

ACCT 6331
Financial Accounting
Fall 2016

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Course Overview

ACCT 6331 is the required financial reporting course for MBAs. You cannot become experts in financial reporting in one course. That would take years of study and practice. You can, however, gain an appreciation of the accounting system and how the financial reports prepared from it are developed.

We live in an evolving financial world. Markets are becoming more global and more complex. National accounting standards and International Financial Reporting Standards will continue to evolve, and also to converge, as investors demand more comparability among companies in different parts of the world.

Financial accounting comprises the principles, rules and methods (called Generally Accepted Accounting Principles, or GAAP), by which those financial results are reported. In fact, accounting is often called “**the language of business.**” So, it is hard to imagine a successful businessperson who does not understand at least the basics of financial statements.

This course will prepare you to use accounting information as a decision-maker. It will focus on what the information means, where it can be found, and why some information is more important than other information. It will also cover the basics of financial statement analysis and discuss the extent to which financial information may be manipulated.

In order to fully understand how an accounting system works, we will first cover the basics of the financial reporting process and the fundamental accounting principles and assumptions underlying the three principal financial statements – Income Statement, Balance Sheet, and Statement of Cash Flows. We will then examine measurement issues and accounting choices related to specific elements of the financial statements, and conclude with an introduction to financial statement analysis.

Conduct of the Course

Class time will be spent discussing the assigned readings and homework exercises. You should come prepared to each class, having completed the assigned readings and homework assignments. Class discussions will be based on the assumption that you have done so.

You are strongly advised to keep up with the assignments. The “crisis approach” to studying is not appropriate for this course. The course is demanding. Failure to keep up with the assignments is likely to adversely affect your performance and the knowledge you will take from this course to the remainder of your MBA program. Many of the courses in finance and corporate strategy rely on your knowledge and understanding of financial statements.

Required Text

Weil, Schipper and Francis, *Financial Accounting: An Introduction to Concepts, Methods, and Uses*, 14th edition, (South-Western, 2012)

Grading

Your grade in ACCT 6331 will be based on the following:

First Exam	30%
Second Exam	40%
Homework	20%
Class Participation	<u>10%</u>
	<u>100%</u>

Examinations

Examinations will be closed book and will primarily consist of short problems related to the subject matter in the text. The first exam will cover material from chapters 1-6 and 8-10. It will be given on **October 24 from 6 – 9 pm for the Monday class and on October 25 from 6 – 9 pm for the Tuesday class**. The second exam will cover material from chapters 1-11 and 15. It will be given on **November 28 from 6 – 9 pm for the Monday class and on November 29 from 6 – 9 pm for the Tuesday class**. Please make sure that you have no conflicts, as there are **no** makeup exams.

Homework

There are two types of written homework assignments: group assignments and individual assignments.

There are three group assignments that you have to turn in at the start of class on the dates indicated. Groups should comprise three to four students. Only one submission is required per group.

You may discuss the individual written assignments in groups or work individually on them. However, each of you should **independently** prepare a written solution that

you may be asked to turn in. Written individual homework assignments will be graded primarily on the evidence of your effort to construct a logical solution to the problems.

All reading and written assignments should be completed prior to the start of the class for which they are assigned. Late submissions will **not** be accepted.

Class Participation

Your class participation grade will be based on your attendance and contribution to class discussion.

ACCT 6331 Class Assignments

Week	Topic (s)	Reading Assignments	Individual Written Assignments	Group Assignments
1 Aug. 22, 23	Overview of Financial Statements and the Reporting Process Record Keeping and Financial Statement Preparation: Balance Sheet	Chapter 1 Chapter 2	18, 19, 20, 31 8, 10	
2 Aug. 29, 30	Record Keeping and Financial Statement Preparation: Income Statement Balance Sheet	Chapter 3 Chapter 4	6, 7, 15, 18	25
3 Sept. 12, 13	Balance Sheet Income Statement	Chapter 4 Chapter 5	15, 20, 23, 24	
4 Sept. 19, 20	Income Statement Statement of Cash Flows	Chapter 5 Chapter 6	11, 13, 15, 20	
5 Sept. 26, 27	Statement of Cash Flows Revenue Recognition	Chapter 6 Chapter 8	27, 30, 33, 44	42
6 Oct. 3, 4	Revenue Recognition Working Capital	Chapter 8 Chapter 9	14, 19, 22, 23	
7 Oct. 10, 11	Working Capital Long-Lived Assets	Chapter 9 Chapter 10	16, 18, 24, 27, 30, 35	
8 Oct. 17, 18	Long-Lived Assets	Chapter 10	13, 20, 25, 29, 32	
9 Oct. 24, 25	FIRST EXAM Monday, October 24, 6-9 pm for the Monday class Tuesday, October 25, 6-9 pm for the Tuesday class			
10 Oct. 31, Nov. 1	Time Value of Money Notes, Bonds, and Leases	Appendix Chapter 11	10, 11, 17, 18c, 19a, 20b, 28	
11 Nov. 7, 8	Notes, Bonds, and Leases Shareholders' Equity	Chapter 11 Chapter 15	16, 21, 22, 25, 28	
12 Nov. 14, 15	Shareholders' Equity Introduction to Financial Statement Analysis	Chapter 15 Chapter 7	14, 15, 17, 22, 32, 34	
13 Nov. 21, 22	Introduction to Financial Statement Analysis	Chapter 7	15, 16, 17, 18, 19, 21	31
14 Nov. 28, 29	SECOND EXAM Monday, November 28, 6-9 pm for the Monday class Tuesday, November 29, 6-9 pm for the Tuesday class			