

FINANCIAL ACCOUNTING

Instructor: Roman Anatolievich Lugovoi

Introduction

The ability to read, analyze, and interpret financial report is an essential skill for today's business leaders. The objective of this course is to help student to become comfortable reading the financial statements of any commercial business, from a large publicly traded company to a small privately held company.

This course provides an overview of financial accounting information and the role of that information in the market economy. The first portion of the course presents an overview of the accrual accounting model, how accounting information is presented, and the mechanics of keeping track of financial accounting information. Without a solid understanding of this material, the remainder of the course and any subsequent financial accounting courses will be very difficult.

The second portion of this course focuses on how corporate financial statements report particular economic events. By the end of the course, student should be able to analyze the financial statements of any commercial business, be able to come to a reasonable conclusion about a company's financial health, and be able to make comparisons across firms and periods of time.

Suggested Audience: students of economics and business administration profile

Course Markscheme

The successful completion of the course depends on the student's performance in the following areas:

- In-class activity – 10 pts max;
- Homework assignments – 20 pts max;
- Midterm exam – 30 pts max;
- Final Exam – 40 pts max.

A student's final grade depends on total points earned as follows:

Points	Grade
Above 90	A, excellent
76-90	B, good
61-75	C, satisfactory
Below 61	F, failing

Course Syllabus

The course is broken up into 13 different topics, offering step-by-step perception of the subject concepts:

1. Introduction. Basic Concepts
2. Balance Sheet
3. Income Statement
4. Cash Flow Statement
5. Investigation on the Financial Report Case
6. Economic Concepts Basics
7. Connecting Economic Concepts to Financial Reports
8. Accounts Receivable
9. Inventories
10. Marketable Securities
11. Long Lived Assets
12. Long Term Liabilities
13. Equities

The course is delivered through 48 in-class hours, composed of 36 h lectures, 8 h problem-solving and 4 h for Midterm and Final exams. It is expected that student spends about the same amount of time for working on homework assignments and self-preparing.

Suggested reading:

Antle, R. and S. Garstka, Financial Accounting 2nd edition, South-Western.
(ISBN: 0-324-19210-X)