

Prof. Paul Zarowin
KMEC 10-74

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Financial Reporting and Disclosure

B10.2302 and B10.6302

Fall, 2011 Class Schedule

Tuesday and Thursday, 2:00 – 3:15 and 3:30 – 4:45

Tuesday, September 6 – Thursday, December 15

The course will cover an in depth examination of financial report disclosures, with an emphasis on how firms use financial reporting to achieve such ends as managing earnings or keeping debt off of the balance sheet. By the end of the course, students will have an appreciation for what information is missing from the primary financial statements, the knowledge to understand the content of important footnotes, and the tools to conduct financial analyses using the information contained therein. The course will use a combination of textbook problems, Harvard cases, and most importantly, actual financial report disclosures. The course is geared for students going into public accounting, investment banking, equity research, or consulting. The week-by-week schedule is as follows:

<u>Tuesday</u>	<u>Thursday</u>
<u>Week of (#'s are chapter #'s):</u>	
Sept. 6 Income Statement, Earnings Management, Accounting Changes 1, 2(69-87), 3(152-164), 7	Receivables 8(except 451-457)
Sept. 13 Receivables, cont'd	Inventories 9(+ App. C)
Sept. 20 Inventories, cont'd	Inventories, cont'd
Sept. 27 Liabilities 11(except 641-660) 15 (924-930)	<i>no class – Rosh Hashanah</i>
Oct. 4 Off-B/S Liabilities 11(641-643), 16(956-961)	Off-B/S Liabilities, cont'd
Oct. 11 No Class – Stern Holiday	Off-B/S Liabilities, cont'd

Financial Reporting and Disclosure - Fall, 2011 Class Schedule, cont'd

<u>Tuesday</u>		<u>Thursday</u>
<u>Week of (#'s are chapter #'s):</u>		
Oct. 18	Leases 12	Leases, cont'd
Oct. 25	<i>Midterm exam, thru Off-B/S Liabilities</i>	Leases, cont'd
Nov. 1	Taxes 13	Taxes, cont'd
Nov. 8	Taxes, cont'd	Pensions 14
Nov. 15	Pensions, cont'd	Pensions, cont'd
Nov. 22	Pensions, cont'd	<i>no class - Thanksgiving</i>
Nov. 29	Pensions, cont'd	Pensions, cont'd
Dec. 6	EPS 15 (889-910)	EPS, cont'd
Dec. 13	Executive Compensation 15(911-924)	Review

Final Exam: date and time TBA

course materials

1. The course text is *Financial Reporting and Analysis*, by Lawrence Revsine, Daniel W. Collins, and Bruce Johnson (Prentice Hall), 5th Edition. I refer to the text as RCJ. The text is *recommended*; it is not *required*.

All other course materials are contained on the course's Blackboard site.

2. Powerpoint slides, examples of financial statements, and articles from the popular press can be found on the course's Blackboard site under Course Documents, organized by topic.

3. Solutions to all RCJ problems can also be found on the course's Blackboard site under Assignments.

4. Problems from RCJ that will be assigned for homework can be found on the course's Blackboard site under Assignments.

Grading and assignments

Grading is as follows: Midterm 100 points, Mini-Cases 80 points (8 cases * 10 points each), Final 100 points, Total 280 points. Class participation will be then be taken into consideration to adjust grades where appropriate. The midterm and final are both in-class, open book and open note.

The cases are take-home mini-cases or quizzes (approx. one page) on each topic that we cover (i.e., dealing with a specific disclosure). They will be handed out on Thursday, and due the following Tuesday, and must be done individually.