

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

Course grade to be based on Mid-term and Final

- ***Exam I (covers chapters 2,3, and 4) Date TBA***
- ***Exam II (noncumulative) – Last Day of Class***
- ***Better of two exams counts for 65% of grade; other is 35%***
- ***Exams are open-book***

Topics: The course outline lists 8-10 topics and it should take approximately 1-2 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!

Classes will be videoed: Links will be posted on BlackBoard

COURSE OUTLINE

Topic	Reading	Problems
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
Exam I (Date to be announced)		
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
(Deferred Tax – revisited) 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	[11] {OBS_Debt}	[11] 7,9,11(omit bii),12,14 Case 13-1
Pension/Post retirement (if time permits)	[12update] {Pension}	TBA
Exam II during last class session		