

University of California San Diego



**Economics 4:- Financial Accounting**

**Syllabus Winter 2007**

**Texts:**

1. [Accounting for Dummies](#),. John Tracy, CPA
2. [Financial Accounting 2006-07 READER](#); Willoughby (UCSD Bookstore)

**Course Objective:**

An introduction to the principles of financial accounting (assuming no prior knowledge of accounting) to help students become intelligent readers of the primary financial statements: balance sheet, income statement, and statement of cash flows. We will explore the nature of accrual accounting through simple illustrations in order to gain an appreciation of how reasonable judgment is applied in accounting. We will also look at the financial statements of a publicly-traded company (Nordstrom Inc.. stock symbol [JWN](#))

In order to prepare students for Economics 173 – Corporate Finance -- we will introduce Compounding & Discounting methods and calculations.

**Course Webpage and WebCT:**

The course webpage is an ongoing guide to the course including a calendar, *your scores*, documents to *print & bring-to-class*. It will also provide links to reference material and .miscellaneous documents that may be of interest to those who desire a more comprehensive look at accounting and finance.

You can find the Econ4 webpage from the Department's list of course webpages or from my [Homepage](#).

**Graduate Fellows and Teaching Assistants:**

Graduate Fellows and Teaching Assistants have been assigned to this course and each will be responsible for specific tasks which will be listed on the course webpage.

**Exam and Problem Set(s)** due dates are firm. No make-ups, no late papers accepted. **Quizzes** will be random, no make-ups.

**Grading:**

Letter grades will be assigned at the end of the course based on weighted total scores. Grades will be curved with the class average establishing the lowest B-.

Final scores will be weighted across all assignments according to the Table below. The first midterm and the final exam will include multiple-choice questions. You should bring a *Scantron*® form -- 4<sup>1</sup>/<sub>4</sub> x 11 any color 50 items per side – and a pencil to those exams. There will be no make-ups for a missed Midterm exam (if you have a documented reason for missing either midterm exam, then your final exam will be re-weighted). **AT THE SECOND MIDTERM AND THE FINAL EXAMS YOU WILL BE PERMITTED TO BRING A KIT – A 1” 3-RING BINDER WITH ANY NOTES OR OTHER DOCUMENTS THAT MIGHT BE HELPFUL.** The first midterm is closed book.

In-process scores will be published frequently. One Teaching Assistant (and only one) will record scores. It is your responsibility to insure that your scores are accurate (no changes will be made after the last day of classes).

Item	Weight	Description
Ten Quizzes	2 percent each	Random (unscheduled), in-class, short answer 30-60 seconds. No make-ups. On <b>3x5 index cards</b> exclusively.
Midterm 1	15 percent	February 1 <sup>st</sup> .
Midterm 2	20 percent	February 27 <sup>th</sup>
Final exam	35 percent	Scheduled by the University.
Two problem Sets	5 percent each	January 30 <sup>th</sup> and March 13 <sup>th</sup>

There will be specific time limits for both exams. Late arrivals will sacrifice time.

## Class Schedule

<i>Date</i>	<i>Topic and Important Dates</i>	<i>Reading Assignment</i>
<b>Week 1</b> Jan 9-11	The Context: Banking, Capital Markets, Investing, Finance. Careers.	Any Wall Street Journal (daily) or Barrons (weekly) or Business Week or Fortune Magazine. <u>Reader 1 Dummies 15.</u>
<b>Week 2</b> Jan 16-18	The Financial Accounting System Booking Transactions: <i>Thai-Me Up</i> Restaurant start-up illustration.	Reader 2. <u>Dummies 1</u> – skip 2-4. <b>Download</b> Worksheet & 1 <sup>st</sup> & 2 <sup>nd</sup> quarter restaurant transactions.
<b>Week 3</b> Jan 23-25	Booking continued <i>TGT Financials</i>	Reader 3-5. <u>Dummies 5-6</u> , and <u>14</u> . <b>Download</b> <u>Starter Kit</u> .
<b>Week 4</b> Jan 30- Feb 1	<b>Problem Set #1 due January 30<sup>th</sup></b> <b>Midterm #1 February 1<sup>st</sup></b>	Including <i>TGT</i> . <u>Dummies 13</u> .
<b>Week 5</b> Feb 6-8	Choices, Classification, & Reporting Ugly Puppy Financials.	<b>Download</b> <i>Puppy</i> Events 1-2.
<b>Week 6</b> Feb 13-15	Ugly Puppy Financials	<u>Dummies 8</u> – skip 10-12. <b>Download</b> <i>Puppy</i> Events 3.
<b>Week 7</b> Feb 20-22	Statement of Cash Flows	<u>Dummies 7</u>
<b>Week 8</b> Feb 27- Mar 1	<b>Midterm #2 February 27<sup>th</sup></b> Time Value of Money	<b>Download</b> Tutorial. <u>Dummies</u> pp 77-79, 84-84, 86-89.
<b>Week 9</b> Mar 6-8	Time Value of Money con't Profit & Performance	<u>Return to TGT Dummies 9</u>
<b>Week 10</b> Mar 13-15	Financial Proformas <b>Problem Set #2 due March 13<sup>th</sup></b> Financial Statement Analysis	<u>Reader 6</u> <u>Dummies 16-17</u>