

New York University
Leonard N. Stern School of Business
Principles of Financial Accounting (C10.0001.01)
Summer 2007, Session I
MW 9:00 – 11:55 (Tisch LC 10)

SYLLABUS
(subject to change)

Instructor: Kalin Kolev
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Office Hours: Monday and Wednesday, Noon – 1:00 pm and by appointment

Teaching Assistant:
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COURSE OBJECTIVES

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.

CLASS FORMAT

The course requires significant out-of-class preparation. The class sessions will be conducted under the assumption that you have completed the assigned readings and have attempted (but not necessarily successfully completed) the homework assignments 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

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 have to miss a class, please let me know in advance and make sure to obtain the notes for that class from your peers.

- 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 have attempted, but not necessarily successfully completed, all problems.
 - c. *Class Participation* – class discussions are an essential tool for the class and I will frequently invite by name individual students to respond to a question or make a comment.
- 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	15%
Midterm Exam	35%
Final Exam	<u>50%</u>
Total	100%

To arrive at your course letter grade, I will calculate your weighted-average score and will apply the “Stern Curve” relative to the class.

COURSE MATERIALS

1. Textbook: Horngren, Sundem, Elliott & Philbrick (2006), *Introduction to Financial Accounting (9th Edition)*, custom edition for C10.00001. The book is abbreviated HSEP.
2. Lecture notes, including class discussion problems, practice problems, and solutions to problems in HSEP posted on Blackboard at <http://sternclasses.nyu.edu>. You need to log in using your Stern ID and password (same as for Webmail).

Note that although the textbook is an excellent reference, it should be used in conjunction with the other materials for the class.

CLASS SCHEDULE

Date	Topics & Assigned Readings	Assigned Problems*
1. Monday, May 14	Course Introduction and Overview Chapter 1: Balance Sheet Chapter 2: Income Statement	
2. Wednesday, May 16	Chapter 2: Income Statement - cont'd Chapter 3: Recording Transactions	1-36, 1-40 2-34, 2-45, 2-55 3-20, 3-40
3. Monday, May 21	Chapter 4: Accrual Accounting Chapter 9: Time-Value of Money (p.418-424)	3-39, 3-45, 4-35, 4-43 9-41
4. Wednesday, May 23	Chapter 6: Sales & AR (read p.232-250, skim the rest)	6-48, 6-49
5. Monday, May 28	No class – Memorial Day	
6. Wednesday, May 30	Chapter 7: COGS & Inventory (read p.280-300 & p.303-307, skim the rest) – cont'd	7-41, 7-47, 7-51, 7-75
7. Monday, June 4	Midterm Exam Review (last-minute questions) MIDTERM EXAM: Chapters 1-4; 6-7	
8. Wednesday, June 6	Chapter 8: Long-Lived Assets & Depreciation	8-37, 8-42, 8-51
9. Monday, June 11	Chapter 9: Current Liabilities (p.382-389) Chapter 9: Long-Term Liabilities & Bond Accounting (p.390-404)	9-33 9-50, 9-52, 9-56, 9-58
10. Wednesday, June 13	Chapter 5: Statement of Cash Flows	Chap.5 HW Handout
11. Monday, June 18	Chapter 10: Stockholders' Equity Course wrap-up and Final Exam Review	10-53
12. Wednesday, June 20	Final Exam Review (last-minute questions) FINAL EXAM: Chapters 1-10	

* Only the problems in **bold-type** will be collected.