

**SYLLABUS**  
**Accountancy 70120**  
**Corporate Financial Reporting II (Module 2)**  
**Fall, 2008**

Professor:	H. Fred Mittelstaedt	Office:	102D Mendoza College of Business
Phone:	631-5087 (office)	Office hours:	TR 12:00 p.m. to 2:00 p.m.
	631-7324 (department)		and by appointment
E-mail:	<a href="mailto:mittelstaedt.1@nd.edu">mittelstaedt.1@nd.edu</a>		

Christina Pelka [cpelka@nd.edu](mailto:cpelka@nd.edu)

Meeting Times: Section 02 TR, 10:00-11:50, MCOB 159

Course Materials:

*Financial Reporting and Analysis - 4<sup>th</sup> Ed.*, Revsine, Collins, Johnson, and Mittelstaedt  
2009, (McGraw-Hill) (RCJM in schedule)

**I. Course content and objectives:**

The objective of this course is to teach students how to read, understand, and critically evaluate financial statement information. These skills are necessary for business analyses and understanding the financial press. ACCT 70120 builds upon ACCT 70110 by addressing additional topics related to leases, stock based compensation, retirement plans, and investments, including controlled entities and foreign operations. Accounting journal entries, financial statement presentation, and financial statement footnote disclosures are examined. In addition, the rationale underlying the reporting requirements and management incentives for manipulating those requirements are explored. The text is supplemented with articles in the financial press and actual financial statements. During the course students are expected to

- Explain and analyze complex financial events and their effect on cash flows, financial statements, and accounting-based contracts,
- Explain interrelationships among the income statement, balance sheet, and footnotes,
- Explain how company-specific or economy-wide events will affect future financial statements,
- Explain the role of financial reporting in contracting and the professional responsibility of management, auditors, and analysts,
- Communicate effectively in written and oral communication, and
- Prepare and analyze Excel spreadsheets.

## II. Grading

Grades will be determined on the basis of total points earned. The point distribution will be approximately:

Exam 1	100	33%
Exam 2	100	33%
Class participation	40	13%
Quizzes	40	13%
Miscellaneous	<u>20</u>	<u>7%</u>
Total	<u>300</u>	<u>100%</u>

## III. Exams

The exams are closed-book and will consist of multiple choice and problems and cases similar to those discussed in class. Essay questions related to readings and class discussions will also be asked. Prior exam questions are on Concourse. Exams will be given at the dates and times indicated, and makeups will be given only in extremely rare cases. Students cannot store text in calculators or use hand-held computers for exams. Students not complying with this rule will be charged with academic dishonesty (see below).

## IV. Preparation, Attendance, and Participation

Students should read assigned readings and/or make reasonable attempts at problems or cases before coming to class. Preparation, attendance, and participation are very important. First, preparation for every class assists both learning and long-term retention. Second, presentations clarify and often add to textbook information. Finally, students must develop the ability to form and respond to questions in the presence of peers.

Students receive participation points primarily from attendance and from answering questions that I pose to the class. If students are well prepared for class, they should be able to answer most of my questions. In addition, students earn points by asking *meaningful* questions or sharing prior experience that relate to the topic being discussed. Students do not earn credit for asking questions where the answers should be obvious from the reading or prior class discussions. Participation points can also be earned by providing me with articles or examples that relate to topics discussed in class. I have a maximum number of participation points that I will give an individual on any given day, so there is no need to monopolize class time. Such over-participation may reduce your participation grade.

Interviewing is a very important activity, and I make efforts to accommodate it. However, interviewing does not relieve the student of course responsibilities. Missing more than **two** classes (regardless of the reason) will significantly lower the participation score.

## V. Quizzes

To ensure that students keep up during the module, they will take quizzes individually on Concourse after coverage of a topic. We will have 5 quizzes, but only the 4 highest will count. Students may consult the text and class notes when taking the quizzes, but they cannot ask anyone else for assistance. Violating this rule will be viewed as academic dishonesty (see below).

## VI. Miscellaneous points

Short outside-of-class assignments will be made throughout the module and will comprise most of these points.

## VII. Code of Honor

The *Mendoza College of Business Graduate Academic Code of Honor* ([www.nd.edu/~mba/academics/oneYear/honorCode.shtml](http://www.nd.edu/~mba/academics/oneYear/honorCode.shtml)) will be strictly applied. Students will not give or receive aid on exams and will report any occurrences of such behavior by others. Students also will not plagiarize others' works in completing outside assignments. Acceptable communication among students or groups will be indicated at the time of each assignment. If an honor violation occurs, I will implement procedures outlined in the code of honor.

Tentative Schedule

Date	Sess	Day	In-Class Activity or Event to Take Place on Date	Outside Assignment to be Completed before Date
10/28	1	T	Introduce course and begin leasing	Read RCJM pp. 681-713. (Note that the textbook uses the “gross” approach for lessor accounting, but we will use the “net” approach.)
10/30	2	R	Continue leasing	Do Lease problems (in outline) P-1, P-2, Part A. Read RCJM pp.714-720.
11/4	3	T	Continue leasing and review comprehensive income	Read Disney disclosures (outline pp. 14-16). Do Lease problem P-3 and P-4, Parts 1 to 6 and AMR case (RCJM C12-1). Read RCJM pp. 82-85.
11/6	4	R	Begin retirement benefits	Read RCJM Ch 14, pp. 805-825, 849-852.
11/11	5	T	Continue retirement benefits	Read RCJM Ch 14, pp. 826-849. Do RCJM P14-4, E14-14 ( <b>submit in pairs</b> ), and E14-19. Read McCracken and Stoll (2008).
11/13	6	R	Continue retirement benefits	Read White, Stoll, and McCracken (2007), Schultz and Francis (2007), and Zuckerman (2007). Do RCJM Web C14-1, C14-2, and C14-1.
11/18	7	T	Exam 1	
11/20	8	R	Review exam and begin stock compensation	Read RCJM pp. 375-377, 895-908. Read Drucker and Francis articles. Read Rappoport and Wei and review Cisco disclosures.

Date	Sess	Day	In-Class Activity or Event to Take Place on Date	Outside Assignment to be Completed before Date
11/25	9	T	Continue stock compensation	Skim PWC summary, Nicholaisen and SEC Chief accountant letter (on Concourse). Read Meyer and Fassler. Do stock compensation problems P-1, P-2, and Microsoft Case. Read Forelle and review Computer Associates financial statement excerpts.
11/27		R	Thanksgiving	
12/2	10	T	Introduce accounting alternatives for equity investments	Read RCJM pp. 939-967.
12/4	11	R	Continue consolidations and discuss control issues	Do RCJ P16-2 and Consolidation P-2 ( <b>submit in pairs</b> ). Read RCJM pp. 967-968 and Fink.
12/9	12	T	Discuss consolidations and foreign operations	Read RCJ 968-977. Read Slater and McKay (2008). Do Consolidation P-1.
12/11	13	R	Continue foreign operations and TCEs	Do Foreign Currency P-1 and review GE global disclosures.
12/18	14	T	Final exam	