

**NEW YORK UNIVERSITY Stern School of Business**  
**Financial Reporting and Analysis**

**Spring 2012**

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KMC 10-79

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Class web site: Blackboard

**Text** – Financial Reporting and Analysis by Revsine, Collins, Johnson and Mittelstaedt, *Fourth Edition*.

**Course Content:** This course concentrates on issues that affect the nature and quality of financial reporting. Selected topics that were introduced previously are developed in more depth. Additional topics are also developed. Accounting choices and financial instruments are major themes across many of the topics. The primary focus is on the impacts of the choices, mechanics and problem solving. Some analysis is included.

**Attendance:** Attendance and completion of homework are essential. You should **attend every class** to get a good understanding of the course materials.

**Exams:** There are two midterms and a final. Exams are open book and open notes. There are **no make-up exams**. If you cannot take an exam at the scheduled time you are expected to take it **early**. The exams will be given on the stated dates. The topics may change if the course falls behind schedule.

**Quizzes:** There will be several 15 minute quizzes. Quizzes are open book and open notes. Quizzes **cannot** be rescheduled. There are **no make-up quizzes**. Quizzes are scheduled for the first class following a given chapter and will focus on that chapter. The dates of the quizzes may change if our experience deviates from this schedule. Quizzes are 5% of the grade, but can become up to 20% of the grade if your quiz average exceeds your score on your poorest exam.

**Suggested exercises:** These exercises focus on the primary topics in the course and may help you prepare for the quizzes. They do **NOT** have to be handed in. Try to work the exercises in your own way and, if you are stuck, try to understand the answer that is on Blackboard or ask questions in class.

**Extra credit - classroom performance & cases:** Readings and classroom exercises should be reviewed before class. **You are expected to be able to contribute to discussions about the exercises as well as other classroom discussions.** Positive contributions include questions and well-intended responses irrespective of their accuracy.

We will discuss a few short cases. You can get **extra credit** by handing a short (less than ½ page) **TYPED** synopsis of each case including the key considerations, the impacts these issues have on the case **and** your opinion about the issues including 'real world' issues that might further impact your opinion.. These cases are **NOT** linked to the topical quizzes.

**Support materials:** Visit Blackboard early and often. It has announcements, class notes, slide shows, spreadsheets, sample exams and miscellaneous articles. Many of the relevant materials will be provided as handouts.

**Default policies:** Policies not outlined here will be covered by the Stern default policies document attached to this syllabus.

**You are expected to follow the undergraduate code of conduct and the graduate honor code throughout the semester.**

<b>Tentative Grading:</b>		
Test 1		30 points
Test 2		30 points
Test 3		30 points
Quizzes		5 points
Attendance		5 points
Classroom participation (including discussion & cases)		Extra credit

**Schedule:**

Date	Topic	Readings	Classroom Discussion	Suggested Exercises
1	Overview/Revenue Recognition			
2	Revenue Recognition	2* (60-71), 3	E3-2	
3	Revenue Recognition	3	E3-7, E3-12, P3-6	Case-Velocity Cellular
4	Inventories	9	E9-8, E9-9	E3-20, P3-5, <b>(Quiz-Chp 3)</b>
5	Inventories	9 (inc App. B & C)	P9-16[1-2]	
6	Inventories	9 (inc App. B & C)	E9-13, E9-18, C9-2	
<b>Financial instruments (FI)</b>				
7	FI-Receivables	8*(from 421 to end)	E8-6, P8-8	E9-10, E9-14, E9-17, E9-19 <b>(Quiz Chp 9)</b>
8	FI-Receivables	8*(from 421 to end)	E8-12, E8-14, P8-13	
9	FI-Minority (Noncontrolling) Investments	16 (939-950) (inc App A)	E16-2, E16-3	E8-13, E8-15, <b>(Quiz-Chp 8)</b>
10	FI-Noncontrolling& Majority (Controlling) Investments	16 (939-950) & 16 (958-961)	E16-4, E16-5	
11	FI-Majority investments	16 (958-961)	E16-9, E16-11	
12	FI-Liabilities	11 (through 631)	E11-1, E11-6, E11-8	E16-1, E16-10
13	<b>Midterm Exam</b>	<b>(revenue recognition through investments)</b>		
14	FI-Liabilities	11 (through 631 & 649 -652)	E11-5, E11-9, E11-12, P11-7, P11-11	
15	FI-Leases	12(inc Appendix)	E12-3, E12-4, E12-12	E11-11, P11-1
16	FI-Leases	12	E12-1, E12-6, E12-7, E12-15	
17	FI-Leases	12	E12-13,P12-18	Case-Bear Minimum
18	FI-Pensions	14	E14-1, E14-2	E12-2, E12-5, E12-8, <b>(Quiz-Chp 12)</b>
19	FI -Pensions	14	E14-7, E14-11, P14-7	
20	FI-Pensions/Review	14	E14-8, E14-13, E14-14	Case-Rump Organization
21	<b>Midterm Exam</b>	<b>(liabilities through leases)</b>		
22	Taxes	13	E13-3	E14-6, E14-9, E14-12, E14-20 <b>(Quiz-Chp 14)</b>
23	Taxes	13	E13-6, E13-13	
24	Taxes	13	E13-17	
25	Owners' equity and EPS	15 (873-895, 908-913)	E15-12, E15-13, E15-14	E13-1, E13-2, E13-15 <b>(Quiz-Chp 13)</b>
26	Executive Compensation	15 (895-908)	E15-11	E15-15, P15-4
27	Review			
28	Final Exam	<b>(Pensions through executive compensation)</b>		

\*It is assumed that you are familiar with the materials in the appendices to chapters 2 and 8.