



**DEPARTMENT OF ECONOMICS / THE RADY SCHOOL OF MANAGEMENT
ECON/MGT 4: FINANCIAL ACCOUNTING**

**TIME(S) / LOCATION(S): TUESDAYS & THURSDAYS
SECTION A00: 6:30PM-7:50PM / SOLIS 104
SECTION B00: 3:30PM-4:50PM / CENTR 212**

**WINTER QUARTER 2024
SYLLABUS**

Instructor: Dr. Steve Levkoff, PhD, CAP®

E-mail: slevkoff@ucsd.edu

Course Webpage: <http://canvas.ucsd.edu>

Office: Atkinson Hall 4115

Office Hours: Tuesdays & Thursdays, 2:15PM-3:15PM, open door, and by appointment (no office hours in-person until week 2). If you could email me in advance to let me know you plan on showing up (and even what you'd like to address in office hours), that would be appreciated!

Course Description: This course will provide a framework in which to understand the fundamentals of financial accounting. The goal of a financial accounting manager is to provide an accurate description of the firm – the productive entity. In this course, we will develop an understanding of the three most critical financial statements: the balance sheet, the statement of income, and the statement of cash flows (along with the statement of shareholder equity). The roles of ratio and financial statement analysis are also investigated. The end of the course focuses on developing concepts related to the time value of money to be applied in valuation and finance in upper division courses later in your business/economics career.

Prerequisites: You should be familiar with basic algebra and arithmetic in being able to solve equations, compute fractions & percentages, and interpret growth rates. Otherwise, there are no formal course prerequisites.

Readings:

Required:

- [1] The standard textbook prescribed by the department is Financial Accounting – Financial Accounting, by Rich, et. al.. The book will be provided with Inclusive Access via the RedShelf system

at a significant discount (you can either opt-in or opt-out – if you opt-out, then you are responsible for sourcing that material yourself). You will receive an email from the library / Redshelf with instructions on how to opt-out.

Technology Prerequisites: It is your responsibility to make sure you are enrolled in the online course (Canvas) by registering for the class formally through the university. I will not provide access to the Canvas course if you are not already enrolled or on the wait list to avoid complications with the course roster and to routinely check it and your email for announcements and to access newly distributed material. *You must also make sure that your browser is compatible with the Canvas quiz assessment system.* In the past, some students had browsers that did not display the math text. Any questions regarding Canvas issues or general technology issues should be directed to ITS@ucsd.edu.

Lectures, Podcasts, and Recordings: All lectures will take place at their regularly scheduled times (see the top of the syllabus) and will be recorded / podcasted using the Kaltura system. You can access the lecture recordings following class at podcast.ucsd.edu (use your SSO login) or through the Canvas Media center. I will also post past remote (Zoom) recordings corresponding roughly to each lecture that students have found useful due to real-time annotations in the videos. You can find these in the module called Recorded Remote Lecture Sessions. *DISCLAIMER: Be careful to note that any dates or deadlines mentioned in these remote Pandemic videos do not apply to the current term.*

Discussion Sections: Discussion sections will be primarily focused on going through solutions to worked problems, quizzes, and lecture review questions. You may attend any discussion you'd like. There is no discussion section during the first week of the course.

Times & Locations:

Wednesdays in PETER 103: 5-5:50PM, 6-6:50PM

Fridays in PETER 102: 3-3:50PM, 4-4:50PM, 5-5:50PM

Head Teaching Assistant: Riccardo Di Cato (rdicato@ucsd.edu)

Graduate Teaching Assistants: Harrison Mitchell (hamitchell@ucsd.edu), Steven Yee (s1yee@ucsd.edu)

Undergraduate Instructional Assistant: Xitong (Chloe) Xiang (xxiang@ucsd.edu)

Worked Problem Sets & Solutions: While not a formal part of the course grade, the problems worked in class and posted in the “worked problems” module will play a crucial role in developing your problem solving skills and should be taken *very seriously*, especially if you see accounting in your future. In the past, it has often been the case (and is no secret if you look at my course evaluations online) that students putting the most effort into the worked problems tend to perform best on the exams because *the worked*

problems tend to be much more difficult than exams. Worked problems will be posted regularly to Canvas and will be used as constructive examples in the TA discussions.

COURSE DELIVERABLES

#FinAid Survey This is the first item in the first Canvas module. While not part of the course grade, you should submit a response to this survey as the university uses it for reporting the commencement of academic activity for the term for consideration of financial aid. Failure to do so may result in loss of consideration for future financial aid opportunities.

Lecture Survey Questions (LSQs): At the beginning of each lecture (the first LSQ that will count towards your grade will start during the second week of class), I will ask a quiz-like question in Canvas related to reviewing material covered in a previous lecture or to motivate the material to come. While these questions are designed for the students attending the live-session, they can be submitted for credit anytime up until 11:59pm (PST) on Sunday for the current week's lectures. These questions are graded on a participation basis only (full credit if you do it, none if you don't) and cannot be "made up" for *any* reason in the event they are missed, which is why the time window is extended through Sunday. They are coded "LSQ -W#L#" where the # following W is the week and the # following L is the lecture number (1 or 2) of that week.

Lecture Review Problems (LRPs): There are five 5 of lecture review problem sets (usually 20 questions each in the same format/spirit as quiz questions) to be completed approximately on a biweekly basis (slight exceptions to the recurring interval – see the schedule below for deliverable due dates). These problems will act to check your understanding of the lecture material and will be graded for correctness. You are encouraged to use your notes and digital resources to help yourself complete these review problems, and may consult with classmates and TAs on these problems. Review problems will be available be submitted any time before the Sunday at 11:59pm deadline outlined below. You may take as many attempts as you like (you will be able to see the results of your attempt before repeating another), but only your highest (best) attempt will be counted. The LRPs are not time constrained otherwise and you may go back and forth between questions freely. They are coded "LRP -#." I will give everybody 5 "fudge points" in the event there is a technical glitch or a poorly worded problem (or error in the solutions) so that you can lose 5 points over the 5 LRP assignments and still get a perfect score. This is intended to mitigate concerns about discrepancies with small details of question wording in a low stakes question environment.

Quizzes: There will be 5 concept check quizzes administered (almost bi-weekly, but not quite) remotely (and asynchronously). The quizzes will involve applications and problem solving related to recently covered topics. The quizzes (usually 20 questions each) will be administered through Canvas, will consist of a variety of question types (multiple choice, numerical response, etc.). During the quizzes, you will only be able to see one question

at a time, cannot move onto the next question until answering the current one, and cannot go back to past questions after answering them. Each student will effectively have a different quiz using randomized question variants from a question pool. The quizzes will be available Monday at 12:01am (PST) and will remain open until 11:59pm (PST) that same day - you will have 60 minutes to complete the quiz after starting it (so don't start it if you're not ready to finish it!) and must submit it prior to 11:59pm that evening (you will be cut off). You may use your notes and digital resources to complete the quiz. You may take as many attempts at the quiz as you like, and only your highest attempt will be counted (you won't be able to see your performance between attempts). Note that Canvas provides many metrics to allow us to monitor your quiz activity (even in real time), so it is somewhat easy to note suspicious behavior quantitatively. The quizzes are coded "Quiz - #." I will give everybody 5 "fudge points" in the event there is a technical glitch or a poorly worded problem (or error in the solutions) so that you can lose 5 points over the 5 Quiz assignments and still get a perfect score. This is intended to mitigate concerns about discrepancies with small details of question wording in a low stakes question environment.

Examinations: There will be two exams: a midterm (2/13/24 in lecture) and a final (scheduled by the registrar on 3/19/24 from 3-6pm, but we will only use the 4-6pm window). The first exam focuses on bookkeeping fundamentals developed in the first half of the course. The final exam focuses on cash flow and finance concepts covered during the second half of the course.

Summary of Deliverable Deadlines:

- LSQs – Available every lecture starting week 2 (2 per week, starting the second class) and can be submitted before each Sunday prior to 11:59pm.
- LRPs – Due on prior to 11:59pm on Sundays, 1/21/24, 2/4/24, 2/11/24, 3/10/24, and 3/17/24
- Quizzes – Available/due between 12:01AM-11:59PM on Mondays, 1/22/24, 2/5/24, 2/12/24, 3/11/24, and 3/18/24
- Midterm Exam is on 2/13/24 in lecture
- Final Exam 3/19/24 from 7PM-9PM (A00) and 4PM-6PM (B00) (NOTE: the final exam is strictly a two-hour exam - you must take all exams in the section for which you are registered due to capacity constraints on seating)

Grading:

Lecture Survey Questions (LSQs)	5% BONUS
Lecture Review Problems (LRPs)	5%
Quizzes	5%
Midterm Exam (2/13/24)	45%
<u>Final Exam (3/19/24)</u>	<u>45%</u>
Total	100%

In the *past*, a student could typically guarantee themselves some type of A by ranking in the top 25% of students in the course and some type of B by ranking in the top 60% of students in the course. The median grade for the course typically winds up being around a B-. In the past, scoring a course composite score of 90% or above typically puts students in the A range. Similarly, scoring a course composite score of at least 80% tends to put students somewhere in the B range. In the past, scoring at least a 60% composite score for the course was the required threshold to pass the class (with C-). The instructor reserves the final judgement in all grade assessment matters. ***It is important to note that the Canvas grade center does not automatically apply these weights – you will need to compute this manually as outlined above.***

Midterm Exam Re-grade Policy: It should be known that there may be some questions on the exams that have no right or wrong answer, so how credit is awarded depends crucially on *how* you defended your answer. Accordingly, there is a *BIG* difference between an answer being a *technically correct answer* and an answer being ***the best answer***. In these cases, credit is awarded (according to the grading rubric) for how close your answer comes to being the *best answer*. That is, an answer, while being technically correct, may not necessarily have been the best answer and hence, wouldn't necessarily receive full credit despite technical correctness.

After your exams are graded, we will release your graded exams on *Gradescope* so you can view a .pdf of your graded exam. If you find that there was a minor grading issue (ie: points were added up incorrectly), let us know and we will remunerate accordingly. If there is a major issue (ie: you don't think points were awarded correctly according to the grading rubric), submit a re-grade request – be advised that in the event your request is rejected, the TA's have authority to deduct an additional penalty for asking for a regrade (only in the case where the request is denied or viewed as excessive).

You have one week from the announcement of the grade distribution to resolve grading issues. Otherwise, grades are NON-NEGOTIABLE and any requests that are determined to be *excessive* in scope may warrant further point deductions unless sound arguments are used to justify the request. The instructor and TAs reserve the right to refuse any request believed to be *excessive*.

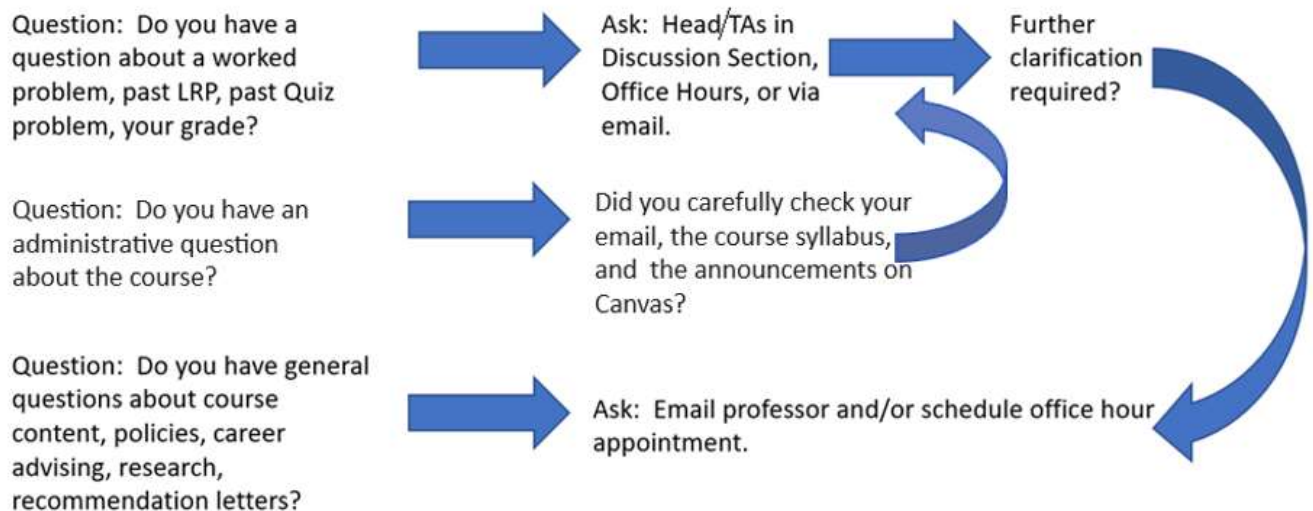
Absences & Attendance: *The asynchronous Canvas deliverables (LSQs, LRP, and Quizzes) cannot be made up for any reason.* Otherwise, absence from an exam assessment will be awarded a score of zero. The instructor reserves the right to re-weight the composite grading structure above to accommodate valid excused absences (ie: medical emergency, etc.). This could involve an oral exam or alternate format. To hedge risk, it is in the students' best interest to complete as many of the course assessments as possible.

Supplemental Material & Slides: Throughout the course, the instructor may post supplemental readings and slides via Canvas. These materials are meant to be used in addition to the lecture and are not to be used as a substitute for going to lecture, reading the textbook, or watching required video content. The instructor reserves the right to

remove access to this material if he feels that it has adversely affected attendance in the lecture.

Classroom Decorum & Email: To avoid distracting others in the classroom, please arrive on time. When class is in session. I use a “call-and-response” type lecture style, and you should feel encouraged to participate when queried by the instructor with a leading question. Please restrict the use of email to the minimally necessary volume, put the course number (ECON / MGT 4) in the subject of the email – I teach other classes and this is the fastest way for me to know who I’m responding to. Put your *full name* at the end of email messages as well. Email questions regarding *how to do a particular homework problem set question* should be first directed to your TAs (so they have an opportunity to work within their purview). Your email decorum should be professional. You should make sure you address the email formally and properly and use college level grammar. The way to get the fastest response via email is to email me directly at slevkoff@ucsd.edu. Messaging me through Canvas requires that I log into Canvas to reply, and this is more cumbersome. I also spend about 2 hours per day responding to emails, so if you don’t get a reply immediately (I answer them in the order I get to them), please either follow up or wait. I should get back to you within no longer than three days at the most (especially if you ask over the weekend).

Who Should I Ask?: Please reference the flow chart below to efficiently utilize your course resources when making inquiries:



Statement of Academic Integrity: Integrity of scholarship is essential for an academic community. The University expects that both faculty and students will honor this principle and in so doing protect the validity of university intellectual work. For students, this means that all academic work will be done by the individual to whom it is assigned, without unauthorized aid of any kind.

Examination Policies: Consistent with the University's mission to preserve academic integrity, there are several policies and procedures that must be adhered to by students during exams.

- 1) In order to be allowed into the exam, students must have:
 - A BASIC or SCIENTIFIC calculator (no graphing calculators, cell phones, or other mobile devices unless given prior approval by the instructor)
 - Your UCSD student ID
- 2) During the exam, the following policies will be enforced:
 - Your seat will be randomized for each exam. When you enter the lecture on exam day, find your name and assigned seat number on the projector and quickly and quietly sit. Once everyone is seated, the exam will be handed out.
 - NO BATHROOM BREAKS after the first 45 minutes following the exam start. Be sure to use the restrooms before the exam begins. Exams are less than an hour and a half long! You can make it!!!
 - No hats, hoodies, or sunglasses during the exam.
 - Turn cell phones off during the exam and leave them in your bag.
- 3) Violations of academic integrity will not be tolerated. For this course in particular, violations include, but are not limited to anything that may be perceived as the following actions:
 - looking at or copying from other students' exams
 - talking during an exam while exams are still out
 - looking at notes during an exam
 - taking the wrong version of an exam
 - removing an exam from the examination room
 - removing pages from an exam
 - falsifying identification or an exam book during or after the exam
 - sitting in the wrong seat during an exam (if applicable)
 - using an unapproved device/item during an exam (ie: programmable calculator, cell phone, etc. - see above list)

Violation (or perceived violation) of any of the abovementioned policies will be enforced via zero tolerance, will result in an automatic zero on the exam/assessment in question, an automatic failing grade for the course, and may be referred to the student conduct process through the AIO office, so don't do anything that would even come close to something that an observer would potentially interpret as academic dishonesty. NO EXCEPTIONS.

Tentative Schedule of Topics (Subject to Change):

Weeks 1-2

Introduction to Financial Accounting
The Balance Sheet

Weeks 3-4

Accrual Accounting Principals
The Income Statement

Weeks 5-6

The Statement of Cash Flows
Ratio Analysis

Weeks 7-8

Statement of Shareholder's Equity
Financial Statement Analysis

Weeks 9-10

Discounting and Present Values
Asset Pricing and Valuation