

New York University  
Stern School of Business  
Summer 2011

ACCT-GB.2303

Financial Statement Analysis

8/14[9-4], 8/16 [6-9], 8/18 [6-9],  
8/21[9-4], 8/23 [6-9], 8/25 [6-9],  
8/28[9-4], 8/30 [6-9], 9/01 [6-9]

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**Text:** *The Analysis and Use of Financial Statements* (3rd Ed.) White, Sondhi & Fried: Wiley 2003

*Note [Numbers] in square brackets in Course Outline denote Chapters from this Text*

**Pre-requisites:** Students are assumed to have a working knowledge of accounting principles comparable to materials covered in the core financial accounting course.

**Course grade** based on (short) Online Quizzes and Final (Both quizzes and final are open book)

➤ **Quizzes 80% --Best 8 out of 10 – online**

➤ **Final 20% -- Thursday September 1**

***More information will be provided on first day of class***

**Topics:** The course outline lists 8-10 topics. The dates indicated for coverage are designed to be target dates of topics. If things progress, certain topics may begin earlier to relieve semester-end pressure.

**Readings:** The book is comprehensive - at times, you may feel - too much so. As such, **handouts** will be used to summarize and focus the chapter readings.

**Handouts:**

*Will be available on Blackboard.*

*Names of the files to be downloaded are indicated on P. 2 of course outline in { }*

**Make sure you check the website and download the handout before coming to class.**

**Problems & Cases:** The course outline lists numerous problems from the text. In addition to these problems you may receive additional assignments throughout the course.

**Solutions to cases and problems will also be available on BlackBoard**

*The problems, cases, handouts and readings are an integral part of the course and in many cases will constitute core elements of the lecture. I urge you to be prepared!*

### ***COURSE OUTLINE***

| <b>Day</b>       | <b># of sessions</b> | <b>Topic</b>                                                                                        | <b>Reading</b>                                                        | <b>Problems</b>                                    |
|------------------|----------------------|-----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|----------------------------------------------------|
| Sunday<br>8/14   | 2                    | Introduction<br>Income Statement<br>Revenue Recognition<br>Nonrecurring Items<br>Cash Flow Analysis | [1] Skim<br>[2] {Int_Inc}<br>[8] Skim pp.275-279<br>[3] {Cashflow}    | [2] 8,12,14,17a,23                                 |
| Tuesday<br>8/16  | 1                    | Cash Flow Analysis                                                                                  | Complete cases re Ch 2<br>Continue Ch 3                               | OCA case<br>Thousand Trails I<br>[3] 2,3,4,9,14-16 |
| Thursday<br>8/18 | 1                    | Cash Flow Analysis<br>Ratio Analysis                                                                | [4] omit pp. 149-end<br>{Ratios}                                      | Thousand Trails II<br>[4] 4,5,8,14,16,17,24,25     |
| Sunday<br>8/21   | 2                    | Ratio Analysis<br>Inventory Analysis                                                                | [6] {Inventory}                                                       | [6] 8,9,17,20,21                                   |
| Tuesday<br>8/23  | 1                    | Long Lived Assets                                                                                   | [7] {Fixed_Asset}<br>[8] to p. 275                                    | [7] 1,5,9,12<br>[8] 8,12-14                        |
| Thursday<br>8/25 | 1                    | On BS Debt                                                                                          | [10] omit "Interest Rate Swaps"<br>{Debt}                             | [10] 3,10,16,17,21,25                              |
| Sunday<br>8/28   | 2                    | Off B/S debt<br>Leases<br>Receivable Sales<br>Joint Ventures                                        | [11] pp. 364-377<br>{OBS_Debt I}<br>[11] pp. 378-386<br>{OBS_Debt II} | [11] 7,9,11(omit bii)<br>[11] 12,14<br>Case 13-1   |
| Tuesday<br>8/30  | 1                    | Compensation Issues<br>Stock Compensation<br>Postretirement (time permitting)<br>Review             | {Stock Compensation}<br>{Postretirement}                              | TBA                                                |
| Thursday<br>9/01 | 1                    | Review<br><b><i>Final</i></b>                                                                       |                                                                       |                                                    |