

Texas A&M University-Commerce
College of Business and Entrepreneurship
Department of Accounting
ACCT 575: FINANCIAL STATEMENT ANALYSIS LIVE @ UCD
Fall 2013

Professor: Julia M. Bristor, PhD, MBA, CPA

Class location: UCD, (1901 Main St. Dallas, TX 75201), classroom TBD

Meeting time: Wednesdays, 6:15 – 8:55 pm

Office: (UCD) 301, (Campus) 119, or Virtual Office in eCollege

Email: julia.bristor@tamuc.edu (preferred contact method)

Cell: 214.662.0672 (text first and identify yourself)

Office Hours: (Campus) Wednesdays 10:30 – 3:30 (by appointment only); (UCD) Wednesdays: 5:00 - 6:00.

I'm usually available by email, text and phone.

Note: Read carefully. You are responsible for the material contained in this document.

Course Overview

This course takes a user-oriented approach to the study of financial statements with an emphasis on for-profit public companies. Students learn techniques for analyzing and interpreting financial statements. All course materials, including the weekly schedule are in eCollege.

Prerequisites

You should have taken Acct 501 or its equivalent. Basic accounting knowledge is assumed and it is your responsibility to ensure that you have met this requirement.

Course Embedded Assessment Objectives

Your achievement level for each objective will be measured by your ability to perform the following tasks:

1. Explain the basic principles of accounting and the assumptions of the financial accounting model.
2. Read and interpret basic financial statements including the income statement, balance sheet, statement of cash flows, shareholders' equity, and footnotes.
3. Use vertical and horizontal common-size analysis, trend analysis, ratio analysis, industry comparisons to analyze and interpret a company's financial health in areas such as efficiency, profitability, liquidity, solvency, and investor attractiveness.
4. Analyze and interpret the effects of differing accounting methods and management disclosures on financial statement analysis.

Required Text

Gibson, Charles H. (2012). *Financial Reporting and Analysis* (13th ed). Mason, OH: South-Western Cengage Learning. (ISBN 978-1-133-18879-7). **Have your text available during class sessions to work problems.**

You can purchase the text from the bookstore, from the following website:

<http://www.cengagebrain.com/shop/search/9781133188797>, and from other sources such as Amazon.

Course Structure

I'm here to facilitate and support you but learning is your responsibility – you will not get more out of the course than you put into it. In line with the Association to Advance Collegiate Schools of Business (AACSB) guidelines, expect to devote an average of 12-15 hours per week to the course.

The typical week's learning cycle will be:

1. **Before class:** Read assigned materials and listen to recorded material, if any, before class. Be prepared to ask questions in class.
2. **In class:** I will give an occasional simple pop-quiz based on the week's material. I will review and discuss materials, and clarify any issues, discuss additional relevant material that you will be responsible for, and demonstrate how to solve problems. You will also work additional problems and/or work on other assignments in class.
3. **After class:** Work additional problems, review slides and other materials until you are satisfied that you have mastered the material.

Optional Text-Based Resources

1. **Free Gibson Resources:** Go to the Cengage website, and look for FREE book companion resources. There you will find a variety of resources available to assist your learning, including Interactive Quizzes, To the Net assignments, Web Cases, and more.
2. **Free with Purchase of Gibson:** Online access to the THOMSON ONE: Business School Edition website: <http://www.cengage.com/thomsonone>. A one-year complimentary access code is included with the purchase of a new textbook. You can purchase an access code if your text does not include one.
3. Any current Intermediate Accounting text (as a reference).

Course Components and Weighting

The final grade you earn will be determined as follows:

| | |
|--------------------------------------|-----------|
| Exam I (Chapter 1-5) | 20% |
| Exam 2 (Emphasis on Chapter 6+) | 25% |
| Paper | 45% |
| Class Attendance/Participation | 5% |
| <u>Quizzes and class assignments</u> | <u>5%</u> |
| | 100% |

I do not offer extra credit or exam re-takes and don't respond to requests for a higher grade unless you use the appeals process (see "appeals" below).

I generally use a standard grading scheme – 90% or above (A), 80%-89% (B), 70%-79% (C) and have the option to curve final grades. If you violate the Academic Honesty policy you will automatically be ineligible for any curves.

Course Components

1. Class Attendance/Participation (5%)

Attendance is mandatory. If for some reason, you cannot attend class, I expect you to notify me in advance. (Would you just *not* show up for work without calling the boss?) You are responsible for all announcements and material covered even if you are absent.

I expect everyone to contribute positively to the class's learning experience whether in a class session or in eCollege. See below for my Rubric. Making comments and asking questions during class sessions are obvious ways to fulfill this requirement. I often call on people so be prepared for class. **Don't wait until halfway through the course to get serious about participation. You'll have wasted half of your opportunities.**

2. Assignments and quizzes (5%)

Throughout the course you will complete several short assignments such as responding to a discussion question in eCollege or research problem. They will be graded on a pass/fail basis based on apparent effort. Late assignments are not accepted. At the start of some classes I will give a short quiz (one or two

questions/problems) to assess whether you are prepared for class. They will be graded on a pass/fail basis with no retakes or make-ups allowed.

3. **Exams (45% total)**

The exams are timed and include a combination of multiple choice questions and calculations. The exam questions are similar to the problems at the end of each chapter. While the exams are open-book, you must learn the concepts as you will not have time to look up everything. Due to Academic Honesty issues, I do not return exams but am happy to review your exam with you.

4. **Financial Statement Analysis Paper (45%)**

You will perform a comprehensive financial statement analysis on the publicly traded company of your choice. See details in eCollege.

Other Responsibilities and Requirements

1. **Check eCollege frequently** for announcements and other information.
2. **Listen to recorded material before class, do assigned readings and problems and master the concepts.** Readings and assignments are designed to contribute to your mastery of the subject. The key to course success is to work lots of problems. I do not collect or grade problems as you are grad students. I am of course always available to help.
3. **Contact me about issues *when they arise*.** It's much easier to help and work out a solution early-on, than later when it may be too late.

4. **File-naming convention for document submissions:**

When you submit an assigned file, use the following naming conventions: **Lastname-Assignment Name-575.xxx** or **Lastname-Company Name-575.xxx**. Example: I'd use **Bristor-Academic Honesty Policy-575.pdf** for the AHP, and **Bristor-GE-575.xxx** for my project files. This requirement helps me find all the files I receive. Unless you hear differently, submit documents via the appropriate DropBox.

5. **Sign and return the Academic Honesty Policy:**

- See below for more detail on ethics. Download policy from Doc Sharing, print, complete, sign, scan to a pdf and upload to the Dropbox basket. See the course schedule for the due date. **Late submissions will result in a 5% overall grade penalty.**

6. **Complete the student information form:**

- Download from Doc Sharing, print, complete and upload to the Dropbox. Due date on course schedule. **Late submissions will result in a 5% overall grade penalty.**

7. **Set up a Turn-It-In account:**

- See **Course Home** for instructions to set up your account. **Late submissions will result in a 5% overall grade penalty.**

Turn It In ("TII") is a 3rd party tool to help ensure your written work is properly cited and/or original. The tool assesses your Word/ PDF file for originality. If a score is too high (> 24%), sources may not have properly cited, or material from another source isn't adequately paraphrased. False positives *are possible*.

It is your responsibility to review the report, and determine whether you have any issues, correct if necessary, and recheck your score. When you submit the same document to the eCollege dropbox you may get a higher score. This is not a problem as long as you have already corrected any originality issues.

eCollege Resources

Familiarize yourself with the following eCollege resources.:

1. **Technical Support:** Complete the eCollege student tutorial if you're new. Also **eCollege** has a help button on the top right of the screen. If at any time you experience technical problems (e.g., you can't log in to the

course, you can't see certain material, etc.) please contact the Help Desk which is available 24 hours a day, 7 days a week. (www.online.tamuc.org, email helpdesk@online.tamuc.org or call 1-866-656-5511). Please **do not** contact me about technical issues. Trust me – you don't want my technical advice.

2. **Announcements.** I post important information here so check frequently.
3. **Email.** Use your MyLeo email account and check it regularly. YOU are responsible for all email I send. In addition, make sure you include the course number in your subject heading or it will be routed to my junk email box and I won't see it.
4. **Discussion Threads:** Use Discussion Threads located in Course Home and under the chapters and elsewhere for Q&A and discussion. Don't "back-post" items to prior week threads because I won't see it.
5. **Student Lounge (SL).** Use the SL to obtain help from other students (and to reply to queries) about resources, problems using eCollege , etc.
6. **Virtual Office (VO).** Use the VO to ask me course-related questions. If you send me an email asking a course question, I'll tell you post it in the VO so others will benefit from reading my response. If you've posted something that I've missed, feel free to send me a reminder text or email.
7. **Doc Sharing.** This is where I'll post downloadable documents such as forms, the syllabus, PowerPoint slides, homework solutions, articles and other relevant material.
8. **Dropbox.** This is where you will upload assigned files. You are responsible for ensuring that documents successfully upload, and that the files are properly named.
9. **Library.** You can access the TAMU-C Library from within eCollege or www.tamuc.edu.

Other Resources

Writing Resources:

1. Texas A&M University Commerce Writing Center
 - Polished writing skills are an essential professional skill so consider using the Writing Center as a resource. You can learn about the center by going to www.tamuc.edu. From there, click **Resources**, then **Academic Assistance & Programs**, then **Writing Center**.
 - The Writing Center also has an Online Writing Lab (writing.TAMUC.edu) that can help you with writing.
2. Perdue Online Writing lab (OWL) at <http://owl.english.purdue.edu/owl/section/2/10/>
3. American Psychological Association (APA). (2009) *Publication Manual of the American Psychological Association* (6th ed.). Washington, D.C.: Author. (ISBN: 1-4338-0562-6).
4. May, C., & May, G. (2009). *Effective Writing: A Handbook for Accountants* (8th ed.). Upper Saddle River: Pearson. (ISBN: 978-0-13-602908-3).

Texas A&M University Commerce Library

1. Accessible via eCollege under course Home or www.tamuc.edu. This is a great resource for finding industry information. Spend some time learning how to use library resources to find what you need. Do not wait until the last minute because it'll take some "digging."
2. Link to the research guide for the College of Business: <http://tamuc.libguides.com/busref> .
3. You can also contact Sarah Northam, Interim Head of Reference at Sarah.Northam@tamuc.edu .
4. Students often use the Mergent Online Database. Access instructions are in Doc Sharing.

University Policies

I have been asked to include the following information in my syllabus. For clarification and additional information, please refer to the Student Handbook as you will be held accountable to that standard.

Ethics

"All students enrolled at the University shall follow the tenets of common decency and acceptable behavior conducive to a positive learning environment." (See Student's Handbook, Policies and Procedures, Conduct.)

Integrity is the hallmark of the accounting profession and will be stressed throughout the course. Academic misconduct involves a breach of ethics, including but not limited to: illegal activity, dishonest conduct, cheating, plagiarism, or collusion.

Academic honesty violations will result in a 0 grade for the assignment, you will not be eligible for grading curves, if any, and I will notify the Dean. Possible further academic sanctions may include course failure (F), dismissal from the class and/or dismissal from the University.

To ensure that you fully understand academic honesty and my expectations, you are required to sign the Academic Honesty policy located in **eCollege**. Please download it, **read it carefully and make sure you understand it before signing**. Then scan and upload it into the appropriate Dropbox Basket. See the course schedule for the due date.

Students with Disabilities Information

The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you have a disability and require accommodation, please contact:

Office of Student Disability Resources and Services
Texas A&M University-Commerce
Gee Library, Room 132

Phone: 903.866.5150 - or - 903.886.5835
Fax: 903.468.8148
Email: StudentDisabilityServices@tamuc.edu

Withdrawals

University policy will be followed in regards to withdrawals during the semester. It is the student's responsibility to conform with the university rules relating to dropping or withdrawing from the course.

Incompletes

Students who, because of *circumstances beyond their control*, are unable to attend classes during or after review week will, upon my approval, receive a mark of "X" in the course *if they were maintaining passing grades*. A grade of "X" (incomplete) will not be counted in the calculation of the grade point average for one semester. If the "X" has not been removed at the end of one semester, it automatically changes to an "F."

If you request an incomplete, obtain and complete the university form and develop a completion plan before submitting it to me for my signature. This form is available online and from the registrar's office. You are responsible for completing the work according to the completion plan outlined on your request form.

Grade Appeals

eCollege is set up to track assignment scores and weight them according to the grading scheme listed above. If you believe you have not received the grade you earned, please follow this process **in the following order**:

1. *File an appeal with me*. Submit a written analysis to me documenting why you believe you received the wrong grade. You must include your scores and use the course weighting scheme in your analysis. I do not review appeals unless required documentation is provided.
2. *File an appeal with the accounting department head*. If you do not accept my review and explanation, you may file an appeal with the accounting department head using the required form obtainable from the accounting administrative assistant, Melanie Curtis (melanie.curtis@tamuc.edu).
3. *File an appeal with the dean of the COBE*. If you do not accept the department head's review and explanation, you may file an appeal with the dean of the COBE. Include all prior documentation and correspondence in your appeal.

Civility in the Academic Environment

Civility in the classroom or online course and respect for the opinions of others is very important in an academic environment. It is likely you may not agree with everything that is said or discussed in the classroom/online course. Everyone is expected to treat each other respectfully both in word and deed. Offensive humor and aggressive personal advances are specifically forbidden. Students are expected to conduct themselves at all times in a manner that does not disrupt teaching or learning. Faculty have the authority to request students who exhibit inappropriate behavior to leave the class/online course and may refer serious offenses to the University Police Department and/or the Dean of Students for disciplinary action. If you are uncomfortable about a situation, contact me for help in solving the problem.

Class Participation Rubric

| Overall, how meaningful is the student's contribution to the class learning process? | | | |
|--|--|--|---|
| 1 (Unsatisfactory) | 2 (Emerging) | 4 (Proficient) | 4 (Exemplary) |
| No contributions to class (live or eCollege) in terms of quality and/or quantity. | Little contribution to class (live or eCollege) in terms of quality and/or quantity. | Some contribution to class (live or eCollege) in terms of quantity and/or quality. | Significant contribution to class (live or eCollege) in terms of quantity and/or quality. |

Grading rubric for exams and course overall:

| | 1 (Unsatisfactory) | 2 (Emerging) | 3 (Proficient) | 4 (Exemplary) |
|--|--|---|--|--|
| Explain the basic principles of accounting and the assumptions of the financial accounting model. | Student cannot explain the basic principles of accounting and the assumptions of the financial accounting model. | Student can explain some of the basic principles of accounting and some of the assumptions of the financial accounting model. | Student can explain most of the basic principles of accounting and most of the assumptions of the financial accounting model. | Student can explain consistently the basic principles of accounting and the assumptions of the financial accounting model. |
| Read and interpret basic information in financial statements including the income statement, balance sheet, statement of cash flows, shareholders' equity, and footnotes. | Student cannot read and interpret basic information in financial statements. | Student has a fair ability to read and interpret basic information in financial statements. | Student has a good ability to read and interpret basic information in financial statements. | Student has mastery over reading and interpreting basic information in financial statements. |
| Use vertical and horizontal common-size analysis, trend analysis, ratio analysis, industry comparisons to analyze and interpret a company's financial health in areas such as efficiency, profitability, liquidity, solvency, and investor attractiveness. | Student cannot use analytic techniques to analyze and interpret a company's financial health. | Student cannot use analytic techniques to analyze and interpret a company's financial health. | Student can analyze and interpret most of a company's efficiency, financial condition, profitability, liquidity, solvency and risk of a company. | Student can consistently analyze and interpret a company's efficiency, financial condition, profitability, liquidity, solvency and risk. |
| Analyze the effects of differing accounting methods and management disclosures on financial statement analysis. | Student cannot analyze the effects of differing accounting methods and management disclosures on financial statement analysis. | Student can make some analyses of the effects of differing accounting methods and management disclosures on financial statement analysis. | Student can make most analyses of the effects of differing accounting methods and management disclosures on financial statement analysis. | Student can consistently analyze the effects of differing accounting methods and management disclosures on financial statement analysis. |