**ECB 151: Financial Accounting**

November/December 2018(Block 4)

**Instructor:** Elmira S. Namin

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**Classroom:** College Hall 301

**Class Hours:**

**9-11:45** am on Monday, Wednesday, Friday

**9-11 am** and **1:30-2:30** pm on Tuesday and Thursday

**Office Hours:**

**12:30-1** pm every weekday or by appointment

**Course Overview and Objective**

Accounting is usually referred to as the “language of business” and the required foundation to understand many other areas of business such as business investments, taxes and money management. In this course you will learn to read and speak this language.

Building a good knowledge of accounting facilitates the interpretation of financial information, which allows for better economic decisions. Sophisticated financial statement users can extract and interpret relevant information from financial statements which helps them with making a variety of decisions. For example,

1. Managers use accounting information for making investment decisions

2. Investors use accounting information for valuing stocks;

3. Bankers use accounting information to assess the credit risk of their clients and decide whether to lend money to a business.

Learning how to prepare financial reports is an important step in learning to be a sophisticated user. Hence, in the first part of the course you will learn the entire accounting cycle from journal entries through the creation of the financial statements. In the second part, we will learn how to interpret these statements and how we can use the information they contain to make business decisions. You will also learn the basic tools of Time Value of Money calculations. By the end of this course, you’ll be able to understand the three most common financial statements: the income statement, balance sheet, and statement of cash flows.

The “After-Chapter” segments in the textbook will provide you with real company analysis. The simulation software Capsim will provide you with hands-on exposure to how we interpret these statements. It will also enable you to use financial statements to make business decisions.

*This course supports the Educational Priorities and Outcomes of Cornell College with emphases on knowledge, communication, vocation, and Ethical Behavior.*

**Course Material**

Required Reading

* **Financial Accounting (11th edition),** by Albrecht, Stice, and Stice

(ISBN-10: 0-538-74695-5). It is available at the College Bookstore.

Recommended Reading

* **Financial Accounting: An Introduction to Concepts, Methods, and Uses (14th edition),** by Weil, Schipper and Francis (ISBN-10: 1111823456).

**Class Format**

The morning sessions will be mostly dedicated to lectures based on our textbook, In-class problem sets designed to review important concepts and develop analytical skills, and exams. During the afternoon sessions we will spend our time on mostly on the Capsim simulation project or continue with lectures/problems where necessary.

The lecture notes will be available on Moodle. However I will be mostly using the board for lecturing and you may need to take additional notes in class. I expect you to read the lecture notes before each session and actively participate in class discussions.

* **Please bring your laptop and calculator with key so that you can participate (financial calculator is preferred)**
* **Please do not be shy about asking questions or asking me to repeat anything that is not clear to you.**

**Grading**

1. 3 Exams **50%**

**Exam1: 15%, Exam2: 15%, Final: 20%**

1. 3 Quizzes **12%**
2. Homework **14%**
3. Capsim simulation project **15%**
4. Class participation **9%**

**100%**

* I reserve the right to use my discretion at the margin, and things such as class participation will be considered in borderline cases.

**Exams**

There are 2 midterm exams and a final. All exams are closed book, and to be done independently. You may bring one page of hand-written notes and not share with others. The final exam is cumulative with more focus on materials not covered in the first 2 exams. You can use (simple/financial) calculators during the exam. See the course schedule for the exam dates.

**Quizzes**

You will have 3 quizzes, each accounting for 2% of your final grades. All policies regarding the exams apply for quizzes as well.

**Capsim Project**

You will collaborate in teams of three to four members. Your team will compete against other teams in a business simulation. Your grade for this portion of the class will be based on Shareholder’s Debrief and Team Presentation.

**Class Participation**

You are expected to **attend every class on time** and **actively participate in class discussions**. Since many concepts in this course build on one another, missing classes can negatively impact your overall performance as well as your participation grade. If you are late for three times or more, you will lose all participation points. If you miss three days of class or more, you will get a “D” or an “F”. If you are unable to attend the class due to illness, you must email me prior to class. Students absent from class are still responsible for the respective homework assignments. These assignments can be submitted electronically via email.

**Electronic policy:** Please keep your cell phones, laptops or any electronic devices **turned off** during class. The only exception is when I ask you to use laptops for the purpose of class activities. Please do not any other electronic devices as calculator.

**Academic Honesty**

Academic dishonesty will not be tolerated and will be dealt with in accordance with Cornell’s Student regulations. For more information see <http://www.cornellcollege.edu/registrar/academic-catalogue/index.html#p=32>.

**Special Needs**

Students who need accommodations for learning disabilities must provide documentation from a professional qualified to diagnose learning disabilities. For more information see <http://www.cornellcollege.edu/disabilities/documentation/index.shtml>.

Students requesting services should schedule a meeting with the disabilities services coordinator as early as possible to discuss their needs and develop an individualized accommodation plan. Ideally, this meeting would take place well before the start of classes. At the beginning of each course, the student must notify the instructor within the first three days of the term of any accommodations needed for the duration of the course.

**Tentative Course Schedule**

This schedule is preliminary and will be adjusted as necessary based on the pace of the class. I expect you to read the chapter listed prior to the day we begin discussing the material in that chapter.

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| --- | --- | --- | --- |
| **Date** | **Topic** | **Chapters** | **Capsim Simulation** |
|  |  |  |  |
| 1: Nov 26 | Introduction | 1 |  |
| 2: Nov 27 | Financial Statements | 2 | Introduction to Capsim |
| 3. Nov 28 | Financial Statements | 2 | Practice Rounds Begin |
| 4. Nov 29 | Financial Statement Analysis | 14 | Excel practice |
| 5. Nov 30 | Financial Statement Analysis | 14 **(Quiz1)** | Practice Rounds End |
|  |  |  |  |
| 6. Dec 3 | **MID-TERM EXAM 1** |  |  |
| 7. Dec 4 | The Accounting Cycle | 3 | First Round |
| 8. Dec 5 | The Accounting Cycle | 3 |  |
| 9. Dec 6 | The Accounting Cycle | 4 |  |
| 10. Dec 7 | The operating Cycle (Receivables) | 6 **(Quiz2)** | Presentation 1 |
|  |  |  |  |
| 11. Dec 10 | **MID-TERM EXAM 2** |  |  |
| 12. Dec 11 | The operating Cycle (Inventory) | 7 |  |
| 13. Dec 12 | The operating Cycle (Inventory) | 7 |  |
| 14. Dec 13 | Statement of Cash Flow | 13 |  |
| 15. Dec 14 | Time Value of Money | 10 **(Quiz3)** | Simulation Ends |
|  |  |  |  |
| 16. Dec 17 | Final Review |  |  |
| 17. Dec 18 | Final Review |  | Presentation 2 |
| 18. Dec 19 | **FINAL EXAM** |  |  |