



NEW YORK UNIVERSITY · LEONARD N. STERN SCHOOL OF BUSINESS

**PRINCIPLES OF FINANCIAL ACCOUNTING**  
**C10.0001.01**  
**FALL 2007**

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**OFFICE HOURS:**

**TUESDAY & THURSDAY,**

**11AM – 1PM, OR BY APPOINTMENT**

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**OVERVIEW:**

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.

This course introduces the fundamentals of accounting. We will approach the subject from a user's point of view, not the accountant, although this does require extensive work on how accounting information is prepared. By the end of this course, you should be able to read and understand financial statements.

The course begins with the simplest and most important rules of accounting. We begin by looking at the three fundamental financial statements -- the balance sheet, the income statement, and the statement of cash flows. Particular attention is paid to how the three statements interact with each other. We then move on to specific topics in accounting. Throughout the semester, we will be doing problems using real financial statements.

## TEXT:

The basic text is Horngren, Sundem and Elliot, Financial Accounting, Custom Edition, Prentice-Hall. **You may not use the 8th Edition.** All assigned readings and homework problems are from the text. We will be using the General Mills Form 10-K, 2007. This is available in PDF format on the Blackboard site for this course (<http://sternclasses.nyu.edu/>) and from the General Mills website (<http://www.generalmills.com>).

## GRADING:

Assessment is based on three open-book exams & 10 short quizzes. The first two midterms will be held on 10/16/07 and 11/13/07 respectively. There are no make-up exams. All exams are cumulative. The exams will be weighted: 20%, 25% and 35% respectively. Quizzes will account for 10% of your grade. Quizzes, when given, will be during the first 10 minutes of class. **There are no make-ups.** Attendance is a must. If you miss an exam (for a legitimate reason) the next exam will be counted as cumulative for the point value of the missing exam.

## TA'S

Shaun Weber  
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## CORE ENHANCEMENT:

There is a supplemental case book that is shrink-wrapped with the text. Due dates will be announced. They are worth 10% of your grade.

## **SYLLABUS:**

- 9/4 Introduction: Bring General Mills to class  
9/6 Read Chapter 1  
9/11 Homework: Chapter 1: 26, 31, 33, 35, 36, 38  
9/8 Read Chapter 2: The Income Statement,  
9/20 Homework: Chapter 2: 34, 48, 49, 45, 48, 55  
9/25 Read Chapter 3 – Recording Transactions  
9/27 Homework: Chapter 3: 20, 21, 26, 30, 38, 43, 49  
10/2 Accounting Adjustments Read: Chapter 4 – Using Financial Statements – In Class:  
22, 23, 24, 25, 27  
10/4 Homework: Chapter 4  
10/9 Abercrombie & Fitch Case  
10/11 **REVIEW**  
10/16 **EXAM 1**  
10/18 Read: Chapter 6: Revenue Recognition and Cash, Accounts Receivables  
  
10/23 Homework: Chapter 6: 34, 35, 37, 54, 56, 58  
10/25 Read: Chapter 7: Inventories & Cost of Goods Sold  
10/30 Homework: Chapter 7: 34, 41, 47, 48, 55, 56, 66  
11/1 Read: Chapter 8: Long Lived Assets & Depreciation  
11/6 Homework: Chapter 8: 27, 31, 34, 35, 47, 48, 53, 60, 75  
11/8 **REVIEW**  
11/13 **EXAM 2**  
11/15 Read: Chapter 9: Liabilities & Interest (Introduction to Present Value Concepts)  
  
11/20 Homework: Chapter 9: 32, 33, 34, 35  
11/27 Read: Chapter 9: Present Value Concepts and Long-term Bonds & Leases  
  
11/29 Homework: Chapter 9: 25, 32, 43, 46, 54, 65  
12/4 Read: Chapter 5: Statement of Cash Flows  
12/6 Homework: Chapter 5: 31, 44, 54, 41, 62, 75  
12/11 Read: Chapter 10: Stockholder's Equity  
Homework: Chapter 10: 34,45, 46, 48, 60, 62, 75  
Review for Final Exam

**FINAL EXAM TBA**