

## 1238.2321.01 - Financial Accounting

### Module 2 – 2015/16

### Preliminary Version

#### Course Section Details

Day	Hour	Classroom	Lecturer	Email	Telephone	Office
Tuesday & Thursday	15:45-18:30	Recanati 303	Dr Shai Levi	<a href="mailto:shailevi@tau.ac.i">shailevi@tau.ac.i</a>	03-6405893	

Office hours: 18:30 after class on Tuesdays and Thursdays

Teaching Assistant (TA): Muhammad Zidani, [Muhammadzidani@gmail.com](mailto:Muhammadzidani@gmail.com). Office hours are at 12:45 after the tutorial session on Wednesdays.

#### Tutorial

Day	Hour	Classroom
Wednesday	11:30-12:45	Recanati 303

#### Course Units

Course Units: 2

4 ECTS (European Credit Transfer and Accumulation System) = 1 course unit

By making higher education comparable across Europe, ECTS makes teaching and learning in higher education more transparent and facilitates the recognition of all studies.

#### Course Description

This course will provide you with frameworks and practical tools for reading financial statements and assessing the business standing of firms. At the end of the course, you will be able to critically review the information in financial disclosures, and use this information to gauge firms' performance. In class, we will discuss reporting and analysis concepts, and apply them in case studies and on market data.

The course should be useful for those planning a career in public accounting, or in finance, whether it is investment banking, portfolio management, securities analysis or venture capital.

## Course Objectives

Upon completion of the course, the student will be able to:

- Interpret and apply the rules and conventions underlying the preparation of major accounting reports.
- Evaluate, analyze and interpret relevant accounting information.
- Use information in financial disclosures to gauge firms' performance.
- Analyze financial and managerial decision-making, and the accounting information that supports these decisions.
- Understand the environment in which financial reports are prepared, and the incentives of managers that may affect the information reported by companies.

## Assessment and Grade Distribution

Percentage	Assignment	Date	Group Size/Comments
10%	Problem sets	Throughout the semester	Individual
20%	Final project	January 14, 2016, in class	Groups of three students
70%	Final exam	January 26, 2016, at 9am	Individual

\*According to University regulations, a student must be present in every lesson (Article 5).

\* The lecturer reserves the right to have a student removed from a course if the student is absent from a class with mandatory participation or did not actively participate in class. (The student will remain financially responsible for the course irrespective of his/her removal from the course)

## Course Assignments

The TA will assign six problem sets during the semester, and students who will hand in solutions to four of these problem sets will receive 10 points in the final course grade (10% of the grade).

The final project will require groups of three students to analyze financial reports of public firms, and present the analysis in one of the last two classes. Details will be given on the course website. The project grade will be 20% of the course grade.

The final exam will determine 70% of the final grade.

Should a student become unable to complete an assignment or course requirement, s/he must notify the TA of the course in advance via email

### Grading Policy

As of the 2008/9 academic year the Faculty has implemented a grading policy for all graduate level courses. This policy applies to all graduate courses in the Faculty, and will be reflected in the final course grade. Accordingly, the final average of the class for this course (which is a core course) will fall between 78-82%. Additional information regarding this policy can be found on the Faculty website.

**Please note: In order to register for advanced elective courses in accounting, your grade in this course must be at least 78%.**

### Evaluation of the Course by Student

Following completion of the course, students will participate in a teaching survey in order to evaluate the instructor and the course for the benefit of the students and the university.

### Course Site

Course materials, slides, and messages will be posted on the course website in moodle.tau.ac.il.

### Course Outline

The readings are from the class textbook, Financial Accounting for MBAs, 6<sup>th</sup> edition, by Easton, Wild, Halsey, and McAnally. You can read the relevant chapters (modules) before coming to class or use them as reference when reviewing class notes or doing the assignments. We may slightly deviate from the schedule below; I will keep you updated as the course progresses.

Class	Dates	Topics	Textbook readings
1.	Tue, Dec 8	Introduction to the income statement and balance sheet Analysis of profitability	Module 2  Module 1, pages 19-23
2.	Thu, Dec 10	Construction of financial statements	Module 3
3.	Tue, Dec 15	Accruals versus cash flows	Module 3

4.	Thu, Dec 17	Revenue recognition Matching of expenses	Module 5
5.	Tue, Dec 22	Operating assets: Accounts receivables Inventories PPE	Module 6
6.	Thu, Dec 24	Cash flow statement	Module 2 (pages 15-18) Appendix B
7.	Tue, Jan 5	Debt and liabilities Credit analysis	Module 7
8.	Thu, Jan 7	Off-balance sheet liabilities	Module 10
9.	Tue, Jan 12	Owner financing Intercorporate investments	Module 8 Module 9
10.	Thu. Jan 14	Forecasting financial statements Equity valuation	Module 11  Module 12
11.	Tue, Jan 19	Student presentations	
12.	Thu. Jan 21	Student presentations Comprehensive review	

### Required Reading

The textbook we will use is Financial Accounting for MBAs, 6th edition, by Easton, Wild, Halsey, and McAnally. Additional readings will be posted on the course site.