NEW YORK UNIVERSITY
Stern School of Business: Undergraduate College
Summer 2005, C10.0001.002 Principles of Financial Accounting, 6:00pm-8:55pm T-LC12

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Office hours: MW 3-5pm and by appointment

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Office: TBA
Office hours: TBA

COURSE OUTLINE

OBJECTIVE: This course will introduce you to the language of financial accounting and its position within
the information system of a firm's external constituencies (principalily investors) given the market and
institutional setting in which resource allocation decisions are made by them. The course will help you
become "financial statement literate". To this end you will be familiarized with the concepts, principles,
practices and mechanics underlying the preparation of these statements and to the ways in which users utilize
them. The strengths and limitations of current financial accounting practice and the implications of alternative
accounting policies will be highlighted. On completion you should be able to "understand" a substantial
portion of the information contained in annual reports and, importantly, also "correct" financial statements and
associated ratios for alternative recognition rules or alternative amounts in lieu of management’s accruals.


COURSE MANAGEMENT SYSTEM: We will use BLACKBOARD as our online course management
system. Make sure to login for copies of (missed) course materials, homework solutions and periodic
announcements.

PEDAGOGY & PROCEDURES: You are assigned one or more chapters and occasional additional readings
for each lecture. You may but do not have to read the chapter before class. You should read it after the
class discussion as a review and also for coverage of related material that you should generally be aware of
(but not necessarily proficient in from the point of view of the exam). You must bring your textbook to
every lecture.

HOMEWORK: So that you can test your comprehension of the subjects we cover, I will assign
problems at the end of each class (and a copy will be posted on Blackboard). You must turn in your work
at the beginning of the class after the one in which the work is assigned. USE LETTER SIZE PAPER
AND STAPLE YOUR WORK. Homework will be evaluated on a {0,1,2}scale – 0 for missing
homework, 1 for a fair attempt, 2 for a good attempt. Graded homework will not be returned to you. You
can instead view your assigned points in the online grade book in BLACKBOARD. I consider prompt
feedback on your homework essential to your learning, and I provide the feedback by both posting the
solutions on Blackboard promptly after submission, and generally by discussing the solution in class as
well. To facilitate comparison of the solution to your own work, you MUST keep a copy of your
solution with you. Since solutions will be posted, late homeworks will not be accepted for any reason
whatsoever. If you will be missing the class when the homework is due, you must E-mail the HW to the
TA or leave a hard copy for me in my mailbox (third floor, Tisch Hall) before class. To allow for the
occasional problem you may have in submitting the homework, I will drop the worst 1 of your (tentative)
8 homeworks.
I urge you to make good use of additional help from the tutor/myself as warranted. **It is important to keep up with the material.**

### EVALUATION

Your evaluation will be based on the following:

<table>
<thead>
<tr>
<th>Component</th>
<th>Weight</th>
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<tbody>
<tr>
<td>Homeworks</td>
<td>15%</td>
</tr>
<tr>
<td>Mid-term (2 hours)</td>
<td>35%</td>
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<tr>
<td>Final exam (3 hours – Last class)</td>
<td>50%</td>
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</tbody>
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### SESSION OUTLINE

(You are NOT required to read Chapter Appendices unless otherwise instructed.)

<table>
<thead>
<tr>
<th>SESSION</th>
<th>TOPICS &amp; ASSIGNMENTS</th>
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| 1 (6/27)      | Introduction  
                Chapter 1: Entities & Balance Sheets  |
| 2 (6/29)      | Chapter 2: Income Measurement: The Accrual versus the Cash Basis for reporting the Results of Operations  
                Chapter 3: The Recording Process (T accounts and debits and credits)  |
| 3 (7/6)       | Chapter 4: Adjusting entries and the recording cycle  
                Accruing expenses and setting up returns: The example of Warranties  |
| 4 (7/11)      | Chapter 5: Accounting for Sales and Uncollectibles  |
|               | **Mid term exam review session** held on 7/12 evening at 6pm  |
| 5 (7/13)      | 2 hour **mid term-exam** followed by solution review  |
| 6 (7/18)      | Chapter 6: Accounting for Inventory and Cost-of-Goods-sold  |
| 7 (7/20)      | Chapter 7: Accounting for Long-Term Assets  
                Chapter 9 pp. 361-367: Present & Future Value arithmetic  |
| 8 (7/25)      | Chapter 8: pp. 335-339: Long Term Liabilities  
                Chapter 9: Accounting for Bonds and Leases  |
| 10 (8/1)      | Ch 8 pp. 340-342 Deferred Taxes  
                Review for Final Exam  |
| 11 (8/3)      | **Final Exam**  |