

NEW YORK UNIVERSITY
STERN SCHOOL OF BUSINESS
Department of Accounting
Principles of Financial Accounting (ACCT-UB.0001)
Spring 2014

Instructor: Professor Pepa Kraft
KMC 10th floor, Suite 10-80

Course e-mail: pkraft@stern.nyu.edu

Course website: *To Be Announced*

Teaching Assistants: *To Be Announced*

Please contact the teaching assistants for course content related questions only. Any questions regarding course registration, exam scheduling or course withdrawals should be mailed to the professor.

Office hours/Location: *To Be Announced.*

Course objectives: The objective of the course is for the student to learn to read, understand, and analyze financial statements. The course is intended for students with no previous exposure to financial accounting. The course adopts a decision-maker perspective of accounting by emphasizing the relation between accounting data and the underlying economic events that generated them. The course focuses initially on how to record economic events in the accounting records (i.e., bookkeeping and accrual accounting) and how to prepare and interpret the primary financial statements that summarize a firm's economic transactions (i.e., the balance sheet, the income statement, and the statement of cash flows).

Textbook: Libby, Libby and Short (LLS), *Financial Accounting, 7th Edition*. The NYU Custom Edition is also acceptable. The textbook covers the basic material in the course, including background information, accounting rules and conventions. It is crucial that students come to class prepared to discuss the scheduled topics. I will assign chapters/pages from the textbook that I expect you to read before class. A few copies are on reserve at Lippincott-VanPelt Library.

Lecture Slides: Most lectures will use the aid of PowerPoint slides, which will be available prior to each class on the course website. You should print your own copies before class in whatever format works best for you.

Other Materials: I will be using the course website to post other materials such as notes and homework assignments, and to communicate with you throughout the term.

Role of Textbook and Lectures Notes: The textbook covers the basic material in the course, including transaction analysis, financial disclosure and interpretation. The lectures will cover the more important and difficult material as well as some additional material not covered in the textbook. Lecture notes (PowerPoint slides) will be posted to the website. The lecture notes briefly summarize the material in the lectures.

Classroom Environment: I expect that students will be prepared for class. I suggest the following routine:

- Before class, read the assigned pages of the textbook. Try the end of chapter problems to test your understanding of the material. **YOU ARE ADVISED NOT TO READ THE SOLUTIONS UNTIL AFTER YOU HAVE MADE A GENUINE ATTEMPT TO SOLVE THE PROBLEMS.** You are also advised not to simply memorize the solutions. Exam questions related to the same basic material might require alternative solution techniques.
- Take notes in class. After class download and review the lecture notes. The lectures and supplemental material often contain problems which summarize the material in a way different from the textbook.

I also expect that you will treat this course as a professional engagement.

- I highly encourage you to attend class. It is the easiest way to stay on top of the material. Please be on time and remain throughout the class meeting.
- Cell phones off during class time AND office hour visits.
- Display courteous and professional behavior to your classmates.
- Follow the Code of Academic Integrity. On behalf of the majority of the students who make an honest effort in this class, I will take action against anyone suspected of breaching this Code.

Homework: There will be 7 homework assignments, and you only need to submit 6 of them. If you hand in all 7, the highest 6 scores will be counted in your grade. You must **submit a hardcopy of your completed homework at the end of class on the date due;** late homework will NOT be accepted. I will NOT accept assignments in my mailbox, over the web, through e-mail, etc. Solutions to homework will be posted to *the course website*.

I also hand pick textbook problems that are useful to practice and that reinforce basic accounting proficiency, but they will not be submitted or graded. Doing problems is the best way to learn accounting. Solutions to these problems will be posted to *the course website*.

Exams: There will be three exams: two midterms and one final. All exam questions can resemble questions from homework assignments, lectures, and even textbook

problems. The first two exams are tentatively scheduled for [Monday, March 3, 2014] and [Monday, April 14, 2014].

Exam dates will not be rescheduled for any individual student. If you miss any exam, you will receive zero credit for that exam. Do not schedule any travel plans before the final exam date, which could be as late as [Tuesday, May 20, 2014].

Exam Re-Grading: If you believe your exam is incorrectly graded, submit the entire original copy of the complete exam to me within one week of the return of the exam. Exam re-grade requests must also be accompanied by a signed re-grade request form which will be available on *the course website* following each exam. Include a memo which legibly and fully explains your contention. Exams that have been altered in any way will not be re-graded, the exam score will be changed to a zero, and the Student Disciplinary Committee will be notified. Only exams written in pen will be accepted for a re-grade.

Class Participation: This course will emphasize participatory and collaborative learning. As a result, a significant portion of your mark will be based on your verbal participation and contribution to class discussions. To keep track of your participation, at the end of each class, students who participate in that class can acquire a tick on my record book. The participation mark will be based on the number of ticks you acquire and the overall quality of your participation.

GRADING POLICY

Final grades will be determined as follows:

Homework Assignments	15%
Midterm Exam 1	15%
Midterm Exam 2	20%
Final Exam	40%
Class Participation	10%

There is no possibility of earning extra credit or of changing the above weights. Any questions about grades, grading curves, etc. should be addressed to me via e-mail.

Professionalism consists of timeliness, respect for colleagues and the instructor, effectiveness in working with colleagues, etc. I strongly believe that learning is an active process and I expect you to treat this class as you would any significantly work-related responsibility. In general, I will strongly emphasize fairness to all students taking the course. Please do not ask me to make exceptions to these rules that would be unfair to other students in the course.

Exam Scheduling Conflicts: Only I can grant permission to be excused from a scheduled exam because of a scheduling conflict. Teaching assistants cannot grant such

permission. To obtain permission to be excused from a scheduled exam because of a scheduling conflict, students must provide documented evidence of the conflict. Notify me via e-mail within two weeks of any exam conflicts with your other courses. **Only scheduling conflicts with other courses or university representation will be considered. Internship, interviews, family vacation, or other travel plans are not acceptable scheduling conflicts.** If you miss an exam without permission, your grade will be zero on that exam.

Missed Exams Due to Illness: Only I can grant permission to be excused from a scheduled exam for illness. To obtain permission to be excused from a scheduled exam because of illness, students must provide documented evidence of the illness. A note documenting a visit to health services is not a sufficient excuse for missing an exam. Minor illnesses, including upper respiratory infections (i.e., colds), or fatigue, are examples of unacceptable reasons for missing an exam. Also, illness during the time that a student had intended to study for an exam is not an excuse for missing a scheduled exam.

A student who has permission to miss an exam will receive a grade of “incomplete” for the semester. If a student has permission to miss an exam, he/she will be required to take a make-up exam on the University’s officially scheduled make-up exam date. After the student takes the make-up, I will change the incomplete to the earned course grade. If a student fails to show up for the make-up exam, he/she will receive a failing grade for the course. **Make-up exams will not be offered at any other time.**

Any request to reschedule the Final Exam to accommodate a student’s travel plans will be denied. Do not make travel plans before finding out when your exams are. ***If you miss the final exam without receiving instructor permission, you will not be allowed to take the make-up exam and you will receive a zero grade for the Final Exam.***

Students who miss an exam without making arrangements with me according to the above guidelines are subject to the following:

Failure to show up for the:

**Midterm Exam 1
Midterm Exam 2
Final Exam**

Results in:

**Exam grade of zero
Exam grade of zero
Exam grade of zero**

Any questions regarding course policy should be addressed to me.

Code of Conduct: As a student at Stern, you are expected to conduct yourself as a young business professional. The Stern School does not tolerate cheating. Please know that the penalty for cheating is an automatic grade of F for the course and appearance before the Student Disciplinary Committee. I am very strict on this issue. I will do what I can to

help you learn the material in this course. All I ask is that you do not cheat yourself, your fellow classmates or the Stern School. Please see www.stern.nyu.edu/uc/codeofconduct for more information.

Students with Disabilities: If you have a qualified disability and will require academic accommodation, please contact the Henry and Lucy Moses Center for Students with Disabilities (CSD) and provide me with a letter from them verifying your registration and outlining the accommodations they recommend. Please see www.nyu.edu/csd for more information. If you will need to take an exam at the CSD, you must submit a completed Exam Accommodations Form to them at least two weeks prior to the scheduled exam time to be guaranteed accommodation.

CLASS SCHEDULE

The following is a tentative schedule of classes, readings and assignments. I may make adjustments as circumstances require.

COURSE OUTLINE

DATE	TOPICS	READINGS	HW
27-Jan	Introduction	Chapter 1	
29-Jan	Overview of Accounting and Financial Statements	Chapter 1	
Feb/3; Feb/5	Balance Sheet and Recording the Transactions	Chapter 2	#1
Feb/10; Feb/12	Income Statement: Cash versus Accrual Accounting	Chapter 3	
17-Feb	<i>Presidents' Day, No Class</i>		
19-Feb	Adjustments and Closing the Books	Chapter 4	#2
24-Feb	Misstatement, Fraud and the Hall of Shame		
26-Feb	Review for Midterm 1		
3-Mar	Midterm Exam 1 (Chapters 1-4)		
Mar/5; Mar/10; Mar/12	Statement of Cash Flows	Chapter 13	#3
Mar/17; Mar/19	<i>Spring Break, No Class</i>		
24-Mar	Margins and EPS	Pp. 182; 284; 556	
Mar/26; Mar/31	Liabilities	Chapter 9	#4
Apr/2; Apr/7	Bonds	Chapter 10	
9-Apr	Review for Midterm 2		
14-Apr	Midterm Exam 2 (Chapters 13, 9,10)		
Apr/16; Apr/21	Shareholder's Equity	Chapter 11	#5
23-Apr	Revenue, Receivables, and Cash	Chapter 6	
28-Apr	COGS and Inventory	Chapter 7	#6
30-Apr	Property, Plant, and Equipment	Chapter 8	
5-May	Financial Statement Analysis: Ratio Analysis		#7
7-May	Basic Valuation of Firms and Stocks		
12-May	Review for Final		
TBA	Final Exam		