

ECON 127 – Syllabus – Prof. Gosman
2021 Winter Session: January 4 - February 2
Fully-asynchronous course. Individual online office hours as needed

COURSE INFORMATION

Instructor: Prof. Martin Gosman e-mail: mgosman@wesleyan.edu

Text: Spiceland/Thomas/Herrmann, Financial Accounting. 4th edition, McGraw Hill, 2016.

See link on course moodle for very affordable e-book option.

Course Objectives: Upon completion of this course,

1. You will understand the basic structure of income statements and balance sheets prepared by firms, the major items contained therein, and the purposes and limitations of those statements.
2. You will understand how accrual-basis accounting differs from cash-basis accounting and why accrual accounting is considered a more accurate basis for reporting.
3. You will have an understanding of the accounting choices for inventories and depreciation and how the use of different accounting methods for similar economic events creates challenges.
4. You will understand the purpose of the statement of cash flows, the reasoning behind its structure, and why many consider it to be the most insightful financial statement.
5. You will have become familiar with the data/information presented in firms' SEC 10-Ks and be better able to interpret and use that data/information in a variety of decisions.
6. You will understand why financial ratios are calculated in certain ways, how those ratios relate to each other, and how credit and equity analysts use (and sometimes misinterpret) ratio results.
7. You will consider which financial measures best reveal financial challenges faced by retailers.

Academic Integrity

On examinations and for turned-in assignments, you must do your own work; collaboration is not permitted. Any such behavior will result (at a minimum) in a zero on the exam or assignment.

Homework: Many written assignments are explained and at least partially solved within lecture notes.

Questions listed are from REVIEW (Not Self-Study) QUESTIONS SECTION at chapter-end.

Exercises listed are in EXERCISES (Not Brief-Exercises) SECTION at chapter-end.

Additional Perspective (AP) assignments are in last homework section at chapter-end.

Exams: Two unit exams are scheduled, one near the midterm of the course and the second on the final course day. These open-book, open-note exams will include a mix of computational, short-discussion, and multiple-choice questions and measure **learning rather than memorization**.

Ratio Detective Problem: Students identify the lines of business for four firms based on the relative size of the financial-statement accounts of each.

Retailer Project: Students analyze financial information from the 10-Ks of financially-challenged firms.

Course Grade: Exams 1 and 2 are each 32.5%, Ratio Detective is 15% and the Retailer Project is 20%.

ASSIGNMENT SHEET

<u>Lecture Transcripts</u>	<u>Text Reading</u>		<u>Review Questions</u>	<u>Assignments from Text Book</u>		<u>Addt. Persp.</u>
	<u>Chapter</u>	<u>Pages</u>		<u>Exercises</u>	<u>Problems</u>	
PRE-SESSION ASSIGNMENTS						
Introduction *middle of page	1	3-14M*	10, 15, 16	6, 8		
Transaction Analysis	2	53-66	4	3	1A	
Accrual-Basis Accounting	3	107-111				
Revenue Recognition	3 5 6	107-111 217-220M	5 5	1	1A	5
Expense Recognition	3 7	107-111 323	7 1	2		
SESSION ASSIGNMENTS						
<i>January 4 – January 8</i>						
Adjusting Entries	3	113-119M	9			
Review Problems: Theater Group & Hamden News						
Cash and Internal Controls	4	167-178M	2,6,14,16	6		
<i>January 11 – January 13</i>						
Accounts Receivable	5	216 222M-227	8, 12	10(1&3)		5
Analysis of Accounts Receivable	5	234M-235M 239M-241M	22, 23	18		
<i>January 14 -- UNIT 1 EXAM DUE</i>						
<i>January 15</i>						
Inventories	6	268M-269M 271M-280M	1,4,9,12		1A (2-4)	

Assignments from Text Book

<u>Lecture Transcripts</u>	<u>Text Reading</u> <u>Chapter</u> <u>Pages</u>	<u>Review</u> <u>Questions</u>	<u>Exercises</u>	<u>Problems</u>	<u>Addt.</u> <u>Persp.</u>
<i>January 18 – January 21</i>					
Gross Profit and Income Statement Geography	6 269M-271M	6, 20		7B, 8B	
Analysis of Inventory	6 292-294M				
Long-Term Assets and Depreciation	7 323-331M 333M-340M	2, 10 15, 20, 21		5A	
Asset Analysis	7 340M-341 348-350M	26		9A	
<hr/>					
<i>January 22 – RATIO DETECTIVE PROBLEM DUE</i>					
Liquidity Analysis	8 373-375M 382M-383 389M-393M	4 11 21, 22		9A (1&2) 9B (1&2)	
<hr/>					
<i>January 25 – January 26</i>					
Accounts Payable and Excess Days					
Long-Term Liabilities	9 413-414 436M-438	1, 2, 20		7A (1&2) and new Part 3 in lecture notes	
<hr/>					
<i>January 27</i>					
Stockholders' Equity	10 458; 468-469M 471-472 478M-480M 482M-483M	12 14 21			
Statement of Cash Flows	4 188M-191M	27			
<hr/>					
<i>January 28 – RETAILER PROJECT DUE</i>					
<i>January 28 - 29</i>					
Statement of Cash Flows	11 505-508M 511-516M	1,9,10,13			8
<hr/>					
<i>February 1 – Reading Day</i>					
<hr/>					
<i>February 2 – UNIT 2 EXAM DUE</i>					
<hr/>					