

Financial Accounting and Reporting

COR1-GB 1306 S1

2/10/2024 - 5/4/2024

Saturdays, 1:00 PM - 4:00 PM

Location: KMEC- LC25

SPRING 2024

Professor: Joshua Ronen

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Office Hours: By appointment (virtually). When you enter the Zoom, you will be placed in a waiting room, and I shall let you in when it is your turn. Please be near the computer so that you know when I let you in. You can also communicate with me via email any time if you have questions.

Teaching Fellow: Xin Li

E-mail: xl4380@stern.nyu.edu

Office Hours: Every Sunday at 4 PM on Zoom (you can click in the "Zoom" tab in Brightspace to find the link).

Please make sure to have your cameras turned on during all virtual office hours.

Course Description:

Welcome to Principles of Financial Accounting and Reporting!

Accounting reports are an important means of communication with investors.

Have you ever wondered, while ordering your coffee or while shopping at Target, what, how, and when these companies report to the outside public, including details such as products they sell, their revenue and costs, and ultimately, their earnings?

Detailed financial information is available for "public" companies. But in order to understand the information, you must first learn the "language of business": Accounting. Accounting is the tool businesses use to measure and communicate their financial results. By understanding accounting, not only will you be able to evaluate the current condition of a business but you will also be able to assess its likely future prospects. The objective of this course is to help you develop into an informed user of financial statement information.

This course focuses on:

- Teaching the methods, rules, and processes used to develop financial accounting reports;

- Preparing financial accounting reports;
- Interpreting and analyzing financial accounting reports and
- Understanding what the reports contain, what assumptions and concepts accountants use to prepare them, and why they use those assumptions and concepts.
- Understanding where there is **discretion** in reporting financial results (and the implications).

Our perspective is that of *external* users of financial information, such as investors, creditors, customers, suppliers, government regulators, and business school students.

The course uses simple examples and occasionally current events to provide a clear understanding of accounting concepts and show the impact of accounting in the business world.

A solid understanding of accounting is one of the basic building blocks of the business world. You will use the skills you learn in this class in your future Stern classes and future career.

Course Objectives:

By the end of the course, you should be able to:

- Appreciate how financial statements capture business activities.
- Understand the difference between cash and accrual accounting.
- Interpret Balance Sheets, Income Statements, and Statement of Cash Flows.
- Prepare simple financial statements.
- Explain how components of financial statements are linked together.
- Prepare simple journal entries, ledgers, trial balances, and end-of-period adjusting entries.
- Identify issues related to revenue recognition.
- Discuss issues related to assets, liabilities, and equities.
- Become aware of ways companies engage in earnings management activities.

Who is This Course for?

Since this is a required course, there will be students with varying backgrounds in accounting in the class. This course is designed for students with no accounting background whatsoever. Thus, you should not be worried if others in the class have more business or accounting exposure. Conversely, if the course is not challenging enough for you, please reach out to me, and I will provide you with additional, more challenging material.

Required Text and Materials:

Textbook, McGraw-Hill Connect Content, and Brightspace Material

Textbook and Connect

For this course, the required textbook is Libby, Financial Accounting 11th edition. Also required is the McGraw-Hill Education Connect® access for the book.

You are required to purchase one of the following two bundles: either the Connect/Online Bundle, which includes all Connect online content and the **ebook**, or the Connect/Print Bundle, which includes all Connect online content and the **printed textbook**.

Purchasing options are below:

1. **OPTION #1: Online - All Digital**

This is the most affordable option. **For this option, you must purchase Connect directly from our Brightspace course.** See the instructions below. This option comes without the print book, but it does include the complete eBook and access to all the Connect content. The cost of this package is **\$105**.

2. **OPTION #2: Print + Digital**

For this discounted bundle, you must purchase the print version at the NYU Bookstore (only). They will give you the discounted Connect Access Card with your print purchase. There is no other place to get this bundled price. Financial Accounting Looseleaf + Connect Access Card is ISBN # **978-126-605456-3** (give them the ISBN in the NYU bookstore). The bundle will cost **\$156.75**

Note: if you buy your textbook separately, on your own (not through the bundle), **you will unfortunately still need to purchase the entire Connect access** to complete your homework assignment for **\$105**. You would do this through the course Brightspace (basically, you would have to choose option 1 above).

Instructions for accessing/purchasing/registering for Connect:

To register for (and/or purchase) Connect, regardless of the option you choose above, you will need to log into Brightspace and go to **Module 1**, click on the Lesson called **Connect for Module 1**, and then click on **Chapter 1 Reading: Financial Statements and Business Decisions**. For directions on what to do next, if you need help, you can watch this McGraw Hill tutorial, **but start watching only at minute 1:22**. Please do not watch the preceding material; it

will confuse you as it is written in general and for a different setup. For the tutorial, [CLICK HERE](#).

Please ensure that you register for Connect using the same name and the Stern email address as used in Brightspace. Directions on how to register for Connect from Brightspace, [CLICK HERE](#).

McGraw Hill Technical Support: If you have technical issues, please contact the McGraw Hill Technical Support Team. The following information is also available through links on the Connect pages: Technical Support Phone Number: 1-800-331-5094, Email and Chat Support: www.mhhe.com/support. Please keep track of your ticket number when contacting McGraw Hill support.

Brightspace Materials:

You will need to access the Brightspace site for the course frequently. I will be posting slides and other required material for your review. Please bring the printed or digital slides to class, but make sure, if digital, that you can annotate them during my lecture.

Calculator:

You will be bringing your calculator to the exams. When choosing a calculator to purchase or borrow, try to get a financial calculator (not necessary). Make sure you are comfortable with it. I will not review calculator instructions since everyone has a different model. It does not have to be pricey.

Grading

SmartBook Reading	0% (but essential)
Weekly Problem Sets	20% ** see below.
Attendance/Participation	15%
Exam Composite Score (2 of 3 exams):	65% *see below.

There will be 3 exams in this course: Exam 1, Exam 2, and Exam 3. The exam dates are firm and are indicated in the table below.

The exam composite score (65% of the total course grade) is calculated as the (equally weighted) average of the max of 2 out of the 3 exams; that is, the lowest exam grade is automatically dropped. This means that you can skip an exam (this includes the final exam). In other words, your top two exams will each be worth 32.5% of the total course grade.

Makeup policy: Please note that this 'drop one exam' grading policy is also your 'makeup' option. Instead of traditional makeup exams, you can skip one exam (but then both exams you take will obviously be counted). No makeup will be offered (see the time-sensitive alternative opt-out-of-my-policy option below).* Please do remember to save the one skip for emergencies- that is what it is there for.

*Time-Sensitive opt-out-of-my-policy option: If you do not like this policy, you may request by the end of the first week of the semester (and only then; this is a hard deadline), to forfeit the drop option and take all exams instead and buy yourself the option to make up one or more of the exams in the event that you will have a bona fide emergency (such as hospitalization, death in the family). If you choose this option, you are required to take all exams, no exam grade will be dropped (they will all count equally), and you may not change your mind after the deadline (one week after the semester starts). *To choose this option, email me and the TA directly (to our respective email addresses) by the end of the first week of the semester with the following subject line: "I would like to forfeit the drop option."* Please note that this seems to be an inferior option to me, but I leave it up to you.

**Weekly Problem Sets: Each problem set is assigned equal weight when computing the overall Problem Set Score for the course. The lowest score (1 problem set) will be automatically dropped at the end of the semester (offline). Thus, each of you has one free 'skip'. Please use it wisely for illnesses and such- I will not be able to make exceptions/open assignments for you after the due date. This policy should give you the flexibility to decide when to use your one skip. You need not inform me- the calculation will be automatic.

Extra Credit Opportunity:

There will be one extra credit opportunity in the form of a Discussion Board Assignment titled: 'Accounting in the Real World'. If you choose to do it, it is due in Module 7. Based on how well you do, you will either receive +0, +1, or +2 extra points on top of your numerical course grade. So, for example, if you are running an 88 in my course and you do the extra credit assignment and do well, your numerical score for my course will be a 90.

The course will follow the grading policies for core courses, stating that a maximum of 35% of the class can receive an A/A- grade.

I reserve the right to adjust your final grade based on your level of participation and your professionalism in class.

What You May Bring to the Exams:

Exams are all closed books and closed notes. You will be bringing your calculator, but may not bring a calculator manual.

You will also be asked to write your exams using pen and paper. Please make sure to bring in pens to the exam.

Laptops, smartphones, smartwatches, and other devices will not be permitted.

You will need to show all work- partial credit may be given in some cases.

Attendance, Class Environment, and Participation

Attendance is required. Since you will be engaged in the most difficult processing of information in our class, your success depends critically on your presence in class. Please make every effort to arrive on time and remain for the entire class period. If you plan to arrive late or miss class (this should only be for exceptional reasons), please make sure to email me in advance with the following subject line: 'Late arrival/Missing class'.

Remember, 15% of your grade is based on attendance/participation.

The 15% attendance/participation grade is mainly based on attendance but will be adjusted *downwards* for *negative* participation.

Thus the participation score is based solely on the avoidance of negative in-class behavior.

Negative participation includes disruptive behavior, texting while in class, using your cell phone while in class, frequent lateness, frequently leaving early, talking while I am lecturing, watching videos during class, etc.

I have each of our class sessions recorded and available on Brightspace. The class recordings are not a substitute for attending class.

Assignments

Each week, right after class, the next module will become available on Brightspace.

Required Work Before Each Class:

Textbook/ Ebook Reading:

There are two types of reading: The textbook/ebook reading and Smartbook (SB) reading which is an online activity that sits on the Connect platform. The textbook/ebook reading is mandatory and due before the first lecture of the week (which occurs on Tuesdays).

Each week, you are expected to read the chapter associated with the module before coming to class. This is required for you to be able to master the material. Reading it after the lectures will leave you confused and it will be very hard to make up the comprehension if this is not done in the requested order.

Required Work During Each Module Week

All weekly work is due on Tuesdays (3 days after the lecture) at 11:59 PM. However, the assignments and modules open one week before the module lecture. This means that you have 10 days to prepare for and do the work for the module each time. In addition, please remember to do the readings in your ebook or printbook before each lecture. Please make sure to refer to the grid at the bottom of this syllabus for details on the readings assigned, due dates, and other pertinent information.

Connect SmartBook Reading Assignment:

The Smartbook reading activity is not the same as the textbook/ebook reading that is required before each Tuesday and described immediately above.

I have selected material from each chapter for you to read and set up questions related to that material. SmartBook is an adaptive reading experience; it will guide you to spend the most amount of time on material you are least familiar with.

The SmartBook reading is not graded but is very important for your understanding. The SmartBook reading assignment will open at the beginning of the semester and will remain open for the duration of the semester, but is 'due' by Tuesday night (11:59) pm of the Module week (3 days after the corresponding Module lecture).

Connect Online Graded Assignments:

Each Module week, I will assign graded problems. Working on these assignments will make it possible for you to identify your areas of strength and weakness. After submitting your assignment, you will see your score, the correct answer, an explanation, and the solution. You should plan to spend 2-3 hours on homework for each hour of class time on average. **Note that the smart book reading is essential for being able to successfully complete these problem sets.**

These problem sets will open 7 days before each Module Lecture (Saturday 4 PM) and will be due by Tuesday night, 11:59 PM, 3 days after the corresponding Module lecture. After the due date, these problems set windows will close. Assignments must be submitted by the due date, and late submissions will not receive credit. **Your score and the solutions will appear one hour after the due date.**

You are welcome to work on homework problems with your classmates. However, the answers you submit via Connect must be your answers and submitted electronically by you; you may not share your login credentials. Please note that Connect presents the same problems but will use different numbers for different students; thus, you can discuss/analyze the problems theoretically as a group, but your actual answers will differ from those of your classmates.

Extra Practice Problems:

In addition to the graded assigned homework, the syllabus includes additional (ungraded) practice problems. You are encouraged to complete these to reinforce your understanding of the material. It would be useful to complete these problems in small groups of 2-4 students, on paper. Doing this will help prepare you for the exams to be submitted on paper.

It is important to keep up in real time. The material is cumulative. Working a little bit every day is generally more effective than trying to master the material in one big chunk. If you attend class, keep up with the reading and problems, and spend the requisite time on the classwork weekly, you should feel comfortable with the subject matter.

The extra practice problems are open from the beginning of the semester and remain open for the duration of the semester, but it is preferable that you do them by Tuesday night at 11:59 pm (3 days after the corresponding Module lecture).

Course Questions and Communication:

- If you have questions about the material, please email me **and** the Teaching Fellow directly. When emailing, please include your full name, course name/section, and the word '*Question*' in the subject line.
 - If you are emailing about a specific homework problem, please include a screenshot, as our TF and I may not have easy access to the textbook.
- If you have questions of a private nature, please email me or the Teaching Fellow directly; include your full name, course name/section, and the word '*Private*' in the subject line.

Course and Stern Policies

Academic Integrity

Our undergraduate [Academics Pillar](#) states that ***we take pride in our well-rounded education and approach our academics with honesty and integrity***. Indeed, integrity is critical to all that we do here at NYU Stern. As members of our community, all students agree to abide by the NYU Stern Student Code of Conduct, which includes a commitment to:

- Exercise integrity in all aspects of one's academic work, including, but not limited to, the preparation and completion of exams, papers, and all other course requirements by not engaging in any method or means that provides an unfair advantage.
- Clearly acknowledge the work and efforts of others when submitting written work as one's own. Ideas, data, direct quotations (which should be designated with quotation marks), paraphrasing, creative expression, or any other incorporation of the work of others should be fully referenced. Your location 44 West 4th str
- Refrain from behaving in ways that knowingly support, assist, or in any way attempt to enable another person to engage in any violation of the Code of Conduct. Our support also includes reporting any observed violations of this Code of Conduct or other School and University policies that are deemed to adversely affect the NYU Stern community.

The entire Stern Student Code of Conduct applies to all students enrolled in Stern courses and can be found here: www.stern.nyu.edu/uc/codeofconduct

To help ensure the integrity of our learning community, the prose assignments you submit to Brightspace will be submitted to Turnitin. Turnitin will compare your submission to a database of prior submissions to Turnitin, current and archived Web pages, periodicals, journals, and publications. Additionally, your document will become part of the Turnitin database.

Stern Policy: General Conduct and Behavior

Students are also expected to maintain and abide by the highest standards of professional conduct and behavior. Please familiarize yourself with Stern's Policy in Regard to In-Class Behavior and Expectations:

(<http://www.stern.nyu.edu/portal-partners/current-students/undergraduate/resources-policies/academic-policies/index.htm>) and the NYU Student Conduct Policy (<https://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/university-student-conduct-policy.html>).

Student Accessibility

If you will require academic accommodation of any kind during this course, please notify me at the beginning of the course and provide a letter from the Moses Center for Student Accessibility (212-998-4980, mosescsa@nyu.edu) verifying your registration and outlining the

accommodations they recommend. If you will need to take an exam at the Moses Center for Student Accessibility, you must submit a completed Exam Accommodations Form to them at least one week prior to the scheduled exam time to be guaranteed accommodation. For more information, visit the CSA website:

<https://www.nyu.edu/students/communities-and-groups/student-accessibility.html>

Student Wellness

Classes and life can become stressful. I encourage you to reach out if you need help. The NYU Wellness Exchange offers mental health support. You can reach them 24/7 at 212 443 9999 or via the “NYU Wellness Exchange” app. There are also drop-in hours and appointments. Find out more at <http://www.nyu.edu/students/health-and-wellness/counseling-services.html>

–please scroll to the next page–

Weekly Class Schedule Grid

Please note: the dates and assignments listed below are subject to change.

Please make sure to print out this grid- you will need to refer back to it continuously throughout the semester for due dates, reading, and other assignments.

Except for Module 1, all Connect graded assignments open on Saturdays at 4 PM, one week before the corresponding Module’s Lecture, and are due and close 10 days later, on Tuesday night at 11:59 p.m. (3 days after the corresponding Module Lecture). The Connect SmartBook and Ungraded problems are open throughout the semester.

Module	Lecture Dates	Assigned Reading from the ebook or textbook (due <u>before</u> the Module Lecture).	Assignments Due: Submit via Connect, due on Tuesdays, 11:59 PM of the following Module week (3 days after the corresponding Module Lecture), with the exception of Module 1; see below.
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Module 1: Introduction to Financial Accounting	Saturday, February 10	Ebook/Textbook Ch 1: Financial Statements & Business Decisions, including Supplement A	Connect dates: Open from 2/3; due 2/16. <ul style="list-style-type: none"> Smartbook Reading, Ch1 Graded: Chap 1: E1-2, E1-4, E1-5, E1-7, P1-1 Ungraded: P1-3, CP1-5, IE1-1 Because the first week is truncated, I extended the deadline to <i>Friday the 16th</i>, but please make sure to do the reading for Module 2
Module 2: The Accounting System	Saturday, February 17	Ebook/Textbook Chap 2: Investing, Financing Decisions & the Balance Sheet	Connect dates: Open from 2/10; due 2/20. <ul style="list-style-type: none"> Smartbook Reading, Ch 2 Graded: Chap 2: E2-5, P2-5 Ungraded: E2-3, E2-7, CP2-6,
Module 3: Operating Decisions and the Adjusting Process	Saturday, February 24	Ebook/Textbook Chap 3: Operating Decisions & the Income Statement, pages 110-133; Ebook/Textbook Chapter 4: Adjustments, Financial Statements & the Quality of Earnings: page 172-p183 (mid of page); 188-192.	Connect dates: Open from 2/17; due 2/27. <ul style="list-style-type: none"> Smartbook Reading: Ch 3 Graded: Chap 3: M3-2, E3-7, P3-4, P3-5, Chap 4: E4-10, E4-16, E4-18 Ungraded: M3-4, M3-5, M3-8, E3-12, E3-13, E4-8
Module 4: Exam 1	Saturday, March 2 Exam 1: Chapters 1-4	Review Modules 1-4 for the exam, and also see Exam 1 Prep Materials on Brightspace.	Note: The exam will be in class at our allotted class time that week. It will be a "pen and paper" exam that I shall personally collect.
Module 5: Revenue and Accounts Receivable	Saturday, March 9:	Ebook/Textbook Chap 6: Sales Revenue, Receivables & Cash.	Connect dates: Open from 3/2; due 3/12. <ul style="list-style-type: none"> Smartbook Reading: Ch 6 Graded: Chap 6: E6-9, E6-20, E6-23, P6-2, P6-4 Ungraded: E6-8, E6-9, E6-14, Excel
Module 6: Inventory and COGS	Saturday, March 16	Ebook/TextbookEbook Chap 7: Cost of Goods Sold & Inventory (including Supp A, "LIFO Liquidations", but not Supp B/C	Connect dates: Open from 3/9; due 3/24. <ul style="list-style-type: none"> Smartbook Reading: Ch 7 Graded: Chap 7: E7-2, E7-8, E7-12, P7-6 Ungraded: E7-5, P7-4, Optional Extra Credit Assignment Due: Accounting in the Real World Discussion Board (Brightspace) Please note that the assignment is theoretically due on Monday, the 18th (not to bleed into Spring break). However, I will keep this open until the end of Spring break, so if you wish, you can take the additional time to complete the assignment on top of the usual window. You do not need to inform me of your choice.
SPRING BREAK	MARCH 18-24	NO CLASSES	ENJOY!
Module 7: Long Term Assets	Saturday, March 30	Ebook/TextbookEbook Chap 8: (including Supp "Changes in Deprec Estimates" & read CP8-7)	Connect dates: Open from 3/16; due 4/2. <ul style="list-style-type: none"> Smartbook Reading: Ch 8 Graded: Chap 8: E8-4, E8-10, E8-15, E8-17, E8-21, E8-24 Ungraded: M8-1, E8-1, E8-3, E8-7, E8-8, E8-14, E8-18, E8-22, P8-6, Please note that the Connect content is open an extra week (earlier) just in case

			you want to use the break as extra time. However, there is no reason for you to do so, it is just extra time if you wish.
Module: Exam 2	Saturday, April 6 Exam 2: Coverage Chapters 6-8	Review Modules 6-8 for the exam, and also see Exam 2 Prep Materials on Brightspace.	Notes: The exam will be in class at our allotted class time that week. It will be a "pen and paper" exam that I shall personally collect.
Module 8: Liabilities	Saturday, April 13	Reading Assignment: Ebook/TextbookEbook Chap 9: Liabilities (including Supplement B	Connect dates: Open from 4/6; due 4/16. <ul style="list-style-type: none"> • Smartbook Reading Ch 9 • Graded: E9-2, E9-13, E9-14, P9-6, P9-9, P9-13 • Ungraded: E9-1, E9-9, P9-C4
Module 9: Bonds	Saturday, April 20	Reading Assignment: Ebook/TextbookEbook Chapter 10: Bonds (chapter supplement is not required)	Connect dates: Open from 4/13; due 4/23. <ul style="list-style-type: none"> • Smartbook Reading: Ch 10 • Graded: Chap 10: E10-24, P10-7, P10-10, P10-13, CP10-4 • Ungraded: P10-3, P10-11
Module 10: Statement of Cash Flows	Saturday, April 27	Ebook/TextbookEbook Chap 12: Statement of Cash Flows, including Supp A & B (not C)	Connect dates: Open from 4/20; due 4/30. <ul style="list-style-type: none"> • Smartbook Reading: Ch 12 • Graded: E12-4, E12-13, P12-1, P12-3, P12-5 • Ungraded: E12-8, E12-11, E12-15, E12-21
Module: Exam	Saturday, May 4: Exam 3 Exam: MODULES 8-10	Exam duration: 1 hour and 50 minutes	Note: The exam will be in class at our allotted class time that week. It will be a "pen and paper" exam that I shall personally collect.

Enjoy the accounting experience; let the fun begin!