

Haifa University – Faculty of Management
Department of Business Administration
Global Green MBA in English
Financial Accounting (8110) –21/02/2019 – 12/05/2019

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Office Hours: by appointment

Course Website: Moodle - <https://mw8.haifa.ac.il/>

Course Description:

This course deals with the structure and information content of the three principal financial statements of profit-directed companies, namely the income statement, balance sheet and statement of cash flows. It develops skills in how to use accounting information to analyze the performance and financial condition of a company. The course will further discuss issues within the domain of managerial accounting, how managers use financial information for internal decision making. Topics related to sustainability and sustainability reporting will be discussed. This course is appropriate for students with no prior background in accounting..

Course Overview:

The course introduces you to financial accounting, set in framework for decision-making and analysis of an organization. The intent is to enable you to become effective users of accounting information and financial knowledge as managers; however, during the course you will become familiar with aspects of accounting and the accountant's job, so as to be aware of the potential pitfalls that can confront the unwary user of accounting information.

Learning Objectives

The course enables you to develop an initial **understanding** of the:

- (1) Economic foundations of financial accounting and the information content of the main accounting statements - the balance sheet, the income statement and the statement of cash flows
- (2) Tenets of US Generally Accepted Accounting Principles (USGAAP) and International Financial Reporting Standards (IFRS), currently adopted by Israel and over 100 other countries.
- (3) Relevant concepts of Managerial Accounting – how managers within companies use financial information to assist in decision making – will be introduced.
- (4) The challenges of corporate disclosure to interested parties of sustainability initiatives and measurement will be discussed.
- (5) Continual ethical challenges confronting accountants and managers in developing, reporting and using accounting information.

The course provides a basis for continued study to build competence in accounting, financial analysis and corporate financial management, or to pursue specializations in other managerial disciplines. Spreadsheet analysis skills are enhanced by the use of applications throughout the course.

The course uses readings, lectures, homework assignments, and case studies to accomplish its learning objectives. You are expected to be an active participant in the learning process by conscientiously preparing material for class and being involved in class discussions. You are encouraged to work on assignments in groups; however, *submitted work should be your own*.

Course Materials:

(Required)

- **Principles of Accounting**, Larry Walther, Ph.D., CPA, CMA – available online at: www.principlesofaccounting.com
- (A printed version of the textbook may be purchased at <http://www.principlesofaccounting.com/bookstore>)

Additional materials will be on Moodle, including class outlines, homework problems, case materials, readings, and suggested problem solutions.

(Strongly Recommended/Optional)

- The Wall St. Journal (discounted student subscriptions available)

Measurement (Grading)

Measures of success in accomplishing the objectives are embedded throughout the course. These include assessment of classroom participation, submitted homework exercises, written case studies, and a final examination, weighted as follows:

Annual Report Project	15%
Case Studies	20%
Attendance & Participation	15%
Final Exam	<u>50%</u>
Total	<u>100%</u>

In-Class Exercises:

Although you normally will not be expected to hand in written homework, we will spend a lot of class time going over suggested exercises related to the covered chapters. You are expected to review these exercises prior to class and arrived prepared to go over and discuss these exercises. Note that the exercises are similar to those you will be on the final exam.

Class Participation

Class participation is an important element of this course. Accounting is no exception to the rule that people learn by doing. Participation makes our class more interesting and clarifies your understanding of the material.

Included in the class participation portion of your grade will be your attendance, your attentiveness, your being on time for class, your ability to ask thoughtful questions during class, and your ability to respond to questions from your instructor. Chronic lateness will not be tolerated, as it is a distraction to your classmates and me.

Attendance is considered necessary for satisfactory performance in this course. More than 2 absences will result in the loss of 1 letter grade of your final calculated grade. **Being late is considered an absence.**

Annual Report Project

The purpose of this assignment is for you to show that a firm's publicly available financial information broadly presents the achievements and suggests future directions of its business activity. Each student must select a publicly traded US company to analyze. Your company choice must be approved by the instructor and each student must select a unique company (first come, first served!). A full description of this project and further details are available on the course's Moodle page.

Case Studies

Two case studies will be assigned. Each student is expected to analyze each case and prepare a 2-4 page write-up to be handed in. Note that this is an individual assignment! In addition, students must be prepared for in-depth class discussion of each case.

Final Exam

The Final Exam is scheduled by the University during the week after the last class period (exact date and time to be determined). The exam content will be mostly objective and short case-oriented and closely related to the text and the problem assignments. ***Makeup exams will only be granted under the guidelines and policies of the University of Haifa!***

Class Format and Student Preparation

Classes will consist of lectures, discussions, and problem solving. As indicated in the class schedule, there will typically be chapter readings and homework problems assigned for each class meeting. As part of their preparation for class, students are expected to study the chapter readings and complete the homework problems PRIOR TO each class meeting.

I will normally devote a part of each class period to the discussion and illustration of selected items from the assigned materials. The objective of these discussions is to clarify and elaborate on certain items because of their special relevance or difficulty. Students are encouraged to ask questions at any time and to request that particular points be explained in more detail, if they remain confused or uncertain about items discussed or if concepts in the readings remain unclear.

Tips for Success in this Class

First of all, this is NOT a course to take lightly. Despite any preconceived opinions you may have about your ability to understand accounting or the importance of accounting to an organization or your personal career goals, you can succeed in this course and learn a lot! The best way to succeed in this course is to keep up. It is also important that you take a systematic approach to this course and set aside regular time each week, to read the chapters and do the homework problems before class, so you can make the most of the class lectures. You should also set aside time after class to review your class notes, to reinforce what was discussed in class, which will help with your retention of the material.

I realize that this may not be the only class that you are taking this semester and you will have a juggling act trying to balance your classes, work, and personal life. However, in my prior experience with this class, I believe you need to make this class a high priority (#1 priority ideally) among your classes in order to succeed in it.

Good luck this semester!

Principles of Accounting – International Green MBA
February – May, 2019
Tentative Class Schedule

Class #	DATE	TOPIC	READING	IN-CLASS EXERCISES
1	Thursday, Feb. 21 15:00-18:00	Introduction Information Processing	Chapter 1 Chapter 2	I-01.03, I-01.05 I-02.04
2	Thursday, Feb. 28 15:00-18:00	Income Measurement The Reporting Cycle	Chapter 3 Chapter 4	I-03.04 I-04.03, I-04.05, I-04.06
3	Thursday, Mar. 7 15:00-18:00	Selected Issues Related to Accounting for Current Assets (Cash, Receivables)	Sections from: Chapters 6, 7	I-06.02 I-07.01, I-07.03
4	Thursday, Mar. 14 15:00-18:00	Selected Issues Related to Merchandise and Accounting for Current Assets (Inventory)	Sections from: Chapters 5, 8	I-05.01 I-08.02 Case #1 Due - S&H Green Stamps
5	Thursday, Mar. 28 15:00-18:00	Selected Issues Related to Accounting for Long-Lived Assets (Property, Plant, Equipment, Natural Resources, Intangible Assets)	Sections from Chapter 10, 11	I-10.02, I-10.03 I-11.01, I-11.03, I-11.05
6	Thursday, Apr. 4 15:00-18:00	Selected Issues Related to Accounting for Liabilities and Stockholders' Equity Introduction to Financial Statement Analysis	Sections from: Chapters 12, 13, 14	I-12.02, I-12.03 I-13.03, I-13.04 I-14.02, I-14.04 Case #2 Due – Martin & Winter
7	Thursday, Apr. 11 15:00-18:00	Budgeting: Planning for Success	Chapter 21	I-21-01, I-21-02
8	Thursday, May 2 15:00-18:00	Catch-Up and Review for Final Exam		Annual Report Project Due
	Sunday, May 12 17:00-19:00	Final Exam (Cumulative)		