

1. General Information

1a. Submitted by the College of: BUSINESS AND ECONOMICS

Date Submitted: 11/25/2013

1b. Department/Division: B&E Graduate Center

1c. Contact Person

Name: Steven Skinner

Email: steve.skinner@uky.edu

Phone: 257-1543

Responsible Faculty ID (if different from Contact)

Name:

Email:

Phone:

1d. Requested Effective Date: Semester following approval

1e. Should this course be a UK Core Course? No

2. Designation and Description of Proposed Course

2a. Will this course also be offered through Distance Learning?: No

2b. Prefix and Number: EMBA 606

2c. Full Title: Financial Accounting

2d. Transcript Title:

2e. Cross-listing:

2f. Meeting Patterns

LECTURE: 2

2g. Grading System: Graduate School Grade Scale

2h. Number of credit hours: 2

2i. Is this course repeatable for additional credit? No

If Yes: Maximum number of credit hours:

If Yes: Will this course allow multiple registrations during the same semester?

2j. Course Description for Bulletin: This course provides an overview of financial accounting information and the role of that information in the economy. It focuses on the recognition and measurement concepts underlying financial accounting, but also covers the mechanics of recording and reporting accounting information to outside parties. The first portion of the course presents an overview of the accrual accounting model, how information is presented and the mechanics of keeping track of financial accounting information.

2k. Prerequisites, if any: Admission to the joint EMBA program.

2l. Supplementary Teaching Component:

3. Will this course taught off campus? Yes

If YES, enter the off campus address: Possibly at the U. of Louisville

4. Frequency of Course Offering: Fall,

Will the course be offered every year?: Yes

If No, explain:

5. Are facilities and personnel necessary for the proposed new course available?: Yes

If No, explain:

6. What enrollment (per section per semester) may reasonably be expected?: 40

7. Anticipated Student Demand

Will this course serve students primarily within the degree program?: Yes

Will it be of interest to a significant number of students outside the degree pgm?: No

If Yes, explain: [var7InterestExplain]

8. Check the category most applicable to this course: Traditional – Offered in Corresponding Departments at Universities Elsewhere,

If No, explain:

9. Course Relationship to Program(s).

a. Is this course part of a proposed new program?: Yes

If YES, name the proposed new program: Joint Executive MBA Program with the U. of Louisville

b. Will this course be a new requirement for ANY program?: No

If YES, list affected programs:

10. Information to be Placed on Syllabus.

a. Is the course 400G or 500?: No

b. The syllabus, including course description, student learning outcomes, and grading policies (and 400G-/500-level grading differentiation if applicable, from 10.a above) are attached: Yes

Distance Learning Form

Instructor Name:

Instructor Email:

Internet/Web-based: No

Interactive Video: No

Hybrid: No

1. How does this course provide for timely and appropriate interaction between students and faculty and among students? Does the course syllabus conform to University Senate Syllabus Guidelines, specifically the Distance Learning Considerations?

2. How do you ensure that the experience for a DL student is comparable to that of a classroom-based student's experience? Aspects to explore: textbooks, course goals, assessment of student learning outcomes, etc.

3. How is the integrity of student work ensured? Please speak to aspects such as password-protected course portals, proctors for exams at interactive video sites; academic offense policy; etc.

4. Will offering this course via DL result in at least 25% or at least 50% (based on total credit hours required for completion) of a degree program being offered via any form of DL, as defined above?

If yes, which percentage, and which program(s)?

5. How are students taking the course via DL assured of equivalent access to student services, similar to that of a student taking the class in a traditional classroom setting?

6. How do course requirements ensure that students make appropriate use of learning resources?

7. Please explain specifically how access is provided to laboratories, facilities, and equipment appropriate to the course or program.

8. How are students informed of procedures for resolving technical complaints? Does the syllabus list the entities available to offer technical help with the delivery and/or receipt of the course, such as the Information Technology Customer Service Center (<http://www.uky.edu/UKIT/>)?

9. Will the course be delivered via services available through the Distance Learning Program (DLP) and the Academic Technology Group (ATL)? NO

If no, explain how student enrolled in DL courses are able to use the technology employed, as well as how students will be provided with assistance in using said technology.

10. Does the syllabus contain all the required components? NO

11. I, the instructor of record, have read and understood all of the university-level statements regarding DL.

Instructor Name:

SIGNATURE|ZNNIKO0|Roshan N Nikou|EMBA 606 NEW Graduate Council Review|20140107

SIGNATURE|MKT210|Steven J Skinner|EMBA 606 NEW College Review|20131125

EMBA 606
Financial Accounting

Instructor:
Office Address:
Email:
Office Phone:
Online Office Hours:

Course Description:

This course provides an overview of financial accounting information and the role of that information in the economy. The course focuses on the recognition and measurement concepts underlying financial accounting, but also covers the mechanics of recording and reporting accounting information to outside parties. The first portion of the course presents an overview of the accrual accounting model, how financial information is presented and the mechanics of keeping track of financial accounting information.

The remainder of the course focuses on how corporate financial statements report particular economic events. By the end of the course you should feel comfortable reading the financial statements in published annual reports, and you should be able to come to a reasoned conclusion about a company's financial health and be able to make comparisons across firms and periods of time. Throughout the course we will pay close attention to how accounting information affects the behavior of managers and how it can be used to influence managerial behavior through incentive contracting.

Prerequisites:

Students must successfully complete an approved online Financial Accounting course or earn a grade of C or better in Principals of Financial Accounting from an accredited business school. Successful completion of an online course is demonstrated by earnings a 75% or better on the final exam prior to the first day of this course.

Student Learning Outcomes:

- Develop a strong aptitude for accounting terms and concepts and improved ability to engage in financial conversations from a financial reporting perspective.
- Comprehend accounting terminology and concepts and proper application of generally accepted accounting principles.
- Evaluate the pros and cons of various measurement options and determine the most reasonable choice given the facts and circumstances facing a firm
- Prepare, interpret and analyze financial reports used for external communication.
- Interpret and explain transactions summarized in the financial statements.
- Analyze financial statement data for investment and operational decision making.

Required Materials

Financial Accounting, 4th Edition Dyckman, Magee and Pfeiffer. ISBN 978-1-61853-044-8

Cases as assigned

Grading: Grades will be based on the percentage of total points earned during the course. The standard grading scale will be used (90% or better = A, 80% or better = B, 70% or better = C, below 70% = E). Below is a summary of the grading points:

Assignment	Points	Percentage
Case/Problem Sets	200	35%
Class Participation	75	13%
FSA Final Project	150	26%
Final Exam	150	26%
Total	575	100%

Case/Problem Sets. The major topics of the class will be reviewed experientially through the use of business cases. The cases will require you to examine a set of financial statements and answer a set of questions. These cases will be debriefed in class.

For topics that are more computational in nature, the experiential learning component will utilize a problem set which will require the review and synthesize accounting information followed by the answering of a set of questions. Problem sets will also be debriefed in class. Cases and Problems Sets may be completed within your workgroup.

To ensure that you are at least familiar with each case, you will submit by the beginning of class answers to one or more questions for each case. Often, a case will represent your first exposure to a particular issue or problem. Most of the financial reporting issues covered in the case have a clear cut answer; however, when estimate and judgments are involved, the answers may not be as clear-cut. While much of accounting is clearly defined, it is the ambiguities that lead to enhanced learning and deeper understanding.

Class Participation. Class discussions will primarily focus on business cases describing an important decision you have faced or likely will face in your career. To enhance the learning environment, everyone should actively participate in the class discussions, providing summaries of issues, analyses, recommendations, and sharing personal experiences related to the course topics. My role is primarily to facilitate your analyses and discussion. I will cold call as a standard practice. After each class, I will make class participation notes, with particular attention to the quality of comments, not the quantity.

Appropriate classroom decorum is required at all times in the classroom. Vigorous debate is encouraged; however, professionalism and mutual respect is required.

Graded Assignments. Graded assignments will be evaluated based on completeness and good-faith effort, not complete accuracy. I will collect a hard-copy of your solution to the case/problem sets before class, so make sure to bring an extra copy along for reference.

Ungraded Assignments. The textbook practice problems and practice exam problems are not handed-in or graded. Mastering the textbook readings and problems are only an intermediary step for success in this course. Our goal is to understand real financial statements. What we cover in class is your best guide to what will be asked on exams. You will not be responsible for material discussed in the text that we do not discuss in class.

This class is cumulative. If you fall behind it will be both very difficult to understand new material and very difficult to catch up. Please, do not fall behind.

Exam. The final exam will consist of an Annual Report and a set of scenarios that will need to be addressed in writing and completed independently.

Course Schedule

Class	Reading/Tasks	Topics
1	Read chapters 1, 2 and 3.	<ul style="list-style-type: none"> • Overview of financial reporting • Regular, adjusting and closing journal entries • Financial statement construction
2	Read chapter 4. Case/Problem Set	<ul style="list-style-type: none"> • Conceptual framework • Construction of the cash flow statement • Interpretation of the financial statements
3	Read chapters 5, 6 and 7. Case/Problem Set	<ul style="list-style-type: none"> • Analyzing and interpreting financial statements • Financial ratios (asset related) • Revenue recognition • Accounts Receivable • Inventory
4	Read chapters 8, 9, Appendix A Case/Problem Set	<ul style="list-style-type: none"> • Debt and other long-term liabilities • Time value of money • Financial ratios (debt related)
5	Chapter 9, 10 Case/Problem Set	<ul style="list-style-type: none"> • Leases and other off-balance sheet financing • Pensions • Deferred income taxes
6	Chapter 11 and 12 Case/Problem Set	<ul style="list-style-type: none"> • Stockholder's equity • Complex vs. simple capital structures • Financial Ratios (equity related) • Financial Statement Analysis
Outside of normal class period	Final Project due one week after final class.	

Attendance Policy

Given the nature of this program, it is hard to imagine that anyone would ever miss class except for a very good reason.

Makeup Policy

Makeup quizzes and exams will only be given if there is an excused absence. If it is possible, you must notify me before the quiz/exam date.

Excused Absences

Students need to notify the professor of absences prior to class when possible. S.R. 5.2.4.2 defines the following as acceptable reasons for excused absences: (a) serious illness, (b) illness or death of family member, (c) University-related trips, (d) major religious holidays, and (e) other circumstances found to be “reasonable cause for nonattendance” by the professor.

Students anticipating an absence for a major religious holiday are responsible for notifying the instructor in writing of anticipated absences due to their observance of such holidays no later than the last day in the semester to add a class. Information regarding dates of major religious holidays may be obtained through the religious liaison, Mr. Jake Karnes (859-257-2754).

Students are expected to withdraw from the class if more than 20% of the classes scheduled for the semester are missed (excused or unexcused) per university policy.

Verification of Absences

Students may be asked to verify their absences in order for them to be considered excused. Senate Rule 5.2.4.2 states that faculty have the right to request “appropriate verification” when students claim an excused absence because of illness or death in the family. Appropriate notification of absences due to university-related trips is required prior to the absence.

Academic Integrity

Per university policy, students shall not plagiarize, cheat, or falsify or misuse academic records. Students are expected to adhere to University policy on cheating and plagiarism in all courses. The minimum penalty for a first offense is a zero on the assignment on which the offense occurred. If the offense is considered severe or the student has other academic offenses on their record, more serious penalties, up to suspension from the university may be imposed.

Plagiarism and cheating are serious breaches of academic conduct. Each student is advised to become familiar with the various forms of academic dishonesty as explained in the Code of Student Rights and Responsibilities. Complete information can be found at the following website: <http://www.uky.edu/Ombud>. A plea of ignorance is not acceptable as a defense against the charge of academic dishonesty. It is important that you review this information as all ideas borrowed from others need to be properly credited.

Part II of *Student Rights and Responsibilities* (available online <http://www.uky.edu/StudentAffairs/Code/part2.html>) states that all academic work, written or

otherwise, submitted by students to their instructors or other academic supervisors, is expected to be the result of their own thought, research, or self-expression. In cases where students feel unsure about the question of plagiarism involving their own work, they are obliged to consult their instructors on the matter before submission.

When students submit work purporting to be their own, but which in any way borrows ideas, organization, wording or anything else from another source without appropriate acknowledgement of the fact, the students are guilty of plagiarism. Plagiarism includes reproducing someone else's work, whether it be a published article, chapter of a book, a paper from a friend or some file, or something similar to this. Plagiarism also includes the practice of employing or allowing another person to alter or revise the work which a student submits as his/her own, whoever that other person may be.

Students may discuss assignments among themselves or with an instructor or tutor, but when the actual work is done, it must be done by the student, and the student alone. When a student's assignment involves research in outside sources of information, the student must carefully acknowledge exactly what, where and how he/she employed them. If the words of someone else are used, the student must put quotation marks around the passage in question and add an appropriate indication of its origin. Making simple changes while leaving the organization, content and phraseology intact is plagiaristic. However, nothing in these Rules shall apply to those ideas which are so generally and freely circulated as to be a part of the public domain (Section 6.3.1).

Please note: Any assignment you turn in may be submitted to an electronic database to check for plagiarism.

Accommodations due to disability

If you have a documented disability that requires academic accommodations, please see me as soon as possible during scheduled office hours. In order to receive accommodations in this course, you must provide me with a Letter of Accommodation from the Disability Resource Center (Room 2, Alumni Gym, 257-2754, email address: jkarnes@email.uky.edu) for coordination of campus disability services available to students with disabilities.

Final Project

This is an individual project. I encourage you to discuss your work with members of your team (and others in class, too). You may review each other's reports and make suggestions. The only constraints are these: the final product must be your own, and you may not solicit information and feedback from people outside the class (co-workers, friends, etc.). Please do not put your report in a special cover or notebook. Just include a cover sheet and staple the package together.

The Assignment

Each of you will be assigned a company (no duplicates). I have selected companies in a variety of industries. Most of the companies have sales of \$1 billion or less, though there are a few that are bigger than that.

Your first step is to obtain a copy of the company's most recent Form 10-K. Use an electronic copy, do not print it, they can be very long documents and most of the document is irrelevant to this assignment. You will likely want to print the financial statements and perhaps other information, but do so selectively. Go here to find the 10-K:

<http://sec.gov/edgar/searchedgar/webusers.htm>. Select the most recent Form 10-K. For companies that have a December 31 year end, you should find the 10-K for the year 2011 available. If your company has a March 31 year-end, the most recent Form 10-K would be for the year ending March 31, 2012. *If you have problems finding the 10-K, let me know (and give me the name of the company). It's possible a company may have been acquired, though I have tried to select companies that are still actively trading on the stock exchanges.*

Report Contents

Your report will likely be 5-10 pages long, including tables and graphs you may use. Your report should include the following sections. Use normal fonts and margins (no 18 point fonts, please).

1. Overview of the company. Briefly describe the company and answer the question, "How does the company make money?"
2. Identify one or two main competitors (information that is usually provided in the 10-K).
3. Analyze the financial statements. You have some flexibility here, but the following ratios are ones that you should calculate. **Please include a sheet showing your calculations, this is not part of the report, but is important. This may be handwritten, or a printout for a spreadsheet.**
 - a. Return on assets (ROA) – calculate for three years.
 - b. Return on stockholders' equity – calculate for three years.
 - c. Earnings per share – show for three years (the calculation is done in the annual report; you do not need to show any calculation).

- d. Accounts receivable turnover – calculate for two years (ignore if the company does not have accounts receivable).
- e. Expense ratios – for the two largest expenses (cost of goods sold, for example) calculate the expense as a percent of sales, for three years.
- f. Gross profit ratio (if it applies, it does not for all companies) – for three years.
- g. Percent change in net sales – for three years.
- h. Percent change in operating income – for three years.
- i. Percent change in net income – for three years.
- j. Current ratio – for two years.
- k. Operating cash flow to current liabilities – for two years (calculate as a percentage).
- l. Long-term debt to stockholders' equity – for two years.
- m. PE ratio (you can obtain this from a variety of sources (Yahoo Finance) – just examine the most recent calculation – and the PE ratio for the one or two competitors you identified earlier.

The results of your analysis should be included in a table (that is part of the report) and should look something like this.

	2009	2010	2011
Return on assets	x.x %	x.x%	x.x%
Accounts receivable turnover	x.x	x.x	x.x

The actual calculations will be included in an attachment (see comment above) so that I can recalculate the ratios if need be.

If a ratio is meaningless for your company, do not include it (if they do not have long-term debt, for example). You may include other ratios if you wish.

NOTE: If you need additional information (balance sheet data is only included in the 10-K for two years), you may refer to the previous form 10-K, or go to <http://finance.yahoo.com/> (or similar websites that have financial information. My intent for this project is not to see how much time you can spend tracking down data.

4. Comment on the ratios. Relatively briefly, comment on any of the ratios that seem interesting. If the current ratio is constant over the two years, there's no need for a comment, unless the ratio is unusual. I would hope that you would comment on at least 5 of the ratios calculated, and perhaps more. This will likely be the main part of the report, perhaps 2 pages (just a guess, not a rule).
5. Based on your understanding of the company and your analysis, forecast sales and net income for the next 3 years (we will talk about this part of the assignment in class).

Your report is due our last class. We will spend some time (maybe an hour) talking about what you found in your analysis, but this will be informal and not graded. I may call on people to talk about specific companies (you will have your report in front of you) and it's not graded (so if your answer is "Uh, I do not know" that will not count against you).

Grading

The quality of writing and the format count (perhaps up to 25% of the total grade). You should prepare something you would be proud to give to your boss or distribute to colleagues at work.

The bulk of the grade will be based on the depth and quality of your analysis. For example, if sales increased 25% and you comment that it was a result of selling more products, that is not worth much. Commenting that a new product line, or maybe a price increase, caused the increase in sales is the sort of depth I expect and will be looking for (just an example, of course). Spotting something that does not make sense is also valuable, even if you cannot figure it out.