

ACCT 6331
Financial Accounting
Fall 2019

Professor: Gerald Lobo
Office: 380D Melcher Hall

Assistant: Minjae Koo
Email: mkoo@bauer.uh.edu
Office: 380A Melcher Hall
Office Hours: Wednesday 1:00 pm to 4:00 pm

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	15%
Homework and Class	
Participation	<u>15%</u>
	<u>100%</u>

Examinations

Examinations will be closed book and will primarily consist of conceptual questions and 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 21**. The second exam will cover material from chapters 1-11 and 15. It will be given on **November 25**. 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 25**. The report should not exceed 5 pages (12-point, double-spaced) excluding exhibits.

Homework and Class Participation

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 will be evaluated based on attendance and contribution to class discussion.

ACCT 6331 Class Assignments

Week	Topic (s)	Reading Assignments	Individual Written Assignments
Week of August 19	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
Week of August 26	Record Keeping and Financial Statement Preparation: Income Statement Balance Sheet	Chapter 3 Chapter 4	6, 7, 15, 18, 25
Week of September 2	No class		
Week of September 9	Balance Sheet Income Statement	Chapter 4 Chapter 5	15, 20, 23, 24
Week of September 16	Income Statement Statement of Cash Flows	Chapter 5 Chapter 6	11, 13, 15, 20
Week of September 23	Statement of Cash Flows Revenue Recognition	Chapter 6 Chapter 8	27, 30, 33, 42
Week of September 30	Revenue Recognition Working Capital	Chapter 8 Chapter 9	19, 22, 23, 33
Week of October 7	Working Capital Long-Lived Assets	Chapter 9 Chapter 10	16, 18, 24, 27, 30, 35
Week of October 14	Long-Lived Assets	Chapter 10	13, 20, 29, 32
Week of October 21	FIRST EXAM Monday, October 21		
Week of October 28	Time Value of Money Notes, Bonds, and Leases	Appendix Chapter 11	10, 11, 17, 18c, 19a, 20b, 28
Week of November 4	Notes, Bonds, and Leases Shareholders' Equity	Chapter 11 Chapter 15	16, 21, 22, 25, 28
Week of November 11	Shareholders' Equity Introduction to Financial Statement Analysis	Chapter 15 Chapter 7	14, 15, 17, 22
Week of November 18	Introduction to Financial Statement Analysis	Chapter 7	15, 16, 17, 18, 19, 21, 31
Week of November 25	Group Project Due SECOND EXAM Monday, November 25		