

New York University
Stern School of Business
Spring 2012

ACCT-GB.2303
Financial Statement Analysis
Office Hours: Tues: 4:30-5:45

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Text: The Analysis and Use of Financial Statements (3rd Ed.) White, Sondhi & Fried: Wiley 2003
(Book website : www.wiley.com/college/white)

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

Course grade to be based on midterm and final exam [Midterm Date – Thursday March 22]

***Grading: 65% for better of two exams ; 35% for other
Exams are open-book***

Topics: The course outline lists 8-10 topics and it should take approximately 2-3 sessions to finish each topic. At that, the pace will be quick.

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!

SCHEDULING NOTE

THERE WILL BE NO CLASS ON THURSDAY MARCH 8

This class will be rescheduled (if needed) on a date to be announced.

COURSE OUTLINE

Topic	Reading	Problems
<i>Tools of Analysis</i> <i>The Income & Cash Flow statements & Ratio Analysis</i>		
Introduction Income Statement Revenue Recognition Nonrecurring Items	[1] Skim [2] {Int_Inc} [8] Skim pp.275-279	[2] 8,12,14,17a,23 OCA case Thousand Trails I
Cash Flow Analysis [Includes effects of acquisitions and stock compensation]	[3] {Cashflow} {Deferred Taxes – a digression}	[3] 2,3,4,9,15 Thousand Trails II
Ratio Analysis	[4] omit pp. 149-end {Ratios}	[4] 4,5,8,14,16,17,24,25
<u>MIDTERM (MAR 22) WILL COVER TO END OF RATIO ANALYSIS</u>		
<i>Inventory analysis and the capitalization decision</i>		
Inventory Analysis	[6] {Inventory}	[6] 8,9,17,20,21
Long-Lived Assets & Depreciation	[7] {Fixed_Asset} [8] to p. 275	[7] 1,5,9,12 [8] 8,12-14
<i>Debt on & off balance sheet and compensation issues</i>		
On BS Debt	[10] omit "Interest Rate Swaps" {Debt}	[10] 3,10,16,17,21,25
Off Balance Sheet a. Leases b. Receivable Sales c. Joint Ventures d. Deferred Tax - revisited	[11] {OBS_Debt }	[11] 7,9,11(omit bii),12,14 Case 13-1
Pensions/Postretirement	[12update] {Pension} {Stk Compensation}	TBA