



Economics/Management 4:- Financial Accounting Fall 2010

Michael Willoughby, Ph.D., CFA

Lecture 3:00-3:50 pm Monday, Wednesday, Friday – Solis 107

See Webpage for Office Hours

Materials:

1. **FINANCIAL ACCOUNTING READER**, 2010-FALL Ed., UCSD Bookstore. Required.
2. Liar's Poker, Michael Lewis. For insurance.
3. Supplemental Texts on Reserve at Geisel Library. Optional.

Course Objective:

This course is an introduction to financial accounting (assumes no prior knowledge of accounting) and plays the role of two prerequisites: for the Rady School of Management's *accounting minor* and for Corporate Finance (Econ 173B). This means that we will strive to achieve competency in both the production/methods and the comprehension/application of accounting.

Guidance

The course webpage is an ongoing guide to the course. Students should check it often. It offers links to accounting resource including tutorials and a glossary, lecture slides, readings, instructions for class-preparation, *Your Scores*, and documents to *print & bring-to-class*.

Four undergraduate tutors have been assigned to this class to help you.

Kit-Yee Yau

Alexander Dorr

Kamron Farman-Farmian

Ross Locher

These students will hold an office hour each week – times & locations to be published on the course webpage.

Our graduate teaching assistant will supervise grading. Inquiries regarding grading, recorded scores, or to pick-up a paper should be directed to Kirti Gupta - k1gupta@ucsd.edu.

Course Deliverables:

Grades will be based on one midterm (25%), five in-class quizzes (5% each), and a final exam (50%).

- ✓ Quizzes will be given on:
 1. October 4 (Monday)
 2. October 15 (Friday)
 3. October 25 (Monday)
 4. November 15 (Monday)
 5. December 1 (Wednesday)
- ✓ The midterm examination will be a 50-minute, two-part examination on Friday November 5th. The final exam is scheduled by the university. No exceptions. For all quizzes and exams, students may bring a 3x5 “**index card**” with notes on one side.
- ✓ No make-up quizzes or exams. If you run-into an emergency or a UCSD-sponsored conflict, inform me as soon as possible. Once your conflict has been documented, points for the missed assignment will be rolled-over.
- ✓ Students are expected to read the first three chapters of the Reader prior to the first quiz.

Course Content

1. **Introduction to Accounting & Accountants**
 - The professions and professional background
2. **The Foundations of Financial Accounting**
 - Top-down, Conceptual Foundations of Accounting
3. **Financial Capital**
 - Business, Money, Finance
4. **Accounting Elements & Statements**
 - The Building Blocks
5. **The Accrual and the Accounting Cycle**
 - How & What Accountants Do
6. **Financial Statements**
 - What Investors & Creditors See
7. **Accounting Choices**
 - Telling the Company’s Story

Schedule

The course webpage will be updated regularly with notes and PowerPoint slides that outline some, but not all, of the lectures.

Grades:

Final grades will be based on a *weighted total score scaled to 100-points* and curved at the following reference points:

- The class average will establish the lowest B-.
- At least 60 points will be needed to *Pass* the course, i.e. for the lowest C-.
- 90 points or higher is guaranteed an “A”. Less than 50 points will be the threshold for an F.
- Correct responses to multiple-choice question from Liar’s Poker on the midterm and final exam will be used to supplement scores on a *post-curve, not-to-exceed basis*.
- In-process scores will be published frequently and it is the student’s responsibility to insure scores are accurate. No changes made after 5pm on Wednesday of 10th week.
- The grade distribution for a lower division course typically follows:

Grades	Distribution
A, A-	20 percent
B+, B, B-	40 percent
C+, C, C-	30 percent
D-F	10 percent

Attendance and Lecture Protocols

Attendance is not required. However, course material builds systematically and quickly. Thus, routine exposure to the material is the best way to learn it and to perform well. Certain professional and social courtesies are expected. Given UCSD’s 10-minute passing time, punctuality can be unduly challenging, so I merely ask that you make an effort to be on-time. Stay alert during lectures. Sleeping in-class is not permitted. There is no shame in fatigue. However, should your fatigue tempt you to sleep, the “in a meeting” convention is to stand-up and walk to the rear of the room. Sleeping while seated during lecture will be considered “a breach of this convention” and will be treated according to a simple Yellow Card / Red Card Policy:

- ⊗ First two offenses earn a **Yellow Card** and a 5 point penalty each towards final course scores. This can be partially offset by reading & correctly responding to Liar’s Poker questions.
- ⊗ Third offense earns a **Red Card** and a failing grade “F” for the course.