

Course No. ACCT-UB.0003.01

Instructor Details: Bharat Sarath

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Room: KMC 10-175

TA: TBA

Office Hours: MW 12:30-1:30

Office Hours:

Course Meetings: MW, 11:00am to 12:15pm

Location: KMC 4- 120

Course Description and Learning Goals

This course is designed to prepare you to interpret and analyze financial statements effectively. This course explores in greater depth financial reporting topics introduced in the core course in financial accounting and also examines additional topics not covered in that course. The viewpoint is that of the user of financial statements. However, we develop sufficient understanding of the concepts and recording procedures, to enable you to interpret various disclosures in an informed manner. The focus of this course is to develop a sophisticated understanding of the way accounting values are represented (and misrepresented). While we shall discuss models in finance and economics that are based on data from financial statements, the emphasis will be on getting the data right rather than the structure of the models themselves. This course is designed primarily for students who expect to be intensive users of financial statements as part of their professional responsibilities.

The United States is moving towards adopting international accounting standards. We will be looking at U.S. GAAP and what kinds of changes you can expect to see in the future. We will see how these changes will impact you both as a student of accounting and as a future user of accounting information. We will be discussing this all during the course.

Required Course Materials

The readings, problems, and cases for the course come from Financial Reporting, Financial Statement Analysis, and Valuation: A Strategic Perspective, 7th edition, by Wahlen, Baginski, & Bradshaw. (FSA) You will also need a copy of the General Mills Financial Statements 10-K, which can be downloaded at: <http://www.generalmills.com/corporate/investors/index.aspx>.

Go to the 2010 Annual Report and download form 10-K.

Three Internet addresses may prove useful to you at some point in the course:

1. Filings with the Securities and Exchange Commission: <http://www.sec.gov/>.
2. Pronouncement of the Financial Accounting Standards Board: <http://www.fasb.org>.

3. Pronouncement of the International Accounting Standards Committee:
<http://www.iasc.org.uk/>.

We will also be discussing current articles on the subject. **You may not use the 6th Edition.**

FINANCIAL STATEMENT ANALYSIS PACKAGE

A financial statement analysis package (FSAP) is available to ease the calculation of financial ratios and to perform other analyses. Access FSAP and the user manual at:

<http://www.thomsonedu.com/accounting/stickney>

Group Projects

Groups may be 3 to 5 people. Each group will choose a manufacturing or merchandising (retailing) firm to analyze, and compare it to a secondary company. The analysis should cover the relevant topics discussed during the course. You are to summarize the economics and current conditions in the industry, describe the financial statements in detail and assess the reasonableness of the current market price. More details will be given as the semester progresses.

Grading

In general, students in this course can expect a grading distribution similar to that used in our core courses, where:

- > 25-35% of students can expect to receive A's (for excellent work)
- > 50-70% of students can expect to receive B's (for good or very good work)
- > 5-15% of students can expect to receive C's (for adequate or below work)

Grade Distribution:

Midterm 35%, Final 40%, Group Projects 20%, Class Participation 5%

Re-Grading

The process of assigning grades is intended to be one of unbiased evaluation. Students are encouraged to respect the integrity and authority of the professor's grading system and are discouraged from pursuing arbitrary challenges to it.

If you believe an inadvertent error has been made in the grading of an individual assignment or in assessing an overall course grade, a request to have the grade re-evaluated may be submitted. You must submit such requests in writing to me within 7 days of receiving the grade, including a brief written statement of why you believe that an error in grading has been made.

Professional Responsibilities For This Course

ASSIGNMENTS & ATTENDANCE

Readings, cases and/or problems are assigned for each class. You should come to class prepared to discuss your analysis of the cases and problems. Regular class participation is important to the learning process for you and your classmates.

Class attendance is mandatory and part of a student's grade. Absences may be excused only in the case of documented serious illnesses, family emergency, religious observance, or civic 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 are not acceptable reasons for class absence. A maximum of two unexcused absences will be allowed.

I reserve the right to lower a grade or fail an individual if attendance is unsatisfactory.

Students are expected to arrive to class on time and stay to the end of the class period. Chronically arriving late or leaving class early will have an impact on a student's grade. Students may enter class late only if given permission by the instructor and must do so without disrupting the class.

Assignments are due at the end of the class assigned. No late assignments will be accepted nor or emailed or faxed assignments.

All assignments should be prepared using word processing software with type size no smaller than 12 point. During class discussions, please feel free to make changes to your solutions, but do so in a way that clearly indicates that they are the result of class discussion (e.g., using a different color of ink).

You may work in groups to discuss homework assignments. However, each person should prepare his/her own individual homework solutions to be submitted. Ideally you should work through each day's assignment on your own before discussing it with anyone. You can then make changes to your solution based on your learning in any discussion. Interpretations of the analysis should be in your own words.

Assessment Components

PARTICIPATION

Participation is an essential part of learning in this course. Students are expected to participate in all facets of classroom learning.

READING/HOMEWORK

Students are expected to come to class prepared, having read text and/or assigned readings prior to class. Homework, case studies, and other assignments, are expected to be completed and handed in on time.

CLASSROOM NOTES

Cell phones, Smartphones, and other electronic devices are a disturbance to both students and professors. Anybody who disturbs other students during class will be penalized. All electronic devices *except Laptops* must be turned off prior to the start of each class meeting.

Stern Policies

General Behavior

The School expects that students will conduct themselves with respect and professionalism toward faculty, students, and others present in class and will follow the rules laid down by the instructor for classroom behavior. Students who fail to do so may be asked to leave the classroom.

Collaboration on Graded Assignments

Students may not work together on graded assignment unless the instructor gives express permission.

Course Evaluations

Course evaluations are important to us and to students who come after you. Please complete them thoughtfully.

Academic Integrity

Integrity is critical to the learning process and to all that we do here at NYU Stern. As members of our community, all students agree to abide by the NYU Stern 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.
- Clearly acknowledge the work and efforts of others 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 the work of others should be fully referenced.
- Refrain from behaving in ways that knowingly support, assist, or in any way attempt to enable another person to engage in any violation of the 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 adversely affect the NYU Stern community.

The entire Stern Student Code of Conduct applies to all students enrolled in Stern courses and can be found here:

Undergraduate College: <http://www.stern.nyu.edu/uc/codeofconduct>

Graduate Programs: http://w4.stern.nyu.edu/studentactivities/involved.cfm?doc_id=102505

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

Recording of Classes

Your class may be recorded for educational purposes

Students with Disabilities

If you have a qualified disability and 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 Students with Disabilities (CSD, 998-4980, www.nyu.edu/csd) verifying your registration and outlining the accommodations they recommend. If you will need to take an exam at the CSD, you must submit a completed Exam Accommodations Form to them at least one week prior to the scheduled exam time to be guaranteed accommodation.