

# ECON 127 – Syllabus – Spring 2021 – Prof. Gosman

## COURSE INFORMATION

Instructor: Prof. Martin Gosman      e-mail: [mgosman@wesleyan.edu](mailto:mgosman@wesleyan.edu)

Text: Spiceland/Thomas/Herrmann, Financial Accounting. 4<sup>th</sup> edition, McGraw Hill, 2016.

**See link on course moodle for e-book rental option.**

Course Objectives: Upon completion of this course,

1. You will understand the basic structure of income statements and balance sheets prepared by firms, the major items contained therein, and the purposes and limitations of those statements.
2. You will understand how accrual-basis accounting differs from cash-basis accounting and why accrual accounting is considered a more accurate basis for reporting.
3. You will have an understanding of the accounting choices for inventories and depreciation and how the use of different accounting methods for similar economic events creates challenges.
4. You will understand the purpose of the statement of cash flows, the reasoning behind its structure, and why many consider it to be the most insightful financial statement.
5. You will understand why financial ratios are calculated in certain ways, how those ratios relate to each other, and how credit and equity analysts use (and sometimes misinterpret) ratio results.
6. You will consider which financial measures best reveal financial challenges faced by retailers.

### Academic Integrity

On examinations and turned-in assignments, you must do your own work; collaboration is not permitted. Any such behavior will result (at a minimum) in a zero on the exam or assignment.

Homework: Generally not collected. Many written assignments are explained and partially solved in the lecture transcripts. For problem material from the textbook,

Questions listed are from REVIEW (Not Self-Study) QUESTIONS SECTION at chapter-end.  
Exercises listed are in EXERCISES (Not Brief-Exercises) SECTION at chapter-end.  
Additional Perspective (AP) assignments are in last homework section at chapter-end.

Exams: Unit exams are scheduled for March 4, April 1, and May 18. These open-book, open-note exams include a mix of computational, short-discussion, and multiple-choice questions measuring **learning rather than memorization**. The exams will be e-mailed at least three days before due.

Ratio Detective Project: You will identify the lines of business for four firms based on the relative size of the financial-statmeent accounts of each.

Retailer Project: You will analyze financial information from the 10-Ks of 3three financially-challenged firms.

Course Grade: Exams are 60% of your course grade. 15% for Exam 1, 20% for Exam 2, and 25% for Exam 3. The Ratio Detective Problem and the Retailer Project are 20% each.

## ASSIGNMENT SHEET

Week of	Lecture Transcripts	Text Reading		Assignments from Text Book			Addt. Persp.
		Chapter	Pages	Review Questions	Exercises	Problems	
2/8	Introduction *middle of page	1	3-14M*	10, 15, 16	6, 8		
	Transaction Analysis	2	53-66	4	3	1A	
2/15	Accrual-Basis Accounting	3	107-111				
	Revenue Recognition	3	107-111	5	1		
		5	217-220M	5		1A	5
		6					
2/22	Expense Recognition	3	107-111	7	2		
		7	323	1			
	Adjusting Entries	3	113-119M	9			
3/1	Review Problems: Theater Group and Hamden News						
	THURSDAY MARCH 4 -- EXAM 1 DUE						
3/8	Accounts Receivable	5	216 222M-227	8, 12	10( 1&3)		5
	Analysis of Accounts Receivable	5	234M-235M 239M-241M	22, 23	18		
3/15	Inventories	6	268M-269M 271M-280M	1,4,9,12		1A (2-4)	
	Gross Profit and Income Statement Geography	6	269M-271M	6, 20		7B, 8B	
	Analysis of Inventory	6	292-294M				

<u>Week of</u>	<u>Lecture Transcripts</u>	<u>Text Reading</u>		<u>Review Questions</u>	<u>Assignments from Text Book</u>		<u>Addt. Persp.</u>
		<u>Chapter</u>	<u>Pages</u>		<u>Exercises</u>	<u>Problems</u>	
3/22	Long-Term Assets and Depreciation	7	323-331M 333M-340M	2, 10 15, 20, 21		5A	
3/29	Asset Analysis	7	340M-341 348-350M	26		9A	

### THURSDAY, APRIL 1 – EXAM 2 DUE

4/5	Liquidity Analysis	8	373-375M 382M-383 389M-393M	4 11 21, 22		9A (1&2) 9B (1&2)	
	Accounts Payable and Excess Days						
4/12	Long-Term Liabilities	9	413-414 436M-438	1, 2, 20			
	A Tale of Two Borrowers						
	Cash and Internal Controls	4	167-178M	2,6,14,16	6		

4/19

### TUESDAY, APRIL 20 – RATIO DETECTIVE PROJECT DUE

Stockholders' Equity	10	458; 468-469M 471-472, 478M-480M 482M-483M	12,14,21
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4/26

### THURSDAY, APRIL 29 – RETAILER PROJECT DUE

5/3	Statement of Cash Flows	4 11	188M-191M 505-508M 511-516M	27 1,9,10,13			8
5/10	Challenged Retailers		Dollar General	Argenti			

5/17

### TUESDAY MAY 18 – FINAL EXAM DUE