

**University of Haifa - Faculty of Management**  
**International MBA**  
**Financial Accounting (Nuphar Group Course 209.4960)**  
**16/02/2018 - 11/05/2018**

Instructor: Professor Lewis Shaw, Ph.D., CMA  
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Office Hours: by appointment  
Course Website: Moodle - <https://mw5.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)
- ALEKS software package
- 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:

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

## **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.

## **ALEKS Software**

The ALEKS Software is an on-line instructional tool to review and reinforce your knowledge of the basics of accounting and of the accounting/bookkeeping cycle. The software is sold along with the textbook and in a single package at the bookstore. You can also buy the ALEKS Software separately online (if you have already separately purchased the textbook).

To work on the ALEKS program, go to [www.aleks.com](http://www.aleks.com). You will be using the program called **Accounting Cycle (Corporation) / Financial Accounting – Spring 2018**. To register, click on the link marked "SIGN UP NOW" (to the left, under the space for Registered Users). You will need a 10-digit course code (**DQLTF-43TX3**). Then indicate that you are a new student. On the next screen, indicate that you have an "ACCESS CODE. Enter your 20-digit access code:

Student	Name	Access Code
Akrish	Yossi	AYDH4-RW7EX-3CHXM-3XM2X
Babintsev	Iulianna	4UB6T-3HKF7-BUKJF-B92L3
Barak	Susie	XT85P-7MVLF-TZVX6-2YJ3N
Barda	Ran	ZGBXG-DXH5E-MDXQU-LNQ8X
Hussein	Aysheh	C358D-ZF996-Y53CX-PUSEH
Kasnett	Yechezkel	UZQE9-EN8KP-8M7TD-QWAGP
Liu	Yuanyu (Sara)	TT7J5-SYAL3-7EL49-A7W7Q
Madai	Hila	UBJWT-ZJ7Q2-7R8HG-3QXAY
Oren	Sarel	W4Q9B-8ZZA2-T7GRW-7M2LG
Sharovtsky	Benny	XBPJ8-CDD3X-E3FUW-T494A
Sorokin	Dmitriy	TG9NZ-32B7L-MACYH-FK2GH

You will need to be connected to the Internet when you are working through the software. Also, you will need to download and install a plug-in, in order for some of the graphics in the program to work (you will be prompted to install the plug-in).

Once you are registered, you will work through the software program in 3 phases.

(1) First you will be given an initial assessment. You will be given a series of questions to determine your level of pre-software accounting knowledge. Your feedback will be reported to you in a pie chart format. This represents your pre-ALEKS software knowledge, with completed parts of the pie representing areas that you have already mastered, and uncompleted parts of the pie representing areas in which you need more instruction and practice. This first phase typically takes between 30 and 90 minutes.

(2) Next you will proceed to the learning phase. For each uncompleted part of your knowledge pie, you will be given instruction and practice to enhance your knowledge in that area. You will be given a minimum of 3 practice problems for each area. If you get each practice problem correct, you will fill in a portion of your “knowledge pie.” For students who did the ALEKS program last semester, the average time to complete this phase was 8 hours, with some students completing it in 2 hours and others requiring over 20 hours. Once you have filled in all remaining parts of the pie, you will proceed to a progress assessment phase.

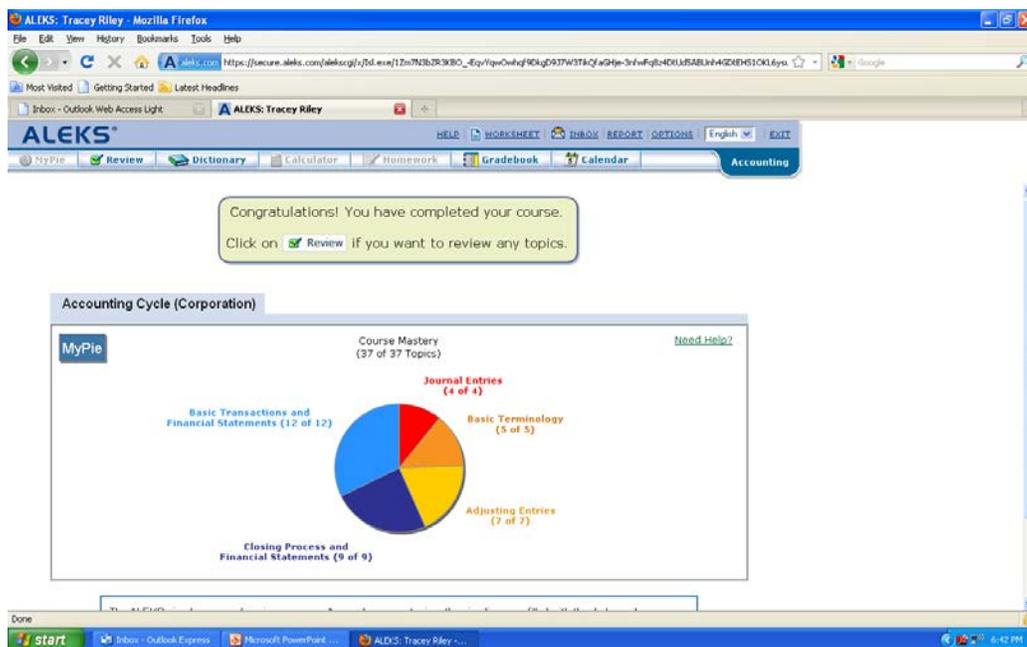
(3) In the progress assessment phase, you will be given a post-test with questions similar to the questions in the initial assessment. If you do sufficiently well on this post-test assessment, you will have completed the ALEKS program. If there are still deficiencies in your knowledge as identified in the post-test progress assessment, you will be given an updated “knowledge pie” and you will be put back into the learning phase, where you will start over, working on your “new pie.” Because you need to successfully complete the (post-test) progress assessment to

complete the program, it is important that you retain what you learn during the learning phase, as opposed to rushing through the learning phase.

One additional note: The ALEKS program has a feature called an “interim assessment.” The interim assessment is like the initial assessment, where you answer a series of questions, and you will be given a revised knowledge pie. Based on how you do on the interim assessment, you may be able to skip some parts of the pie or you may have to go back to re-do parts that you had previously completed (usually students have to go back and re-do parts previously completed). Based on previous students’ experience with ALEKS, an interim assessment is typically triggered if you are inactive from the software for a few days.

You must complete ALEKS by midnight on **Wednesday, March 7**. There are no exceptions and late submissions will receive a grade of 0. There is no partial credit for ALEKS.

You will know when you have completed the program when your screen looks like this:



### **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  
February/May 2018  
Tentative Class Schedule**

<b>Class #</b>	<b>DATE</b>	<b>TOPIC</b>	<b>READING</b>	<b>IN-CLASS EXERCISES</b>
1	Friday, February 16 (11:00-14:00)	Introduction Information Processing	Chapter 1 Chapter 2	I-01.03, I-01.05 I-02.04
2	Thursday, February 22 (18:00-21:00)	Income Measurement The Reporting Cycle	Chapter 3 Chapter 4	I-03.04 I-04.03, I-04.05, I-04.06
3	Thursday, March 8 (18:00-21:00)	Cash and Accounts Receivable	Chapter 6 Chapter 7	I-06.02 I-07.01, I-07.03
4	Thursday, March 15 (18:00-21:00)	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, March 22 (18:00-21:00)	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, April 12 (18:00-21:00)	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, April 26 (18:00-21:00)	Stockholders' Equity	Chapter 14	I-14.02, I-14.04
8	Thursday, May 3 (13:00-16:00)	Annual Report Analysis  <b>Review for Final Exam</b>		
	Friday, May 11 (08:00-10:00)	<b>Final Exam (Cumulative)</b>		<b>Annual Report Project Due</b>