

Department of Economics, University of California San Diego



Economics/Management 4:- Financial Accounting Winter 2010

5:00-6:20 pm Monday & Wednesday – Solis 107

Michael Willoughby, Ph.D., CFA

Required Materials:

1. FINANCIAL ACCOUNTING READER_("Reader"), Willoughby (2010), UCSD Bookstore.
2. Nordstrom ("JWN") Form 10Q (3rd Quarter FY 2010). Online, try *MSNmoney.com*.
3. Nordstrom ("JWN") Form 10K (FY 2010). Available in late February Online.
4. Time Value of Money, Tutorial, Course Webpage download.

Course Objective:

This course is an introduction to financial accounting (assumes no prior knowledge of accounting). This course plays the role of two prerequisite: one, for later accounting courses in the Rady School of Management's *accounting minor*; two, for Corporate Finance (Econ 173B). Thus, the ultimate goal of this course is to certify, by a passing grade, that students are ready for the next step in their finance and/or accounting education.

Guidance

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

We have two Undergraduate Tutors to help students with this course. Email addresses and office hours will be updated below:

1. Jing Chen jic006@ucsd.edu Office Hours TBA
2. Lucy Huang luhuang@ucsd.edu Office Hours TBA

And, we have two Graduate Teaching Fellows who will record scores, grade exams and quizzes, and archive all exams and quizzes.

1. Rob MacKay rmackay@ucsd.edu Office Hours TBA
2. Matt Knepper mknepper@ucsd.edu Office Hours TBA

Course Deliverables and Grading:

Grades will be based primarily on two take-home midterms and a final exam. Due dates for the midterms are absolutely firm and will be published later. The final exam is scheduled by the University; this time and date applies to all students, no exceptions.

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 50 points will be needed to *Pass* the course, i.e. for the lowest C-.
- Less than 50 percent of the average of the “top-five scores” will be the threshold for an F.
- In-process scores will be published frequently – it’s a sequential process: exam/quiz, grading, recording, checking, uploading. You should check your progress frequently. It is your responsibility to insure that your scores are accurate. No changes made after my office hours of Friday of 10th week or the last lecture, whichever is last.
- The Grade distribution generally, but not always, follows these parameters.

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

Assignments and Grade Weighting

Item	When	%	Description
Two Midterm Exams	TBA	17.5 % each	Take-home multiple choice exams
Final exam		45.0 %	A two-hour exam w/ notes permitted.
3 Quizzes	TBA	5.0% each	15-20 minute in-class problem-solving exercises.
Participation	Ongoing	5.0%	Attendance, preparation, in-class participation, etc.

Exam Kit

For the final exam, but not quizzes, you may bring a “kit” consisting of a 1 inch 3-ring binder including whatever you choose. We will offer guidance but not specifications. All materials must be “punched & secured” neatly into the binder. No old Econ 4 exams of any sort will be allowed (lest you forfeit your kit), nor will your kit include the READER. Exchanging *Kits*, or any part of a *Kit*, during the exam will be considered a cheating.

Course Content

Reader 2010 v1 Content

1. **Introduction to Accounting & Accountants**
 - History, Jobs
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 Accounting Cycle**
 - How & What Accounts Do
6. **Financial Statements**
 - What Investors & Creditors See
7. **Accrual Accounting**
 - Accounting Thought
8. **Financial Reporting**
 - Accounting Disclosures
9. **Accounting Choices: An Illustration**
10. **Story-Telling: GAAP as a Communications Device**
 - Talking the Accounting Language
11. **Analysis & Earnings Management**

Course Calendar

Winter 2010	Monday	Wednesday
Week Jan 4-6	Intro to the Course	Reader Chapters 1, 2, 3
Week 2 Jan 11-13	Chapters 4, 5	Chapters 5, 6 Quiz #1
Week 3 Jan 20 only	<u>Holiday</u> <u>Midterm #1 upload</u>	Chapter 7 <u>Midterm #1 due at 5pm</u>
Week 4 Jan 25-27	Chapter 7	Chapter 7
Week 5 Feb 1-3	Chapter 8 Nordstrom "JWN"	Chapter 8 Nordstrom "JWN" Quiz #2
Week 6 Feb 8-10	Chapter 9 Ugly Puppy 1, 2	Chapter 9 Ugly Puppy 3
Week 7 Feb 15-17	Chapter 9 <u>Midterm #2 upload</u> Ugly Puppy Cash Flow	Chapter 9 <u>Midterm #2 due at 5pm</u> Ugly Puppy Cash Flow
Week 8 Feb 24 only	<u>Holiday</u>	Time Value of Money
Week 9 Mar 1-3	Time Value of Money	Time Value of Money Quiz #3
Week 10 Mar 8-10	Chapters 10, 11 Nordstrom "JWN" if 10K available	Wrap-up