

## University of Haifa – School of Business Administration

### Financial Accounting

International MBA (209.4960) / Global Green MBA (209.8110)

02/01/2019 – 25/02/2019

Instructor: Professor Lewis Shaw, Ph.D., CMA

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Office Hours: by appointment

Course Website: Moodle - <https://mw9.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. Students with no prior background in accounting may complete a programmed instruction in the mechanics of double-entry accounting at the start of the course.

#### **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.

The course introduces the accounting model and corporate financial statements. The focus here is on reporting financial information to parties external to the firm, principally stockholders and creditors, or, more generally, the financial market.

#### **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) 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](http://www.principlesofaccounting.com)
- Additional materials will be on Moodle, including class outlines, homework problems, case materials, 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:

Accounting Cycle Project	10%
Annual Report Project	15%
Case Studies	20%
Attendance & Participation	5%
Final Exam	<u>50%</u>
Total	<u>100%</u>

### **Accounting Cycle Project**

The purpose of this project is for you to show your understanding and comfort with performing all of the steps of the accounting cycle, from analyzing and recording transactions through the proper preparation of financial statements and closing of temporary accounts. A full description of this project and further details are available on the course's Moodle page.

### **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

Students will be assigned to groups. Each group will be responsible for presenting a case to the class and provide a three- to four-page write-up on the due date specified. In addition, **all** students are expected to analyze each case and be prepared for in-depth class discussion of each group's assigned case.

### 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.**

### Final Exam

The Final Exam is scheduled by the University during the week after the last class period. 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!*

## Financial Accounting January/February 2019 Tentative Class Schedule

Class #	DATE	TOPIC	READING	IN-CLASS EXERCISES
1	Thursday, Jan. 2 (15:00-18:00)	Introduction Information Processing	Chapter 1 Chapter 2	I-01.03, I-01.05 I-02.04
2	Thursday, Jan. 9 (15:00-18:00)	Income Measurement The Reporting Cycle	Chapter 3 Chapter 4	I-03.04 I-04.03
3	Thursday, Jan. 16 (15:00-18:00)	Cash and Accounts Receivable	Chapter 6 Chapter 7	I-06.02 I-07.01, I-07.03 <b>Accounting Cycle Project Due</b>
4	Thursday, Jan. 23 (15:00-18:00)	Inventories and Cost of Goods Sold	Chapter 5 Chapter 8	I-05.01 I-08.02 <b>Case #1 Due - S&amp;H Green Stamps</b>
5	Thursday, Jan. 30 (15:00-18:00)	Long Lived Assets and Depreciation	Chapter 10 Chapter 11	I-10.02, I-10.03 I-11.01, I-11.03, I-11.05
6	Thursday, Feb. 6 (15:00-18:00)	Current and Long-Term Liabilities	Chapter 12 Chapter 13	I-12.02, I-12.03 I-13.03, I-13.04  <b>Case #2 Due – Martin &amp; Winter</b>
7	Thursday, Feb. 13 (15:00-18:00)	Stockholders' Equity	Chapter 14	I-14.02, I-14.04
8	Thursday, Feb. 20 (15:00-18:00)	Annual Report Analysis <b>Review for Final Exam</b>		
	Tuesday, Feb. 25 (16:30-18:30)	<b>Final Exam (Cumulative)</b>		<b>Annual Report Project Due</b>