

NEW YORK UNIVERSITY
Stern School of Business

B01.1306 Section 12: Mon 6:00 – 9:00pm
Financial Accounting & Reporting
KMEC 4-60 Fall 2011

Instructor

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Teaching Fellow

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KMEC 10th Flr.

This course provides an introduction to the fundamental concepts of financial accounting. Its purpose is to help students become intelligent readers of companies financial accounting reports including the balance sheet, income statement and cash flow statement. The perspective taken is that these reports provide information that is useful for resource allocation decisions in a broad sense. The informativeness of these reports is determined both by the cash and accrual accounting methods used to generate the reports and by the market and institutional settings in which resource allocation decisions are made.

Generally, the course will provide an overview of cash and accrual accounting measures, financial reports, and the market and institutional settings in which resource allocation decisions take place. Also, specific accounting methods and use of accounting information in valuing firms will be discussed as well. A typical content outline of the course would cover presentation of financial statements, analysis of transactions, revenue and expense recognition, cash flow statement, concepts of present and future values, inventory and cost of goods sold, long lived assets and depreciation and amortization expense, marketable equity securities, debt financing and interest expense, stockholders equity and leases.

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 entering the classroom. In the classroom learning is achieved by (a) whole-hearted and serious 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) my underscoring of important points via short lectures. In light of this, adequate preparation for the class and participation during class are essential.

E--mail policy: (adontoh@stern.nyu.edu)

You may ask the TAs or myself any questions by e-mail. Your message MUST include a subject and your name, clearly identifying yourself as my student (If we think it might be junk mail or a virus, we will have to delete it unread). Please make sure your Email queries are self contained, and can be answered in a reasonably short way. That is, please pretend that we are on a desert island when we receive your email, with no books or documents in sight. Thanks. Otherwise, we may not be able to answer you.

Class Attendance/Presence:

Class Attendance is required and part of grade. Absences may be excused only in the case of documented serious illness, family emergency, religious observance, civic or important work obligation. If you will miss class for religious observance or civic obligation, you must inform your instructor 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 as announcements on blackboard. Sometimes E-mail will be sent, but to the Blackboard e-mail address only. It is your responsibility to ensure that this is correct, to check the e-mail and/or make sure that it is correctly forwarded to an address that you do check. Also, it is your responsibility to check the blackboard frequently. From past experience, here is my advice: do not plan on missing classes on a regular basis. Class material is often not covered in the course pack or textbook. In-class participation is essential in getting a good grade in the course.

Arriving Late, Leaving Early, Coming & Going

Students are expected to arrive to class on time and stay to the end of the class period. Arriving late or leaving class early will have impact on the course grade. Students may enter class late only if given permission by the instructor and can do so without disrupting the class. (Note that instructors are not obliged to admit late students or readmit students who leave class or may choose to admit them only at specific times.)

Course Text

There is no required textbook for the course. All the needed materials will be provided in a course pack at no cost to you. Nonetheless, you may find the following supplementary text by Libby, Libby and Short: Financial Accounting 6th or 7th Ed. (McGraw-Hill) useful for background reading and reference. A copy of the text will be placed on reserve at NYU Bobst Library.

Assignments

The readings and assignments for the course are attached. All homework assignments should be completed by the due date listed in course schedule. Assignments are to be submitted online through the digital drop box facility on Blackboard.

Exams

There will be a midterm and a final exam. Exams will be closed-book but students are allowed to bring into the exams one double sided 8 ½" x 11" sheet of notes. Due to the progressive nature of the course material, all exams will be necessarily cumulative.

Grading Policy

Midterm Exam	30%
Final Exam	50%
Homework	15%
Class Attendance and Participation	5%

If you feel that an exam has been incorrectly graded, submit a written analysis of why you believe you were improperly graded within one week of the announcement of the grades. Requests made after that will not be considered. The entire exam will be re-graded. By Stern policy, no more than 35% of students will receive grades of A or A- in MBA core courses.

Honor Code

As is true for all courses at Stern, adherence to the Stern Honor Code is expected of all students in this course. Students may not work together on graded assignments and exams unless the instructor gives express permission. (Graduate Programs Honor Code, Undergraduate College Code of Conduct)

Class Schedule

Session	Date	Topic	Reading	Supplementary Reading & Problems	Homework Assignment
1	9/19	Overview of Financial Statements and Reporting Process	Course Pack Ch. 1	LLS: Ch. 1 E1-3, E1-5, E1-8	Jet Blue Due: 10/6
2	9/26	Recording Transactions & Preparing Financial Statements	Course Pack Ch. 2	LLS: Ch. 2&3 E2-4, E3-13, P3-1	Panera Due: 10/13
3	10/3	Income Measurement and Accrual Accounting	Course Pack Ch. 3	LLS: Ch. 4 E4-7, P4-9	AOL Due: 10/20
4	10/10	Revenue Recognition and Accounts Receivable	Course Pack Ch. 4	LLS: Ch. 6 pgs. 286-294 E6-13, P6-4	None, prep for midterm exam
5	10/17	Mid-Term Exam			
6	10/24	Inventory and Cost of Goods Sold	Course Pack Ch. 5	LLS: Ch7 P7-6, P7-7	Kellogg Due: 11/10
7	10/31	Valuation and Reporting Long Lived Tangible and Intangible Assets	Course Pack Ch. 6	LLS: Ch8. M8-7, E8-11, E8-17	Constellation Due: 11/17
8	11/7	Reporting and Interpreting Long Term Liabilities: Lease Accounting	Course Pack Ch. 7	LLS: Ch 9, Ch. 10 P9-12, P10-8	Maytag Due: 12/1
9	11/14	Intercompany Investments Reporting Owners' Equity	Course Pack Chs. 8,9	LLS: Ch 11 E11-11, P11-5	Dow Chemical Due: 12/8
	11/21	Thanksgiving Recess – No Classes			
10	11/28	Statement of Cash Flows	Course Pack Ch. 10	LLS: CH13 E13-7, P13-1	Outback Due: 12/15
11	12/5	Accounting for not-for-profit entities	Course Pack Ch. 11		None, prep for final exam
12	12/12	Final Exam			

