to all that we do here at NYU. As members of our community, all students agree to abide by the NYU 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.
- You are expected to acknowledge others' work and efforts 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 others' work should be fully referenced.
- You are expected to 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 affect the NYU community adversely.

General Conduct & Behavior

Students are also expected to maintain and abide by the highest standards of professional conduct and behavior. Please familiarize yourself with NYU's policy regarding in-class behavior & expectations and the NYU Disruptive Behavior Policy at the following site: (<http://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/bullying--threatening--and-other-disruptive-behavior-guidelines.html>).

Grading Policy

Attendance and Participation	10%	Quizzes	15%
Prep Assignments	10%	Midterm Exam 1	15%
Homework Assignments	10%	Midterm Exam 2	15%
		Final Exam	25%

TOPICAL STRUCTURE

PART I - THE ACCOUNTING CYCLE

SESSION 1 - Overview Of Financial Statements and Reporting Process

SESSION 2 - Recording Transactions & Preparing Financial Statements

SESSION 3 - Income Measurement And Accrual Accounting

SESSION 4 - Statement of Cash Flows

PART II - ACCOUNTING FOR CURRENT AND OTHER ASSETS

SESSION 5 - Revenue Recognition And Accounts Receivable:

SESSION 6 - Inventory And Cost Of Goods Sold

SESSION 7 - Long Lived Tangible And Intangible Assets

PART III - ACCOUNTING FOR LIABILITIES AND EQUITY

SESSION 8 - Long Term Liabilities: Bonds & Capital Leases

SESSION 9 - Reporting and Interpreting Owners' Equity

COURSE MATERIALS

Textbook

The textbook for the course is *Financial Accounting* 10th Ed., (Custom Edition for New York University – Digital and Print versions), by Robert Libby, Patricia Libby, and Frank Hodge, McGraw Hill, New York, 2019 ISBN # 978-126-408216-2. All assigned readings and pre-class assignments are from this text.

e-book.

An electronic version of the textbook is included in Connect Registration.

DETAILED COURSE SCHEDULE

PART I – THE ACCOUNTING CYCLE

SESSION 1 - Overview Of Financial Statements and Reporting Process

Course Pack Session 1

Date		Reading Assignment	
Sept. 2	Introduction	-	-
Sept. 4	The Balance Sheet	Ch1 pp. 2-21	Connect Assignment 1
Nov. 7	Labor Day	No Classes	
Sept. 9	Income & Cash Flow Statement	Ch2 pp. 42-48	Connect Assignment 2
	Class Discussion:	Apple Computer Financial Statements	
	Self Study Quiz:		

SESSION 2 - Recording Transactions & Preparing Financial Statements

Course Pack Session 2

Sept. 14	The Accounting System	Ch2 pp. 49-70	Connect Assignment 3
Sept. 16	The Accounting Cycle	Ch3 pp. 104-116;	Connect Assignment 4
Sept. 21	Preparing Financial Statements I	Ch3 pp. 118-137;	Connect Assignment 5
	Class Discussion Mini Case:	Partco Company, Planet of the Grapes.	
	Self Study Case:	Terrific Lawn Corp. pp. 73-76; 132-136	

SESSION 3 - Income Measurement And Accrual Accounting

Course Pack Session 3

Sept. 23	Adjusting Entries	Ch. 4 pp. 168-182	Connect Assignment 6
Sept. 28	Preparing Fi. Statements Closing Entries	Ch. 4 pp. 183-200	Connect Assignment 7
	Class Discussion Mini Case:	Village Appliance Shop	
	Self Study Case:	Terrific Lawn Corp. pp. 194-198	

SESSION 4 - Statement of Cash Flows

Course Pack Session 4

Sept. 30	Classification of Cash Flows	Ch12 pp. 614-619	Connect Assignment 8
Oct. 5	Statement of Cash Flows	Ch12 pp. 621-634	Connect Assignment 9
Oct. 7	Interpreting Cash Flow Statement	Ch12 pp. 634-636	Connect Assignment 10
	Class Discussion Mini Case:	Breda Enterprises Inc.	
	Self Study Quiz:	National Beverage Corp. p 637	

Oct. 12

Midterm Exam 1

PART II - ACCOUNTING FOR CURRENT AND OTHER ASSETS

SESSION 5 - Revenue Recognition And Accounts Receivable:			Course Pack Session 5
Oct. 14	Accounting for Receivables	Ch6 pp. 288-293	Connect Assignment 11
Oct. 19	Estimating Allow. For Bad Debts	Ch6 pp. 296-302	Connect Assignment 12
Oct. 21	Managing Account Receivables	Ch6 pp. 302-304	
	Class Discussion Mini Case:	Mantes Corporation	
	Self Study Quiz:	Wholesale Warehouse Stores	pp. 312

SESSION 6 - Inventory And Cost Of Goods Sold			Course Pack Session 6
Oct. 26	Accounting for Cost of goods Sold	Ch7 pp. 340-348	Connect Assignment 13
Oct. 28	Inventory Costing Methods	Ch7 pp. 348-355	Connect Assignment 14
Nov. 2	Lower of Cost or Market Valuation	Ch7 pp. 356-357	Connect Assignment 15
	Class Discussion Mini Case:	Adnan Oil Heat Co.	
	Self Study Quiz:	Caterpilla Inc.	pp. 361

SESSION 7 - Long Lived Tangible And Intangible Assets			Course Pack Session 7
Nov. 4	Accounting for Tangible Assets	Ch8 pp. 396-419; 431-432	Connect Assignment 16
Nov. 9	Accounting for Intangible Assets	Ch8 pp. 420-424	Connect Assignment 17
Nov. 11	Goodwill Impairment	Course Pack	Connect Assignment 18
	Class Discussion Mini Case:	Upjane Corporation and Dakota Corporation	
	Self Study Quiz:	Diversified Industries	p. 428

Nov. 16 **Midterm Exam II**

PART III - ACCOUNTING FOR LIABILITIES AND EQUITY

SESSION 8 - Long Term Liabilities: Bonds & Capital Leases			Course Pack Session 8
Nov. 18	Current & Contingent Liabilities	Ch9 pp. 468-480	Connect Assignment 19
Nov. 23	Present Values; Bond Valuation	Ch9 484-492; Ch10 518-523	Connect Assignment 20
Nov. 25	Asynchronous Sessions		
Nov. 26-27	Thanksgiving Break		
Nov. 30	Bond Interest Calculations	Ch10 pp. 524-537	Connect Assignment 21
Dec. 2	Installment Debt; Retirement	Course Pack	Connect Assignment 22
	Class Discussion Mini Case:	Acronis Bridge Construction Company; Ivy Corporation	
	Self Study Quiz:	Patagonia Co.	p. 493

SESSION 9 - Reporting and Interpreting Owners' Equity			Course Pack Session 9
Dec. 7	Common Stock	Ch 11 pp. 570-582	Connect Assignment 23
Dec. 9	Statement of Stockholders Equity	Ch 11 pp. 583-586; 594	Connect Assignment 24
	Class Discussion Mini Case:	Monk Corporation	
	Self Study Quiz:	Chapter 6 Corp.	p. 521

Dec. 11-15 Online Final Exams