



Spring 2021 - Principles of financial accounting

ACCT-UB 9001 F01

Tu - Th 3.30-4.45 PM

Instruction Mode: Blended or, in case of no in-person students, just Remote Synchronous

Spring 2021

We know that you may be taking courses at multiple locations this semester. If you are enrolled in this course 100% remotely and are not a Go Local/Study Away student for this course site, please make sure that you've completed the online academic orientation via NYU Classes so you are aware of site specific support structure, policies and procedures. **Please contact florence.academicssupport@nyu.edu** if you have trouble accessing the NYU Classes site.

If you are attending in person, you will be instructed to choose your seat on the first day and are expected to use that seat for the entire semester due to NYU COVID-19 safety protocol.

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.

Each week we will have two class sessions: a) a formal lecture concerning new concepts and procedures, b) a classroom discussion over the assigned readings, exercises and problems. During each session we will work through problems from the text as far as time permits.

There will be two midterms 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 consult a double sided A4 (8 ½" 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). So, in no case the cheat sheet can report numbers. The cheat sheet will be dropped/sent to the instructor together with the test. The use of a calculator for all exams is suggested. Cell phones and other hand-held smart devices that have internet connections will not be allowed during classes

and exams.

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; 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:

Office Hours: By appointment/Zoom

Villa Ulivi Office location: teachers' offices (2nd floor).

Villa Ulivi Phone Number:

Inclusion, Diversity, Belonging and Equity

NYU is committed to building a culture that respects and embraces diversity, inclusion, and equity, believing that these values – in all their facets – are, as President Andrew Hamilton has said, “...not only important to cherish for their own sake, but because they are also vital for advancing knowledge, sparking innovation, and creating sustainable communities.” At NYU Florence, we are committed to creating a learning environment that:

- fosters intellectual inquiry, research, and artistic practices that respectfully and rigorously take account of a wide range of opinions, perspectives, and experiences; and
- promotes an inclusive community in which diversity is valued and every member feels they have a rightful place, is welcome and respected, and is supported in their endeavours.

NYU Florence embraces diversity and recognizes our responsibility to foster an open, welcoming environment where students, faculty and staff of all backgrounds can collaboratively learn, work and communicate. We will continually strive to work together to nurture a culture of inclusivity, compassion and mutual respect.

There are both on-campus and NYU Global resources available to students and staff wishing to share their experiences with us or offer suggestions for improvement. On-campus, students, faculty and staff can contact any one of our three local [IDBE Liaisons](#), [Mary Barbera](#), [Lisa Cesarani](#) and [Angelica Pesarini](#). Students can also contact the [Office of Academic Support](#) or the [Office of Student Life](#) to talk to a member of staff. Students are invited to join the NYU Florence IDBE Student Committee and take on an active role in planning encouraging dialogues on issues around diversity and inclusion.

The Global NYU community can access the [Office of Global Inclusion, Diversity and Strategic Innovation](#) who works closely with students, faculty, administrators, and staff, regardless of where you may be located, to help make every aspect of NYU more equitable. You can contact them at globalinclusion@nyu.edu for more

information and resources.

Bias Response Line

NYU's Bias Response Line (BRL) provides an open forum to members of our community and helps to ensure that our community is equitable and inclusive. It is a centralized way to share or report experiences and concerns regarding bias, discrimination, or harassing behavior that may occur within our local or global NYU community. To contact the BRL, please email or call: 212-998-2277.

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 Academic Commitment**: 10%
- Team Project: 15%
- Midterm Exams: 25% each
- Final Exam: 25%

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

** A student's commitment will be evaluated based on active participation, involvement and contribution in the course either remote or in-person. Contributions include, but are not limited to: class assignments, tasks, discussion boards, office hours, labs, online chat, and/or the viewing of asynchronous course materials and completion of relevant work. If the student is participating remotely in the courses, it is imperative that they communicate regularly with their faculty members.

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 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. 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 Global Sites is expected. Unexcused absences will affect students' semester participation grade.** Faculty will take attendance at the beginning of every class. **If you have scheduled a remote course immediately preceding/following an in-person class, you may want to discuss where at the Academic Center the remote course can be taken.** Both in-person and remote students are responsible for making up any work missed due to absence. Repeated unexcused absences in a course may result in failure. This means they should initiate email and/or office hour discussions to address any missed lectures and assignments and arrange a timeline for submitting missed work.

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. **Absences should be reported to the [Office of Academic Support](#) via email and to your faculty member BEFORE your class meets for lesson.**

Categories of Excused Absences

Absence Due to Illness

- If you are a Go Local student present in Florence and feel sick, please contact the [Office of Student Life](#) for assistance.
- COVID-19 related family emergencies will be considered as an excused absence
- 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
- 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.academicssupport@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:

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 NYU Florence Writing Center offers you feedback on any type of writing, at any stage in planning or drafting; very rough drafts are welcome. Sign up for an online consultation at the [Writing Center's website](#) and submit your working draft or ideas at least six hours in advance to [NYU Florence Writing Center](#). Please also note that the Writing Center does not correct or "fix" your writing but prompts you to think and work. The aim is to create stronger writers in the long term, not necessarily perfect papers in the short term.

Required Text:

Libby-Libby-Hodge, *Financial Accounting*, McGraw-Hill, **10th Global edition** (ISBN10: 1259964949, ISBN13: 9781259964947)

E- book:

- Go to [McGraw-Hill Connect](#)
- Buy the Connect Code and register yourself to the class. You will have the access to the book and supplementary material for 6 months

Hard copy:

- Bookstore in Florence: [La Feltrinelli](#), Via de' Cerretani 30/32r - 50123 Firenze, Tel: 055 2382652, Fax: 055 288482

- [Mc Graw Hill site \(Europe\)](#)
- [Mc Graw Hill site \(US\)](#)

All readings are available online on the NYU Classes course site. Hard copies of textbooks are available for consultation and semester-long loans in the [Villa Ulivi Library](#). Please email florence.library@nyu.edu to reserve a copy. To request scans from books on reserve please fill out the [Ulivi Library Book Scan Form](#).

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 [01/28] – Session 2 [02/02] [Financial Accounting and business decisions](#)

Read: Ch 1, pp. 2-22

HMWK: E1-4, E1-5, E1-6, P1-1

Articles: *“Citigroup bonus package” + “Citigroup shareholders in rebellion over executive pay”*

Session 3 [02/04] – Session 4 [02/09] [Investing and financing decisions and the balance sheet](#)

Read: Ch 2, pp. 42-74

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

Article: *“Fraud suit names...”*

Session 5 [02/11] – Session 6 [02/16] [Operating decisions and the income statement](#)

Read: Ch 3, pp. 104-136

HMWK: E3-7, E3-10 (only questions 1,2,3), E3-11, CP3-4

Article: *“The myth of smooth earnings”*

Session 7 [02/23] – Session 8 [02/25] [The adjustment process and financial statement preparation](#)

Read: Ch 4, pp. 168-193

HMWK: P4-3, P4-5, P4-7 + I Mid preparatory exercises

Session 9 [03/02] 1st Mid-term exam concerning Sessions 1-8 (2.5 hours)

Session 10 [03/04] – Session 11 [03/09] Statement of cash flows; Reporting and interpreting sales revenue and receivables

Read: Ch 12, pp 600-625; Ch 6, pp. 282-298

HMWK: E6-3, E6-8, E6-12, E12- 7, P12-2

Article: Article: *Deutsche Bank balance sheet*

Session 12 [03/11] – Session 13 [03/16]

Reporting and interpreting cost of goods sold and inventories

Read: Ch 7, pp. 332-357

HMWK: E7-7, E7-12, CP7-3, CP7-6

Article: *The secret behind those profit jumps*

Session 14 [03/18] – Session 15 [03/23]

Reporting and interpreting property, plant and equipment and intangibles

Read: Ch 8, pp. 388-426

HMWK: E8-1, E8-9, E8-16, E8-24, E8-20 + II Mid preparatory exercises

Article: *The Microsoft-LinkedIn Deal Proves We Overvalue Goodwill*

Session 16 - [03/25] 2nd Mid-term exam concerning Sessions 10 – 15 (2.5 hours)

Session 17 [03/30] – Session 18 [04/01] Reporting and interpreting liabilities

Read: Ch 9, pp. 458-487

HMWK: E9.5, 16, 17, 18, P9.12, CP9.3 (req.1,2)

Video: crisisofcredit.com

Session 19 [04/06] – Session 20 [04/08] Reporting and interpreting bonds

Read: Ch 10, pp. 506-536

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

Team project kick-off

Session 21 [04/13] – Session 22 [04/15] Reporting and interpreting owners' equity

Read: Ch 11, pp. 554-580

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

Session 23 [04/20] – Session 24 [04/22] Reporting and interpreting investments

Read: Appendix A, A0-A25

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

Session 25 - [04/27] Seminar

Session 26 - [04/29] – Session 27 [05/04] - Session 28 - [05/06] Team project discussion

[05/11] Reading day

Session 29 - [05/13] Final Exam concerning Sessions 17 - 24 (2.5 hours)

Class Time Expectations

In light of the unique circumstances of blended instruction, we ask students to consider the following class time expectations to ensure a pleasant and productive class:

- Prepare your workspace for class, limit non-class activities during synchronous class time.
- If you are not using your cell phone to follow the lesson, cell phones should be turned off or in silent mode during class time.
- If deemed necessary by the study away site (i.e. a COVID related need), synchronous class sessions may be recorded and archived for other students to view. This will be announced at the beginning of class time.
- Students should be respectful and courteous at all times to all participants in class. Consider using the chat function or “raise hand” function in order to add your voice to class discussions.
- Please be mindful of your microphone and video display during synchronous class meetings. Ambient noise and some visual images may disrupt class time for you and your peers.

Final Exams

Final exams must be taken at their designated times. Should there be a conflict between final exams, please bring it to the attention of the Office of Academic Support florence.academicssupport@nyu.edu as soon as this is known to facilitate alternate arrangements. Final exams may not be taken early, and students should not plan to leave the site before the end of the finals period.

Your Instructor

I am professor of Corporate valuation at the University of Florence and adjunct professor of financial accounting at NYU Abroad (Florence and Shanghai). I received my Ph.D. in Accounting from the University of Pisa in 1992 and my research interest are in corporate disclosure and intangibles valuation.

I acted as scientific coordinator of projects supported by several entities, as European Union, United Nations, World Bank. I am a Certified Public Accountant and a Certified Auditor in Italy. I have provided consultancy services to companies operating in a variety of industries (health and care, insurance, fashion, start-up, real estate, hospitality). I am in the board of auditors of the Italian Central Bank (Banca d'Italia).