

**New York University  
Leonard N. Stern School of Business  
Principles of Financial Accounting (C10.0001.02)  
Summer 2008, Session II  
MW 6:00pm – 8:55pm (Tisch UC 52)**

**SYLLABUS**

**Instructor:** Alina Lerman

**Office:** KMEC 10-99

**Office Hours:** Wednesday 3:30 pm to 5:30 pm at KMEC 10-181 (or by appointment)

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**Phone:**

**COURSE OBJECTIVES**

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Accounting produces much of the information used within corporations. Accounting information is used in valuation, in contracting, by investors, by creditors, by managers and by the government. A good understanding of accounting is one of the basic building blocks of business education.

The objective of the course is to introduce you to the basic principles that underlie accrual accounting and help you become an intelligent reader of the balance sheet, income statement, and statement of cash flows. I assume no prior academic knowledge of financial accounting. The class sessions aim to develop the fundamentals of each topic, explore its implications through examples (problem-solving), and incorporate it into the framework of the accounting process and financial statements. Throughout the semester, we will be doing problems using real financial statements.

**CLASS FORMAT**

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The course requires significant out-of-class preparation. The class sessions will be conducted under the assumption that you have completed the assigned readings prior to the class. The concepts will be reviewed in class, but at a faster pace, and emphasis will be placed on application through a set of problems and in-class examples.

*It is essential that you keep up with your readings: accounting is a language intensive subject and is not conducive to cramming for exams!*

## GRADING

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Your grade will be comprised of the following components:

- 1) Class Attendance / Homework / Class Participation.
  - a. *Class Attendance* – the class is very fast-paced and I expect that you will attend all class sessions. A sign-up sheet will be passed at the beginning of each class (if you arrive late please sign the sheet during the break – persistent lateness will be noted and penalized). If you have to miss a class, please let me know in advance and make sure to obtain the notes for that class from your classmates.
  - b. *Homework* - unless stated otherwise, homework assignments will be collected each class. You can work on the homework assignments in groups, however, I expect you to submit an individually hand-written set of answers. The assignments will be graded 0, 1, 2, where a score of 2 will be given if there is evidence that you made significant effort to complete all problems. A practice exam will be handed out after the first four lectures. It will be collected and graded as an additional homework. Late assignments will not be accepted unless due to documented serious illness or family emergency.
  - c. *Class Participation* – class discussions are an essential tool for the course and students are expected to participate in all facets of classroom learning.
- 2) Midterm / Final Exam.
  - a. The two exams are closed book and closed notes. You are allowed to bring one 8.5 x 11" sheet of hand-written notes to each exam (you may use both sides). Make sure to bring a calculator to the exams. The format of the exams will be discussed in class. Although emphasis will be placed on the material covered since the midterm, the final exam will be cumulative, as accounting is cumulative by nature.
  - b. You are expected to take the two exams at the scheduled times. Make-ups will be allowed only if you have a University-approved excuse (e.g., illness or family emergency) and if you notify me prior to the date and time of the exam. Failure of either of those conditions will result in a score of 0 for the missed exam.

### Grade component weights:

Attendance / Homework / Class Participation	20%
Midterm Exam	35%
Final Exam	<u>45%</u>
Total	100%

To arrive at your course letter grade, I will calculate your weighted-average score and will consider your score relative to the performance of the class.

## COURSE MATERIALS

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1. Textbook: Horngren, Sundem, Elliott & Philbrick (2006), *Introduction to Financial Accounting (9th Edition) custom edition for C10.0001*. The book is abbreviated HSEP.
2. Lecture notes, including class discussion problems, practice problems, and solutions to problems in HSEP will be posted on Blackboard at <http://sternclasses.nyu.edu>. You need to log in using your Stern ID and password (same as for Webmail).

## CLASS SCHEDULE

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Date	Topics & Assigned Readings	Assigned Problems
1. Monday, June 30	Course Introduction and Overview Chapter 1: Balance Sheet	
2. Wednesday, July 2	Chapter 2: Income Statement	1-26, 1-36, 1-40
3. Monday, July 7	Chapter 3: Recording Transactions	2-34, 2-37, 2-46, 2-55
4. Wednesday, July 9	Chapter 4: Accrual Accounting <i>Practice Exam handed out</i>	3-20, 3-34, 3-40, 3-45
5. Monday, July 14	Chapter 6: Sales & AR	4-22, 4-25, 4-35, <i>Practice Exam</i>
6. Wednesday, July 16	Chapter 7: COGS & Inventory <i>Midterm Exam Review</i>	6-34, 6-48, 6-49, 6-59
7. Monday, July 21	<b>MIDTERM EXAM: Chapters 1-4; 6-7</b> Chapter 8: Long-Lived Assets & Depreciation	7-41, 7-47, 7-56
8. Wednesday, July 23	Chapter 8: Long-Lived Assets & Depreciation – cont'd Chapter 9: Current Liabilities (p.382-389)	
9. Monday, July 28	Chapter 9: Long-Term Liabilities & Bonds; Leases; Time value of Money	8-31, 8-37, 8-47, 8-53
10. Wednesday, July 30	Chapter 5: Statement of Cash Flows	9-33, 9-52, 9-56
11. Monday, August 4	Chapter 10: Stockholders' Equity <i>Course wrap-up and Final Exam Review</i>	5-32, 5-35, 5-41, 5-44, 5-53. <b>**Try 10-45, 10-48, 10-56 (not handed in)**</b>
12. Wednesday, August 6	<b>FINAL EXAM: Chapters 1-10</b>	

*Additional office hours (at KMEC 10-181) : Friday July 18, 3 pm – 7 pm  
Tuesday August 5, 2 pm – 6 pm*