NEW YORK UNIVERSITY
Leonard N. Stern School of Business

COR1-GB.1306.91
Financial Accounting and Reporting
Spring 2013

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COURSE OUTLINE

Date	Topic	Readings	Class Assignment
I. PRELIMINARIES			
2/11/13	A. Financial information: users, uses, and vulnerabilities. The reporting framework: generally accepted accounting principles (GAAP).	Ch. 1	1. 1-47 Reality check: A disconcerting letter from Satyam's chairman
II. STATEMENT OF FINANCAIL POSITIONS: THE BALANCE SHEET			
	B. The balance sheet: A snapshot of assets, liabilities, and owners equity; historical and fair values of assets and liabilities.		
	C. Accounting procedures: Double entry and asset/liabilities' records.		
III. STATEMENT OF OPERATIONS: THE INCOME STATEMENT			
2/25/13	A. Enterprise performance measurement: Accrual earnings vs. cash flows.	Ch. 2*	1. Exercise on current assets and current liabilities 2. 2-46, 2-57, 3-24
	B. Earnings measurement: Revenue and expense recognition rules. The matching process. The income statement.		
	C. Double entry records: Debits and credits, Journal entries and T-accounts.	Ch. 3 (pp.88-97)	

* Optional reading: The portfolio, pp. P1-P6. And Appendix 2, pp. 70-73.

Date	Topic	Readings	Class Assignments
3/4/13	Preparing the financial statements: Trial balance and adjusting entries.	Ch. 3 (pp.97-115) Ch. 4 (pp. 136-152)	1. Exercise on income management 2. 4-47, 4-58
3/11/13	What does it all mean? Analyzing enterprise performance and risk.	Ch. 4 (pp. 152-165) Ch. 12 (pp. 521-544)	1. Exercise on income management II 2. 4-41, 12-63

IV. SPECIFIC ASSETS, LIABILITIES, EQUITITES

Date	Topic	Readings	Class Assignments
3/25/13	Sales and accounts receivable. Revenue recognition in unusual circumstances.	Ch. 6†	1. Exercise on accounts receivable 2. 6-33, 6-68 3. Handout Question (different recognition rules)
4/1/13	A. **MID-TERM EXAM**.		
	B. From retail to manufacturing operations.	Appendix 7B (pp. 305-307)	
4/8/13	Inventory valuation methods.	Ch. 7‡	1. Exercise on inventory valuation. 2. 7-37, 7-76
4/15/13	Physical assets and depreciation. Intangible capital and intellectual property.	Ch. 8	1. Handout Question (R&D Capitalization) 2. 8-54, 8-62
4/22/13	Investment in securities and in other companies. Fair value accounting.	Ch. 11§	1. Exercise on marketable securities 2. 11-38, 11-39.
4/29/13	The statement of cash flows, preparation and interpretation.	Ch. 5**	1. 5-52, 5-63, 5-68

† Optional reading: Overview of internal control, pp. 249-253. Also Appendix 6, pp. 254-257.
‡ Optional reading: Comparing accounting procedures…, pp. 283-285.
§ Not required: Consolidated financial statements, pp. 494-502.
** Not required—"Direct Method," pp. 194-195.

Date	Topic	Readings	Class Assignments
5/6/13	Liabilities (short- and long-term), off-balance sheet financing, and shareholder equity.	Ch. 9 [††] Ch. 10[‡‡]	1. Exercise on operating and capital leases. 2. 9-63, 9-74, 10-37
5/13/13	**FINAL EXAM**		

PLEASE NOTE:

Class attendance is required. One or two missed classes for health reasons or unexpected travel will be accepted.

Textbook: Hongren, Sundem, Elliott and Philbrick, Introduction to Financial Accounting, 10th edition, 2011, Pearson/Prentice Hall.

Financial Report: Print Cisco's 2012 financial report (on Blackboard) and bring to each class. Relevant pages from p. 78 on.

Exercises for class discussion are posted on Blackboard.

Grading: Final grade will be primarily based on the midterm and final exams, as well as on the quality of weekly assignments and class discussion.

Midterm Exam is on 4/1/13
Final Exam is on 5/13/13

Office Hours: Mondays 5:00-6:00 pm, and by appointment (212-998-0028).

Date ***(To be handed in class)***	Homework Assignment
2/25/13	1-37, 1-41, 1-44
3/4/13	2-48, 2-49, 3-41
3/11/13	3-49, 4-38, 4-39
3/25/13	4-48, 4-49, 12-35
4/1/13	6-67, 6-72, 6-73

[††] Not required—"Other Long-term Liabilities," pp. 402-407
[‡‡] Optional reading: "Stock Splits and Stock Dividends, etc." pp. 449-461.

Date *(To be handed in class)*	**Assignment**
4/8/13	Handout question
4/15/13	7-44, 7-59, 7-81
4/22/13	8-41, 8-43, 8-68
4/29/13	11-27, 11-28, 11-32
5/6/13	5-54[§§], 5-58, 5-61
5/13/13	9-36, 9-60, 9-77, 9-84

[§§] Use the Indirect method. Also comment on the changes in the cash flow statement if the fixed assets were sold for € 200 (rather than €100).