

ACCT 6331
Financial Accounting
Fall 20167

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Course Overview

ACCT 6331 is the required financial reporting course for MBAs. This core course is designed to help you understand the accounting system and how the financial reports prepared from it are developed. It will help you develop an ability to understand, interpret and evaluate published financial statements. The course focuses on the basic details of the financial reporting process and the fundamental accounting principles, assumptions, and limitations of financial reporting.

ACCT 6331 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 assignment. 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%
Group Project	10%
Homework	10%
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 23 from 6 – 9 pm for the Monday class and on October 24 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 27 from 6 – 9 pm for the Monday class and on November 28 from 6 – 9 pm for the Tuesday class**. Please make sure that you have no conflicts, as there are **no** makeup exams.

Group Project

The group project requires you to analyze a publicly traded company of your choice. Your analysis should include an assessment of the company's business environment, earnings quality, profitability, financial strength and risk, and a recommendation on whether it is a good/poor investment.

Two copies of your typewritten report are to be handed in **at the start of class on November 27 for the Monday class and on November 28 for the Tuesday class**. The report should not exceed 5 pages (12-point, double-spaced) excluding exhibits.

Homework

Homework consists of reading and written assignments. All reading and written assignments should be completed prior to the start of the class for which they are assigned.

You may discuss the 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.

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