⇐ UCSD
Financial Accounting

Winter 2003 Syllabus
Solis Hall 107 MWF 8-8:50am
Prof. Michael Willoughby

Required Texts
Accounting for Dummies by John A. Tracy, CPA, 2nd Edition
UCSD Winter Reader: Accounting for Economists by Michael Willoughby
and the following novel
Barbarian's At the Gate by Bryan Burrough (try addall.com)
and Readings on Soft Reserve

UCSD *Economics 4* is a curriculum requirement for the Management Science major and a prerequisite for *Economics 173* -- Corporate Finance. The general purpose for *Econ4* is to introduce students to the primary language of business in a money capital economy, *Financial Accounting*.

> ### Requirements & Grading click here
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> Overview click here

COURSE OUTLINE

1st Week	Capital Markets -- investing & lending; Accounting Basics
Intro + 2 lectures	Reader (Willoughby): Chapters **1-2**. Dummies (Tracy): **Intro**, Chapter **1**, not Chapter **2**, Chapters **11** and **15**.
2nd Week ; Jan 13	**Accounting Basics; Compounding & Discounting**
3 lectures	Reader (Willoughby) Chapter **11** (basic PV and FV) and Dummies (Tracy) Chapter **4 pages 77-92**. Start reading **Barbarian's at the Gate** ;
3rd Week ; Jan 20	**Financial Statements and Earnings; Holiday on Monday** **Midterm #1**
Holiday, 1 exam, 1 lecture	Dummies (Tracy) continue with Chapters **5** and **6**. Reader (Willoughby) Chapter **3**.
4th Week ; Jan 27	**Financial Performance & Position**
3 lectures	Dummies (Tracy) Chapters **7** and **8**. Reader (Willoughby) Chapter **4**. Friday start *Thai Me Up* **illustrative booking problem; Events 1-8.**
5th Week ; Feb 3	**Accounting Choices** **Problem Set #1 due Monday**

	Midterm #2 on Friday
2 lectures, 1 Exam	Dummies (Tracy) Chapter **13**. *Thai Me Up* -- **complete the 1st Quarter, exclude depreciation (for now) and taxes.** Reader (Willoughby) Chapters **5**.
6th Week ; Feb 10	**The Statement of Cash Flows**
3 lectures	Reader (Willoughby) Chapter. **6**.
7th Week ; Feb 17	**Statements of Financial Accounting Standards; Holiday on Monday** **Problem Set #2 due Friday**
Holiday, 2 lectures	Reader (Willoughby) Chapter **7**.
8th Week ; Feb 24	**Financial Reporting** **Midterm #3 Friday**
2 lectures, 1 Exam	Dummies (Tracy) Chapter **14**.
9th Week ; Mar 3	**Financial Proformas, Cash Flow, Budgets**
3 lectures	Dummies (Tracy) Chapters **10**, **16** and **17**.
10th Week	**Review Week** **Essays due Monday**
3 lectures	Willoughby Chapter **8**..

OVERVIEW Econ4

This is an introductory course to financial accounting. Because it is the only accounting course offered in the six colleges, it is designed to be complete, conceptually, but not comprehensive for accounting practice. The UCSD Extension offers a professional certificate (not a CPA) in accounting which consists of 10 courses that cover nearly all issues related to the practice of accounting.

The objective of Econ4 is to give students an understanding, especially an appreciation, of how "accrual-based" financial statements are prepared. In addition, as a prerequisite for corporate finance (Econ 173) at UCSD, completion of Econ4 should enhance the quality of decisions made when accounting and financial statements are a primary source of financial information about a business enterprise.

Fundamentally, financial accounting is simply a stylized information system. Econ4 explores how conventions that guide the organization & presentation of information, generally, are adapted to form the standards of financial reporting – G.A.A.P. Taken one step further, Econ4 also compares and contrasts the interpretation of financial results based on GAAP with economic reality and the realized consequences of reliance on financial reports prepared, or represented as prepared, in accordance with GAAP. In doing this, we begin with an overview of financial capital – external sources of money required to start and operate business enterprises -- and how inflows of financial capital are recorded and how the prospective returns on it are measured and presented by the managers of a business enterprise.