

**THE LEONARD N. STERN SCHOOL OF BUSINESS
NEW YORK UNIVERSITY
B01.1306.10 FINANCIAL ACCOUNTING AND REPORTING
Fall 2009**

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1. Introduction

The purpose of this introductory-level course is to introduce you to the concepts of financial accounting and its underlying assumptions. We will discuss the uses and limitations of the financial statements. Procedural aspects of accounting will be discussed in order to enhance your understanding of the content of the financial statements. However, the emphasis of the class is on using financial accounting information in the evaluation of business performance and risk.

2. Required Textbook

The textbook is Horngren, Sundem, Elliott & Philbrick, Introduction to Financial Accounting, 9th edition (2006, Pearson Prentice Hall).

3. Preparation for Class Sessions

Assigned Chapters and Problems

Prior to each class, you should read the assigned chapters and do the assigned problems listed on the syllabus. Doing problems is the best way to learn accounting and to understand how the transactions affect the financial statements. All assigned problems should be completed before coming to class. All assignments will be collected at the beginning of class and returned the following class. The assignments will be graded as either 0 (no credit due to insufficient effort) or as 1. Solutions to all problems will be available on Blackboard once they are collected. The assigned problems will be used in class discussions; be prepared to answer questions regarding them in class.

Mini-Cases

The class discussions will also focus on three “mini-cases” that will be handed out during class. These cases are to be written up before coming to the following class. I’ll collect, at random, up to two cases. You may work on these cases with 1-2 of your classmates; you don’t have to work with the same people on every case. Still, you should write up the answers on your own. The cases will also be graded as either 0 or as 1. Specific information about the case requirements will be provided in class. Solutions to all mini cases will be handed out in class.

Articles

Various articles will be handed out during class. They provide you with the viewpoints of academicians, practitioners, business journalists, corporate managers, regulators, politicians, and stock analysts on accounting issues. Although most of the articles are not technical, to fully understand the issues they raise you need a sound understanding of the material covered in the related chapters of the text. You are responsible for the content of these articles.

4. Learning Accounting

Experience in this course suggests the following advice:

- Classes make extensive use of homework problems assigned from the text and the mini cases. A selection of the assignments is discussed in each class. You will learn accounting better (and will perform better on the problem-oriented exam) if you do the assigned reading and if you work on the assigned problems prior to each class. This is not an idle warning.
- Introductory Accounting is not organized like a survey course. Each class builds on what you have learned in previous classes. You therefore must keep up to date, or you will find subsequent classes difficult.
- Introductory Accounting requires a large amount of time devoted to both reading and working on problems.

5. Teaching Assistants

Name	Office Hours	E-Mail
Raul Lugo	Tues. 5:00pm-6:00pm	raul.lugo@stern.nyu.edu

6. Honor Code

As is true for all courses at Stern, adherence to the Stern Honor Code is expected of all students in this course.

7. Blackboard

The solutions manual, this syllabus, and electronic progress tests are available through Blackboard, a web-based course administration package whose web address is <http://sternclasses.nyu.edu>. You need to log in using your Stern netID and password.

8. Grading

Examinations

There are two take-home electronic progress tests, and two cumulative in-class examinations. You should bring a calculator to the exams. Use of laptops will not be allowed. Makeup midterm examinations will **not** be given for any reason. If you miss the midterm examination and have a valid reason, the examination portion of your course grade will be based solely on the electronic tests and the final exam. All exams are closed book/closed notes; you may bring in though one 8.5x11 sheet.

Course Grade

Your course grade will be determined as follows:

	<u>% of Course Grade</u>
Classroom Participation	10
Weekly Problem Assignments (including mini-cases)	10
Two electronic progress tests	10
Midterm Examination (November 10 th)	25*
Cumulative Final Examination (December 15 th)	<u>45*</u>
	<u>100</u>

* Should the final exam score exceed that of the midterm, the weights are 0% midterm exam and 70% final exam.

CLASS SCHEDULE

Date	Day	Reading Assignment	Assigned Questions/ Exercises / Problems
1. Sep. 29	Tue.	Organizational Issues and Introduction to Financial Accounting Chapter 1: The Balance Sheet	1-36, 1-40
2. Oct. 6	Tue.	Chapter 2: Income and Cash Flow Statements; Accrual vs. Cash-Basis Accounting; Income Recognition	2-34, 2-45, 2-55
3. Oct. 10, Oct. 11,	Sat. 7:00am Sun. 9:00pm	Progress Test 1: Measuring Income	45 minutes; 15 questions.
4. Oct. 13	Tue.	Chapter 3: Recording Transactions and the Accounting Cycle	3-20, 3-39, 3-40, 3-45
5. Oct. 17, Oct. 18,	Sat. 7:00am Sun. 9:00pm	Progress Test 2: Recording Transactions	45 minutes; 14 questions.
6. Oct. 20	Tue.	Chapter 4: Accrual Accounting and the Adjustment Processes	4-35, 4-43
7. Oct. 27	Tue.	Review: Preparing Financial Statements: A Comprehensive Example Chapters 1-4: Communicating Financial Information Midterm Exam Review	XYZ, Inc (handout). Sample Midterm Exam (handout) Case: AOL (handout)
8. Nov. 3	Tue.	Chapter 6: Accounting for Sales	6-41, 6-48, 6-49 Case: MGM Grand (handout)
9. Nov. 10	Tue.	Midterm Exam: Chapters 1-4 & 6	6-41, 6-48, 6-49 Case: MGM Grand (handout)
10. Nov. 17	Tue.	Chapter 7: Inventories and Cost of Goods Sold	7-41, 7-47, 7-51
11. Nov. 24	Tue.	Chapter 8: Long-Term Assets: Tangible Assets Chapter 11: Acquisitions & Goodwill (pp. 504-506; 511-517)	8-37, 8-42, 8-51 11-35 Case: Delta Airlines (handout)
12. Dec. 1	Tue.	Chapter 9: Liabilities, Time Value of Money, and Accounting for Bonds	9-33, 9-40, 9-41, 9-52, 9-58, 9-61 Sample Final Exam (handout)
13. Dec. 8	Tue.	Chapter 5: Preparing the Cash Flow Statement	5-47, 5-58, 5-61
14. Dec. 15	Tue.	FINAL EXAM: Chapters 1-9 & 11	