ACCT 6331  
Financial Accounting  
Fall 2016

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Office Hours: Wednesday 1:00 pm to 4:00 pm

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**


**Grading**

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

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>First Exam</td>
<td>30%</td>
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<tr>
<td>Second Exam</td>
<td>40%</td>
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<tr>
<td>Homework</td>
<td>20%</td>
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<tr>
<td>Class Participation</td>
<td>10%</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
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**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

<table>
<thead>
<tr>
<th>Week</th>
<th>Topic (s)</th>
<th>Reading Assignments</th>
<th>Individual Written Assignments</th>
<th>Group Assignments</th>
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</table>
| 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                         | 25                |
| 2 Aug. 29, 30 | Record Keeping and Financial Statement Preparation: Income Statement  
                    Balance Sheet | Chapter 3, Chapter 4 | 6, 7, 15, 18 |                                |
| 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** | Appendix, Chapter 11 | 10, 11, 17, 18c, 19a, 20b, 28 |                                |
| 10 Oct. 31, Nov. 1| Time Value of Money  
                            Notes, Bonds, and Leases | Chapter 11 | 16, 21, 22, 25, 28 |                                |
| 11 Nov. 7, 8 | Notes, Bonds, and Leases  
                      Shareholders’ Equity | Chapter 11, Chapter 15 | 14, 15, 17, 22, 32, 34 |                                |
| 12 Nov. 14, 15| Shareholders’ Equity  
                      Introduction to Financial Statement Analysis | Chapter 15, Chapter 7 | 15, 16, 17, 18, 19, 21 | 31                |
| 13 Nov. 21, 22| Introduction to Financial Statement Analysis | Chapter 7          |                                |                                |
| 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** | Appendix, Chapter 11 | 10, 11, 17, 18c, 19a, 20b, 28 |                                |