

Prof. Paul Zarowin  
422 Tisch Hall

Ph: 212-998-0015  
Fax: 212-995-4004  
E-mail: pzarowin

Spring, 2004 - Class Schedule

B10.2302 & C10.0021: Financial Reporting & Analysis

Monday and Wednesday

Wednesday, January 21 - Monday, May 3

week of (#'s are chapter #'s)

<u>Monday:</u>	<u>Monday</u>	<u>Wednesday</u>
Jan 19		Income Statement, Earnings Management, Accounting Changes 1,2 (46-66), 3(113-119), 5 (200-204), 6 (242-246), 7 (318-320)
Jan 26	Receivables 8(except 363-368)	Receivables, cont'd
Feb 2	Inventories 9 (+ App. B and C)	Inventories, cont'd
Feb 9	Inventories, cont'd	Liabilities 11 (except 529-545)
Feb 16	Off- B/S Liabilities 11 (527-519), 16 (823-827)	Off- B/S Liabilities, cont'd
Feb 23	Leases 12	Leases cont'd
Mar 1	Leases, cont'd	Leases, cont'd
Mar 8	Taxes 13	<i>Midterm Exam (thru leases)</i>
Mar 15	<b>Spring Break</b>	
Mar 22	Taxes, cont'd	Taxes, cont'd

C10-0021 and B10.2302, Fall, 2002 - Class Schedule, cont'd

week of (#'s are chapter #'s)

<u>Monday:</u>	<u>Monday</u>	<u>Wednesday</u>
Mar 29	Taxes, cont'd	Pensions 14
Apr 5	Pensions, cont'd	Pensions, cont'd
Apr 12	Pensions, cont'd	Owners' Equity 15 (757-770, 783-786)
Apr 19	Owners' Equity, cont'd	EPS 15 (770-774)
Apr 26	Executive Compensation 15 (774-782)	<b>Financial Statement Case</b>
May 3	Review	

Final Exam: Date and time TBA

The course text is *Financial Reporting and Analysis* by Lawrence Revsine, Daniel W. Collins, and W. Bruce Johnson (Prentice Hall), *Second Edition*. I refer to the text as RCJ.

additional materials, which may be helpful for students

1. Powerpoint slides for the class, examples from financial statements, and articles of interest from the popular press, can be found on the course's Blackboard site, organized under each topic.

2. Teaching notes (condensed chapters on each topic) and solutions to all RCJ problems can be found on the course's Blackboard site, organized under each topic.

3. Any additional materials will be distributed by the professor.

Grading is as follows: Midterm 25%, Cases 30%, Final 35%, Class participation 10%. The cases are 1. take-home mini-cases (approx. one page) on each topic that we cover (i.e., dealing with a specific disclosure) that are done individually, and 2. a group project which is an analysis of a financial statement of your choosing, applying the techniques we learn in this course. You should work in groups of 4 or 5. On the date shown in the syllabus, you will hand in your case write-up, and be prepared to discuss the case in class. We will devote the class session to a discussion of the cases.

Last but not least, I expect everyone to be on time to class, to bring their name cards, and to be prepared to discuss the day's homework assignment.

B10.2302- Schedule of Homework Assignments

At the end of each chapter are Exercises, Problems, and Cases, denoted E, P, and C respectively, below. Each question is also denoted by its company name and topic. We will cover required homework questions in class; recommended questions are optional, but helpful for studying for the exams. *Although homework will not in general be collected, from time to time I will collect the day's assignment. In this case, the handed in homework will be checked just to see that an honest effort is made. The homework must be handed in when called for; no late assignments will be accepted. Graded homeworks will be part of your class participation grade.*

<u>Chapter</u>	<u>Required</u>	<u>Recommended</u>
<b>Income Statement Format and Earnings Management:</b>		
Ch.1	C1-1 AST restatement C1-6 TWA Extra-ordinary gain	
Ch. 2	P2-11 Helen DiscOp P2-12 Ingersoll Rand sustainable earnings C2-2 Quaker G's/L's	P2-13 Murphy DiscOp
Ch. 6		P6-14 Colonel Elec. Sustain Inc. P6-20 Restructuring Charges C6-5 Microsoft Unearned Rev C6-7 Monsanto EVA
Ch. 7		P7-5 Cayman Exec Comp P7-9 Microsoft Unearned Rev
Ch. 10		C10-1 Microsoft R&D
Ch. 15	P15-9 General Electric EPS mgmt.	
<b>Accounting Changes</b>		
Ch. 2	E2-10 Younger, Accounting Change C2-1 Fuentes various changes	E2-11 Roem Acct Change
Ch. 10	P10-13 Major Motors chg in useful life	C10-3 Delta ch in useful life
<b>Receivables</b>		
Ch. 8	P8-9 Mik-Gen Collateralized Borrowing P8-14 Disclosures P8-15 Moto-Lite Real Sales? P8-16 Aurora Al. Real Sales? C8-3 Spiegel Receivables Growth	P8-10 Atherton Factoring C8-5 Software Tool Analysis
<b>Inventories</b>		
Ch. 9	E9-13 Acute DVL P9-11 Oxford LIFO footnote C9-2 GE LIFO footnote C9-3 Harsco LIFO footnote C9-6 Weldotron FIFO-LIFO switch	E9-14 Fern DVL P9-2 Alex FIFO/LIFO P9-3 Ruedy LIFO Fip P9-9 Fraser FIFO/LIFO P9-12 Maple LIFO analysis

B10.2302 - Schedule of Homework Assignments, cont'd

<u>Chapter</u>	<u>Required</u>	<u>Recommended</u>
Ch. 9		P9-13 Sirotko LIFO analysis C9-1 Barbara LIFO analysis

**Liabilities**

Ch. 11	E11-5 Davis bond retirement E11-9 Tusk D/E swap (MV=\$82,509,064) E11-10 Ledge Zero Coupon P11-9 Sears reading financials P11-10 Mead reading financials P11-20 Chain debt-debt swap C11-3 Delhaize disclosure C11-4 ShopKo disclosure	E11-7 Brower loss contingency E11-12 Roland bond retirement E11-13 Wood off B/S debt P11-6 Tango bond retirement P11-12 Merrill callable bonds P11-16 Rumours amortization P11-17 3 loss contingency disc P11-21 ALZA zero coupon disc C11-2 TuesdayMorn disclosure C11-5 Coca Cola disclosure
Ch. 16	C16-5 Air Products joint venture	P16-12 ABD&C equity vs consolidation

**Leases**

Ch. 12	E12-2 Lafayette lessee E12-4 Ball lessee E12-6 Benedict sales type lease E12-7 Glade lessor direct financing (DF) lease E12-12 Roe executory costs E12-13 Lane sale and leaseback P12-2 Seven Wonders ordinary annuity P12-3 Seven Wonders annuity due P12-13 Penguin disclosure C12-1 Arcadia disclosure C12-4 Delta disclosure	E12-1 Fox lessor/lessee E12-5 Grady lessor E12-8 Peg sales type lease P12-5 Kingston ratios P12-7 Railcar lessor DF P12-8 Railcar oper lease P12-9 ABC sales type lease P12-10 Trans Global FSA P12-11 Overseas FSA P12-12 Corporal FSA C12-2 May disclosure C12-3 Tuesday Morn disc C12-6 Sears disclosure
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**Taxes**

Ch. 13	E13-6 Tyre current and deferred tax E13-3 Tow deferred tax liability E13-7 Dunn current and deferred tax E13-16 Mobe NOL E13-17 Figland DTA val allow E13-19 Lally comprehensive P13-6 Metge comprehensive P13-7 Smith NOL P13-9 Enis stat vs eff tax rates P13-11 Bush comprehensive P13-13 Crum leasing and def tax C13-1 Baldwin footnote	E13-1 Allen cur tax/pay E13-2 Huff def tax liab E13-4 Noor def tax, B/S E13-5 Mill LT contracts E13-8 Kent cur&def tax E13-9 West def tax asset E13-10 Black def tax asset E13-11 Quinn def tax exp E13-13 Town NOL E13-14 Dix NOL E13-15 Colt NOL P13-1 Moss def tax liab
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B10.2302 - Schedule of Homework Assignments, cont'd

<u>Chapter</u>	<u>Required</u>	<u>Recommended</u>
Ch. 13	C13-2 Sara Lee footnote	P13-3 Lex'ton def tax exp P13-4 Joy cur&def tax P13-8 Barron NOL C13-4 Circuit City ftnote C13-5 ABC ftnote

**Pensions**

Ch. 14	E14-1 Seda PBO E14-3 Loch prepaid cost E14-4 Webb contribution E14-5 Nome additional liability E14-6 Gali ROA E14-7 Kane B/S liability E14-13 Bostonian comprehensive E14-14 Nelson funded status reconciliation P14-1 Sparta comprehensive P14-2 Turner comprehensive P14-12 Beatty corridor amortization P14-13 McKeown comprehensive (worksheet handout) P14-14 Kothari disclosure C14-2 Aeromed disclosure C14-3 Shileny & Cribb disclosure	E14-2 Kerr B/S liability E14-10 Payne min liab E14-12 expense P14-3 Puhlman comp'sve P14-9 Sadding comp'sve
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**Owners' Equity**

Ch. 15	P15-7 Abbott pro-forma P15-15 ShopKo O/E Statement C15-3 Tuesday Morning O/E Statement	P15-3 Hershey conv debt P15-11 Time Warner pref stk P15-13 Trask O/E Statement
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**Earnings Per Share (EPS)**

Ch. 15	E15-12 Tam basic EPS E15-13 Fountain #shares E15-14 Petrock basic and diluted EPS P15-4 Holiday Roads basic and diluted EPS P15-8 Central Sprinkler repo's and EPS P15-12 Kadri EPS comprehensive	E15-16 Keystone repo, EPS
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**Executive Stock Options**

Ch. 15	E15-11 Austin ESO's E15-15 Amos ESO's P15-6 Schlumberger ESO disclosure C15-1 Amazon ESO disclosure
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