

**New York University
Stern School of Business
Undergraduate College**

**Principles of Financial Accounting
Spring 2021**

(ACCT-UB.0001.015) TR 11:00 a.m.-12:15 p.m., online

(ACCT-UB.0001.011) TR 2:00 p.m.-3:15 p.m., Rotation, Thursday TISC-UC-50

(ACCT-UB.0001.012) TR 3:30 p.m.-4:45 p.m., Rotation, Thursday TISC-UC-50

Professor Information

Name: Xiaojing Meng
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Office Hour: Friday 9:30-11:00 am or by appointment
Office Hour: Over zoom. Zoom ID is 856 360 1052

Teaching Assistants (TAs) Information

Name:	Alice Berlin	Ritik M. Patel	Jeff Xu
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Office Hour:	Tuesday 12:30-1:30pm	Wednesday 1-2pm	Monday 10-11am
Zoom ID:	986 7056 4064	942 8681 1654	913 3521 4247

Course Description

Overview: The objective of the course is for you to learn how to read, understand, and analyze the financial statements of most publicly-traded companies. The course is intended for students with no previous exposure to financial accounting. A solid understanding of the fundamentals covered in this course should enable you to do well in more advanced finance and accounting courses, as well as interview intelligently for jobs in finance and consulting.

The course begins with the basic concepts of accounting. We begin by looking at the main financial statements: balance sheet, income statement, statement of cash flows, and statement of stockholders' equity. Particular attention is paid to how these four statements relate to each

other and how they provide information about the financial health of a company. We then cover specific items from the financial statements and apply tools of analysis whenever possible.

Course Materials

(Optional) Textbook: Libby, Libby and Short, *Financial Accounting. Both regular edition and NYU custom edition are fine.* The textbook is not required, but recommended. The textbook covers the basic material in the course, including background information, accounting rules and conventions. I recommend you to read the related chapters before each class.

Lecture Slides: Most lectures will use the aid of PowerPoint slides. Any material included in the slides is fair game for exams.

Assessment Components

Homework: I will give you 6 homework assignments, and you only need to submit 5 of them, i.e., you can skip one. If you hand in all 6 of them, the highest 5 (out of the 6) scores will be counted in your grade. You must submit your completed homework before 5pm on the date due; late homework will get one point off for each day delayed.

Exams: There will be three exams: two midterms and one final, all during the semester. Final will be cumulative. Please see the course outline section for more information.

Class participation and Professionalism. I expect the following general behaviors from you in class:

1. Be on time.
2. For zoom classes, **have your camera on and remain for the entire class period. During our online class, please limit outside distractions, such as other technology.**
3. Actively participate in class discussion. I will do everything I can to make the classroom a hospitable and respectful environment where you feel comfortable expressing your ideas. I would expect you to make the same effort in return.

Grading:

Your final grade is computed according to the following weight

Class participation and Professionalism	10%
Homework	15%
First Midterm	20%
Second Midterm	20%
Final Exam	35%

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 less 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.

Scheduling Conflicts

Only I can grant permission to be excused from a scheduled quiz/exam because of a scheduling conflict. Teaching assistants cannot grant such permission. To obtain permission to be excused from a scheduled quiz/exam because of a scheduling conflict, students must provide documented evidence of the conflict. Notify me via email at least one week in advance of any conflicts with your other courses. In case of a legitimate scheduling conflict, I will grant permission to the student to take the quiz/exam early or late under my supervision. 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 a quiz or exam without permission, your grade will be zero on that quiz/exam.

Only I can grant permission to be excused from a scheduled quiz/exam for illness. To obtain permission to be excused from a scheduled quiz/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 a quiz/exam. Minor illnesses or fatigue are unacceptable reasons for missing a quiz/exam. Also, illness during the time that a student had intended to study for a quiz/exam is not an excuse for missing a scheduled quiz/exam.

Stern Policies

General Behavior

The School expects that students will conduct themselves with respect and professionalism toward faculty, students, and others present in class and will follow the rules laid down by the instructor for classroom behavior. Students who fail to do so may be asked to leave the classroom.

Academic Integrity

Integrity is critical to the learning process and to all that we do here at NYU Stern. As is true for all courses at Stern, adherence to the NYU Stern Honor Code is expected of all students in the class.

Students with Disabilities

If you have a qualified disability and will require academic accommodation of any kind during this course, you must notify me at the beginning of the course and provide a letter from the Moses Center for Students with Disabilities (CSD, 998-4980, www.nyu.edu/csd) verifying your registration and outlining the accommodations they recommend. If you will need to take an exam at the CSD, you must submit a completed Exam Accommodations Form to them at least one week prior to the scheduled exam time to be guaranteed accommodation.

Course Outline

The following is a “tentative” schedule of course outline and readings. I reserve the right to make adjustments as circumstances require.

Date	Chapter	Reading and Assignments
Thur, 1/28	Overview of Accounting	
Tue, 2/2	Overview of Financial Statement	<i>please read: Libby, Libby & Short (LLS), Chapter 1</i>
Thur, 2/4		
Tue, 2/9	Balance Sheet and Recording the Effects of Transactions	<i>please read: Libby, Libby & Short (LLS), Chapter 2</i> Homework 1: due on 2/11
Thur, 2/11	Income Statement: Cash versus Accrual Accounting	<i>please read: Libby, Libby & Short (LLS), Chapter 3 and 4</i> Homework 2: due on 2/25
Tue, 2/16	Income Statement: Accounting Cycle and Closing the book	
Thur, 2/18	Legislative Day, No Lecture!	
Tue, 2/23	Income Statement: Accounting Cycle and Closing the book	
Thur, 2/25	Misstatement, Fraud & Shame	
Tue, 3/2	Midterm I	Chapters: 1-4
Thur, 3/4	Statement of Cash Flows	<i>please read: Libby, Libby & Short (LLS), Chapter 12</i> Homework 3: due on 3/18
Tue, 3/9		
Thur, 3/11		
Tue, 3/16		
Thur, 3/18	NPV, Bond and other Liabilities	<i>please read: Libby, Libby &</i>
Tue, 3/23		

Thur, 3/25		<i>Short (LLS), Chapter 9, 10</i>
Tue, 3/30		<i>Homework 4: due on 4/1</i>
Thur, 4/1		
Tue, 4/6	Midterm II	Chapter 12, 9, 10
Thur, 4/8	Shareholder's Equity	<i>please read: Libby, Libby & Short (LLS), Chapter 11</i>
Tue, 4/13		Homework 5: due on 4/15
Thur, 4/15	Receivables and Sales revenue	<i>please read: Libby, Libby & Short (LLS), Chapter 6</i>
Tue, 4/20		
Thur, 4/22	Inventories and Cost of goods sold	<i>please read: Libby, Libby & Short (LLS), Chapter 7</i>
Tue, 4/27		Homework 6: due on 4/29
Thur, 4/29	PP&E	<i>please read: Libby, Libby & Short (LLS), Chapter 8</i>
Tue, 5/4	Financial Statement Analysis: Ratio Analysis and Basic valuation	
Thur, 5/6	Review	
Exam Period: 5/12-5/18	Final Exam	Cumulative :)