

NEW YORK UNIVERSITY
Stern School of Business
Principles of Financial Accounting
Fall 2012

Course Description:

The purpose of this course is for you to learn how to read, understand, and analyze the financial statements of most publicly-traded companies with the perspective of external users: investors, creditors, customers, suppliers, government regulators, and business school students. Achievement of this goal requires an understanding of the basic principles that underlie accrual accounting, as well as an appreciation of the amount of judgment required in applying these principles. I will regularly refer to current events that show the impact of accounting in the business world and I will use the Jones Group Company as a real-world example. A solid understanding of accounting is one of the basic building blocks of the business world.

Instructor:

Amal Shehata

Email: ashehata@stern.nyu.edu

Daytime Telephone: 646-528-9054

Office: KMEC 10-70 (10th fl)

Office Hours: Wednesdays 12:30 – 1:30pm and by appointment

Classroom: UC-25

Class time: MW 2:00pm-3:15pm

TA Information:

Name: Sanjana Mammen

Email: sanjana.mammen@nyu.edu

TA Office Hours: TBD

Required Text and Material:

- Libby, Libby & Short, “Financial Accounting” 7th edition, Custom Edition for NYU
- The Jones Group (JG) Annual Report (relevant sections provided by instructor and link to full report on Blackboard)

Grading:

Quizzes	10%
Midterm I	20%
Midterm II	30%
Final Exam	35%
Attendance/Participation/Class Preparation	5%

At NYU Stern we seek to teach challenging courses that allow students to demonstrate their mastery of the subject matter. In general, students in undergraduate core courses can expect a grading distribution 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 or below for adequate or below work

Note that while the School uses these ranges as a guide, the actual distribution for this course and your own grade will depend upon how well you actually perform in this course.

Quizzes:

There will be periodic, closed book/closed note quizzes on previously covered material and homework assignments. Quizzes will be announced in advance, will last approximately 10 minutes and will be held at the beginning of the class period. Make-ups are not permitted but the lowest quiz score will be dropped, allowing you to miss one quiz without penalty. No make-up quizzes will be given. Students who complete their quiz in advance of their classmates should refrain from talking or making any disruptive noise until all quizzes have been collected.

Midterms and Exams:

There will be 2 mid-term exams and a final exam. All exams will be closed book/closed notes and the final exam will be cumulative. Make-up exams are not permitted. **Nonprogrammable calculators are permitted (no computers, smartphones or blackberries).**

Attendance, Participation and Class Preparation:

Five percent of your grade will be determined by me. This portion will summarize my impression of your overall participation, attendance, effort and attitude towards the course.

Homework:

Homework assignments are provided on the syllabus and students should plan to spend 2-3 hours of preparation for each hour of class time on average. Homework solutions will be available on Blackboard, however, I strongly encourage you to attempt the assignments without using the solutions until complete. Homework will not be collected; however, the assignments will represent the material you should understand for quizzes and exams. **It is critical that you complete the assignments in order to learn the material.**

Class Meetings

Assigned readings and homework assignments should be completed **prior to** the relevant class session and selected problems will serve as a vehicle for class review. Our class time will be spent developing a deeper understanding of the material you have already read and homework problems you have completed independently; my lectures will focus on the more challenging concepts presented in your textbook and I will aim to present the “big picture” of how the concepts build upon each other and relate to each other. We will regularly solve problems together and I will refer to real world examples. Lecture notes will be available on Blackboard prior to the class meeting. Students are requested to arrive to class on time and remain for the entire class period. **During class, please turn off all audible technology (i.e. phones, pocket PCs, iPod's iPad's etc.) as well as laptop computers.**

Blackboard:

I will use Blackboard regularly to email you, post lecture notes, homework solutions, relevant articles and other course material so please make sure you are correctly registered and checking our sight on a regular basis.

Please note: the dates and assignments listed below are subject to change:

DATE	CHAPTER	ASSIGNMENT: complete assignments prior to the corresponding class date
September 5, 2012	Chap 1: Financial Statements and Business Decisions, including supplement A	
September 10, 2012	Finish Chap 1 and begin Chap 2: Investing, Financing Decisions & the Balance Sheet	Ch 1: Q: 9,18 E1-2, E1-4, E1-9, E1-11 CP1-1 (use JG annual report)
September 12, 2012	Chap 2: Investing, Financing Decisions & the Balance Sheet	Ch 2: Q: 2, 3, MC3, MC7, MC9, E2-3, E2-5, E2-7, P2-5
September 17, 2012	Finish Chap 2, begin Chap 3: Operating Decisions & the Income	

	Statement	
September 19, 2012	Chap 3: Operating Decisions & the Income Statement	Ch 3: MC 5, M3-2, M3-5, M3-6, M3-7, M3-8, E3-2, E3-7, P3-4
September 24, 2012	Finish Chap 3 & begin Chap 4: Adjustments, Financial Statements & the Quality of Earnings	
September 26, 2012	Chap 4: Adjustments, Financial Statements & the Quality of Earnings	Ch 4: E4-6, E4-8, E4-14, E4-15, E4-18, E4-19, E4-20 optional: P4-7 (for more practice)
October 1, 2012	Finish Chap 4 & Chap 5 pages 240-244	Ch 5: E5-10, E5-12
October 3, 2012	Midterm 1	
October 8, 2012	Chap 6: Sales Revenue, Receivables & Cash (including supplement on p. 304)	Ch 6: E6-3, E6-5, E6-9, E6-10, E6-14, E6-16, E6-19, E6-20, E6-23, P6-3
October 10, 2012	Chap 6: Sales Revenue, Receivables & Cash	
October 17, 2012 (no class October 15, 2012)	Chap 7: Cost of Goods Sold & Inventory (including Supp A, but not Supp B or C)	Ch 7: E7-2, E7-5, E7-8, E7-11, E7-17, E7-20, P7-5, P7-9
October 22, 2012	Chap 7: Cost of Goods Sold & Inventory (including Supp A, but not Supp B or C)	
October 24, 2012	Finish Chap7 & begin Chap 8: Property, Plant & Equipment; Natural Resources; & Intangibles	
October 29, 2012	Chap 8: Property, Plant & Equipment; Natural Resources; & Intangibles (including Supp on p. 418-419 & read CP8-9 on p. 449)	Ch 8: M8-3, E8-3, E8-5 + E8-21, E8-8, E8-12, E8-13, E8-17, E8-22, P8-6
October 31, 2012	Chap 9: Liabilities (including Supplement B & C)	Ch 9: E9-1, E9-2, E9-13, E9-15, E9-24, P9-4, P9-6, P9-12
November 5, 2012	Chap 9: Liabilities	
November 7, 2012	Finish Chap 9 & review	
November 12, 2012	Midterm 2	
November 14, 2012	Chap 10: Bonds (including page 530 but not Supp A or B)	Ch 10: E10-14, E10-15, E10-19, E10-23, P10-7, P10-8, P10-10
November 19, 2012	Chap 10: Bonds	
November 21, 2012	Chap 10: Bonds	
November 26, 2012	Chap 13: Statement of Cash Flows, including Supp A & B (not C)	Ch 13: E13-11, E13-13, E13-15, E13-21, P13-4, P13-5
November 28, 2012	Chap 13: Statement of Cash Flows	
December 3, 2012	Chap 13: Statement of Cash Flows	
December 5, 2012	Finish Chap 13 & begin Chap 11: Owner's Equity (including Supplement)	Ch 11: M11-9, E11-4, E11-6, E11-10, E11-15, E11-18, E11-19, E11-24, P11-9
December 10, 2012	Chap 11: Owner's Equity	
December 12, 2012	Review	
TBD	Cumulative Final Exam	