Class Description:
No prerequisites are required.

Accounting is a profession that specializes in providing information for the making of economic decisions. Accordingly, this course introduces you to the important role that accounting plays in a free enterprise society, the conceptual content of accounting, and the uses and limitations of conventional accounting data. Owing to the globalization of commerce and finance, accounting is increasingly serving decisions that are international in scope, so U.S. accounting treatments will also be examined from an international perspective. 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. Throughout the semester, we will be doing problems using real financial statements.

Class sessions will comprise a formal lecture in which we will discuss new concepts and procedures. To benefit from classroom discussion, students should complete the assigned readings prior to the relevant class session. Assigned exercises/problems should be completed by the dates indicated and will be discussed in class. During each session we will work through problems from the text as far as time permits. Laptops, cell phones and other hand-held smart devices that have internet connections will not be allowed during classes and exams.

There will be two midterm exams and a final exam. The midterm and final exams will be closed book. However, in the II Mid and in the Final you will be allowed to bring into the exam one double sided A4 (8⅝" x 11") page of your own notes (cheat sheet). The notes are aimed to avoid memorization of definitions and other concepts, not to substitute your ability in solving the problems (i.e. you can report the definition and meaning of a specific ratio but not an example of how to compute it). In no case the cheat sheet can report numbers. The cheat sheet will be dropped to the instructor together with the test. The use of a calculator for all exams is suggested.

The Annual Report Team Project is designed to give you practice in interpreting and analyzing company financial information. To accomplish the project you would: a) compose your team (from 3 to 4 students); b) as a team select an industry to analyze; c) as a team member acquire the last three year annual reports or 10-k for one publicly traded company in the industry and compute the ratios discussed in class; d) as a team write a report comparing the selected companies in order to suggest the one you consider a good investment opportunity.

Office hours are provided to clarify concepts that have been introduced in the lectures and to go over assigned homework problems that we did not get to go over in class.
Instructor Details:
Name: Giovanni Liberatore
NYU Global Home Email Address: gl29@nyu.edu
Office Hours: After class or by appointment/Skype
Villa Ulivi Office location: teachers’ offices (2nd floor).
Villa Ulivi Phone Number: +39 055 5007 300

Desired Outcomes:
On completion of this course, students should:

- Have the capability to read and understand a financial statement;
- Be able to perform a comparison between competing companies;
- Make relevant connections between theory and real world examples, through references to media material, readings or case studies
- Find an increased interest to read economic and business related materials in the media.

Assessment Components
- Attendance and Class participation: 10%
- Team Project: 10%
- Midterm Exams: 25% each
- Final Exam: 30%

Failure to submit or fulfill any required course component results in failure of the class.

Assessment Expectations:

- **Grade A:** The student makes excellent use of empirical and theoretical material and offers structured arguments in his/her work. The student writes comprehensive essays/exam questions and his/her work shows strong evidence of critical thought and extensive reading.
- **Grade B:** The candidate shows a good understanding of the problem and has demonstrated the ability to formulate and execute a coherent research strategy
- **Grade C:** The work is acceptable and shows a basic grasp of the research problem. However, the work fails to organize findings coherently and is in need of improvement
- **Grade D:** The work passes because some relevant points are made. However, there may be a problem of poor definition, lack of critical awareness, poor research
- **Grade F:** The work shows that the research problem is not understood; there is little or no critical awareness and the research is clearly negligible

**Stern School Guidelines for Grading for Core Courses**
“At NYU Stern, we strive to create courses that challenge students intellectually and that meet the Stern standards of academic excellence. To ensure fairness and clarity of grading, the Stern faculty have adopted a grading guideline for core courses with enrollments of more than 25 students in which approximately 35% of students will receive an “A” or “A-” grade. In core classes of less than 25 students, the instructor is at
liberty to give whatever grades they think the students deserve, while maintaining rigorous academic standards.

**Grading Policy:**
Please refer to Assessment Expectations and the policy on late submission of work.

**Academic Accommodations:**
Academic accommodations are available for students with documented disabilities. Please contact the Moses Center for Students with Disabilities at 212-998-4980 or see the Moses Center for further information.

Students with disabilities who believe that they may need accommodations in a class are encouraged to contact the Moses Center for Students with Disabilities at (212) 998-4980 as soon as possible to better ensure that such accommodations are implemented in a timely fashion. For more information, see Study Away and Disability.

**Attendance Policy:**
Study abroad at Global Academic Centers is an academically intensive and immersive experience, in which students from a wide range of backgrounds exchange ideas in discussion-based seminars. Learning in such an environment depends on the active participation of all students. And since classes typically meet once or twice a week, even a single absence can cause a student to miss a significant portion of a course. To ensure the integrity of this academic experience, class attendance at the centers is mandatory, and unexcused absences will be penalized with a two percent deduction from the student’s final course grade. Students are responsible for making up any work missed due to absence. Repeated absences in a course may result in failure.

For courses that meet once a week, one unexcused absence will be penalized by a two percent deduction from the student’s final course grade.

**Excused Absences:**
In case of absence, regardless of the reason, the student is responsible for completing missed assignments, getting notes and making up missed work in a timely manner based upon a schedule that is mutually agreed upon between the faculty member and the student. The only excused absences are those approved by the Office of Academic Support; they are as follows:

**Absence Due to Illness**
- If you are sick, please see a doctor. Contact the Office of Student Life for assistance.
- For absences that last for two or more consecutive days, a doctor’s certificate, “certificato medico” is required. The doctor will indicate in writing the number of days of bed rest required. Please note these certificates can only be obtained on the day you see the doctor and cannot be written for you afterwards.
- Absences can ONLY be excused if they are reported WITHIN 48 HRS of your return to class via the online NYU Florence Absence Form
- OAS will not accept a student email or telephone call regarding an absence due to illness
- OAS will only notify faculty of absences REPORTED on the ABSENCE FORM
The Office of Student Life, when assisting you in cases of severe or extended illness, will coordinate with the Office of Academic Support to properly record your absences.

**Due to Religious Observance**
- Students observing a religious holiday during regularly scheduled class time are entitled to miss class without any penalty to their grade. This is for the holiday only and does not include the days of travel that may come before and/or after the holiday.
- Information regarding absences due to religious observance must be provided at least SEVEN DAYS PRIOR to the date(s) in question using the online NYU Florence Absence Form.
- Please note that no excused absences for reasons other than illness can be applied retroactively.

**Due to a class conflict with a program sponsored lecture, event, or activity**
- All students are entitled to miss one class period without any penalty to their grade in order to attend a lecture, event or activity that is sponsored by La Pietra Dialogues, Acton Miscellany or the Graduate Lecture series.
- Information regarding absences due to a class conflict must be provided at least SEVEN DAYS PRIOR to the date(s) in question using the online NYU Florence Absence Form.
- Please note that no excused absences for reasons other than illness can be applied retroactively.

Students with questions or needing clarification about this policy are instructed to contact a member of the Office of Academic Support located in Villa Ulivi or to email florence.academicsupport@nyu.edu

**Late Submission of Work**
- All course work must be submitted on time, in class on the date specified on the syllabus.
- To request an extension on a deadline for an assignment, students must speak to the professor one week prior to the due date.
- To receive an incomplete for a course at the end of the semester, two weeks before final exams, both the student and the faculty member must meet with the Assistant Director of Academic Affairs to review the request and if granted, they must both sign an Incomplete Contract detailing the terms for completing missing coursework.

**Plagiarism Policy [Please use this standard text]**
PLAGIARISM WILL NOT BE TOLERATED IN ANY FORM:
The presentation of another person’s words, ideas, judgment, images or data as though they were your own, whether intentionally or unintentionally, constitutes an act of plagiarism.
In the event of suspected or confirmed cases of plagiarism, the faculty member will consult first with the Assistant Director for Academic Affairs as definitions and procedures vary from school to school.

**Writing Center:**
The Writing Center, located in Villa Ulivi, offers you feedback on any type of writing, at any stage in planning or drafting. Sign up for a consultation at the Writing Center’s website and submit your working draft or ideas a day in advance to NYU Florence Writing Center. Drop in for a consultation M-

Page 4 of 8
Th, but remember that appointments are given priority. Be assured that very rough drafts are welcome. Please note that we do not correct or “fix” your writing; instead we prompt you to think and work. Our aim is to create stronger writers in the long term, not necessarily perfect papers in the short term.

**Required Text:**

You may find the book in the following bookstore: International bookshop - La Feltrinelli
Via de' Cerretani 30/32r - 50123 Firenze, Tel: 055 2382652, Fax: 055 288482, firenze.international@lafeltrinelli.it [www.lafeltrinelli.it](http://www.lafeltrinelli.it), or you can opt for the e-book version.

Copies of each textbook are available for consultation and short term loans in the Villa Ulivi Library. Extra copies of some textbooks are also available for semester long loans. For more information please consult [Books and Course Materials](#).

**Supplemental Texts(s):**
- Selected readings from business media.
- Web page for the course on the NYU Classes, where announcements for supplementary required readings will be posted.

**Internet Research Guidelines:**
The careful use of internet resources is encouraged and a list of recommended websites will be given. Failure to cite internet and other non-traditional media sources in your written work constitutes plagiarism.

**Class Assignments and Topics:**

**Session 1 - [09/03]**
Financial Accounting and business decisions

HMWK: E1-4, E1-5, E1-6, P1-1 (homework is always due by consecutive Monday 9.00 am)

Read: Ch 1 pp. 2-22; Ch 2 pp. 42-74; Articles: “Citigroup bonus package” + “Citigroup shareholders in rebellion over executive pay” (readings are discussed in the consecutive session)

**Session 2- [09/10]**
Investing and financing decisions and the balance sheet

HMWK: E2-12, P2-5, CP2-3, CP2-7

Read: Ch 3: pp. 102-135; Article: “Fraud suit names...”

**Session 3-[09/17]**
Operating decisions and the income statement

HMWK: E3-7, E3-10 (only questions 1,2,3), E3-11, CP3-4
Read: Ch 4: pp. 160-189; Article: “The myth of smooth earnings”

Session 4 - [09/24]  
The adjustment process and financial statement preparation  
HMWK: P4-3, P4-5, P4-7 + I Mid preparatory exercises  
Read: Ch 12: pp 600-625; Ch 6: pp. 282-298 (readings will be discussed in session 6)

Session 5- [10/01]  
1st Mid-term exam concerning Sessions 1-4 (class hours)

Session 6- [10/08]  
Statement of cash flows; Reporting and interpreting sales revenue and receivables  
HMWK: E6-3, E6-8, E6-12, E12- 7, P12-2  
Read: Ch 7: pp. 332-357; Article: Article: Deutsche Bank balance sheet

Session 7- [10/15]  
Reporting and interpreting cost of goods sold and inventories  
HMWK: E7-7, E7-12, CP7-3, CP7-6  
Read: Ch 8: pp. 388-426; Article: The secret behind those profit jumps

Session 8 - [10/22]  
Reporting and interpreting property, plant and equipment and intangibles  
HMWK: E8-1, E8-9, E8-16, E8-24, E8-20 + II Mid preparatory exercises  
Read: Ch 9: pp. 458-487; Article: The Microsoft-LinkedIn Deal Proves We Overvalue Goodwill

Session 9 - [11/05]  
Reporting and interpreting liabilities  
HMWK: E9.5, 16, 17, 18, P9.12, CP9.3 (req.1,2) (this homework is due by Nov 21, 9.00 am)  
Read: Ch 10: pp. 506-536; Video: crisisofcredit.com (readings will be discussed in session 11)

Session 10 - [11/11]  
2nd Mid-term exam concerning Sessions 6-8 (class hours)  
Team project kick-off
Session 11 - [11/18]
Reporting and interpreting bonds

HMWK: E10-4, E10-20, P10-6, CP10-4, CP10-5

Read: Ch 11: pp. 554-580

Session 12 - [11/25]
Reporting and interpreting owners’ equity

HMWK: E11-3, 16, 18; CP11-3

Read: Appendix A: A0-A25

Session 13 - [12/03]
Reporting and interpreting investments

HMWK: EA 7, 10; PA-7 + Final preparatory exercises

Team project discussion

Session 14 - [12/10]
Final Exam concerning Sessions 9, 11-13 (class hours)

Session 15 - [TBD]
Extra review session or participation in seminar/conference.

Classroom Etiquette

- Eating is not permitted in the classrooms. Bottled water is permitted.
- Cell phones should be turned off during class time.
- The use of personal laptops and other electronic handheld devices are prohibited in the classroom unless otherwise specified by the professor.
- We recycle! So keep it green! Please dispose of trash in the clearly marked recycle bins located throughout the on campus buildings

Suggested Co-curricular Activities
Additional suggested optional co-curricular activities will be announced in class and/or via email by the professor throughout the semester.
Your Instructor
Giovanni Liberatore is professor of Corporate valuation at the University of Florence. He is adjunct professor of financial accounting at NYU Abroad (Florence and Shanghai) since 1998. He received a Ph.D. in Accounting from the University of Pisa in 1992. He held position in managerial accounting at LUISS Business School in Rome from 2005 to 2008. His research interest are in corporate disclosure and intangibles valuation and acted as scientific coordinator of projects supported by several entities, among them EU, UN, World Bank. He is Certified Public Accountant and Certified Auditor in Italy since 1992. He provided consultancy services to companies operating in a variety of industries (health and care, insurance, fashion, start-up, real estate, hospitality). He is in the board of auditors of the Italian Central Bank, Banca d’Italia.