

**Oakland University**  
**School of Business Administration**  
**Department of Accounting and Finance**  
**ACC 3010 Financial Reporting and Analysis**  
**Winter semester, 2018**

**Professor:** Qunfeng Liao, Ph.D.

**Course #:** ACC 3010 (ACC 301)

**Credits:** 3

**Class meeting time:** TU 6:30 pm – 9:20 pm Mathematics and Science Center 130

**Office:** Elliott Hall 421

**Office phone:** 248-370-4289

**Office hours:** TU/TH 1:30-3:00 pm; & by appointment.

**E-Mail:** liao@oakland.edu (always include ACC 3010.002 in the subject line or reply to the Moodle message previously sent). Email messages are returned within 24 hours or sooner.

**Course objectives:**

“A study of financial accounting and reporting from the perspective of the user of accounting information. The course will emphasize the interpretation and analysis of specific accounting treatments rather than accounting methodology....”

This course provides students with (1) skills/tools for evaluating a firm's financial conditions, and (2) experience in collecting, confronting and manipulating "real world" financial data. The course covers accounting analysis and financial analysis, which are two key components of financial statement analysis leading to valuation of the firm and its securities. The financial reporting part of the course stresses on the alternative disclosures in financial statements (and accompanying notes). The course emphasizes the interpretation and analysis of the specific accounting treatments for different disclosures. The course is intended for individuals likely to become intensive users of financial accounting information in valuation, credit analysis, security analysis, merger and acquisition evaluation, etc. Specific course learning objectives (CLOs) that will be systematically assessed through a variety of assessment instruments are:

CLO1 Effectively communicate, orally and in writing, a financial analysis of a publicly-traded entity's financial statements and its disclosures.

CLO2 Understand economic and industry environments of a financial reporting entity.

CLO3 Understand company strategy in context of economic and industry environment.

CLO4 Understand quality of accounting information provided by financial reporting entity.

CLO5 Provide appropriate profitability and risk analyses of financial reporting entity.

CLO6 Understand fundamentals valuation of a firm and its securities.

**Prerequisites:**

Recommend (FIN 322 or 3220) prior to or concurrent with (ACC 301 or ACC 3010). (Formerly ACC 301)

Prerequisite(s): (ACC 210 or 2100), with a minimum grade of 2.0.

**Required materials:**

Easton, McAnally, Sommers, Zhang, “Financial Statement Analysis & Valuation, 5e,” Cambridge Publishing, ISBN: 978-1-61853-233-6, Copyright 2018.

Students have three options: (1) to purchase the textbook with access code, (2) purchase e-book with access code, or (3) purchase access code only.

**Course Website:** A variety of additional resources can be found at the companion site for this text: <https://mybusinesscourse.com/?code=6648-14672>

Inquires or concerns regarding Mybusinesscourse.com and online issues should be directed to the Mybusinesscourse.com **technical support**.

**Online Technical Support:** <https://support.cambridgepub.com/support/home>  
**Technical Support phone number: 630-504-0505** (Monday - Friday: 10:00 am-6:00 pm EST.)

### **Moodle**

A course website has been set up in Moodle (<http://moodle.oakland.edu>). Slides, in-class problems, and announcements will be posted on Moodle as we go along. It is important to check Moodle frequently for course-related information! I also will often email you through Moodle. If you have not received my email, your email address registered with Moodle may not be working properly and you need to check with Moodle staff to make it fully functional ASAP.

Inquires or concerns regarding Moodle and online issues should be directed to the **Online Learning Helpdesk**.

**Phone: (248) 805-1625**

Office hours: Monday - Friday, 8:00 am – 8:00 pm; Saturday: 10:00 am-12:00 pm EST.

### **Class procedure**

To provide coverage of significant amount of material and to allow for active learning, **the class meetings will be held assuming that you have read the assigned material prior to class and are prepared to contribute to class discussions every session**. The subject matter of the course will be presented through a combination of lectures, discussions, and problem demonstrations. Lecture outlines will be distributed by MOODLE prior to each class. The student should check MOODLE the evening prior to our class meeting. Questions from the students are always encouraged.

It is impossible to discuss or present all the material relevant to the course in class. Consequently, the instructor's role is to guide and assist you in the learning process. The instructor's lectures are meant to **supplement the reading** and are not intended to be a substitute for it. Although as much assistance as possible will be provided to you, **the burden of assimilating the subject matter involves extensive reading, studying and assignment preparation**. A student at this level must take responsibility for his or her own education.

I expect the following from all students at this level:

1. Attend every class.
2. Come to class **on time** and be courteous to your fellow classmates.
  - a. No talking or private conversations during the lecture or class discussion.
  - b. No cell phones including texting. – **NO PHONE ZONE**.
  - c. No laptops unless you are using your e-book during class.

- d. Do not leave during class unless you have an emergency.  
(Students arriving late on a regular basis and leaving early are a distraction to all in the room. The professor considers these occurrences as inconsiderate and unprofessional. Conversing, texting, using laptop computers for non-class activities in class are also unprofessional. These activities will result in an unexcused absence.)
3. Read the chapters before class so that you can ask questions and participate in discussions.
  4. Consider possible solutions to all assigned problems prior to class.
  5. Get help as soon as you realize that you are having difficulty with the material.

## **Grading components**

### **1. Attendance (5% of grade)**

An attendance will be checked for each class meeting. Students must be on-time to assure the option of signing the attendance sheet. Each student will start with 100% for this category. Percentage earned in this category will be determined as follows:

- 100% - miss class, be tardy or do not follow the class rules a maximum of one time
- 95% - miss class, be tardy or do not follow the class rules twice
- 90% - miss class, be tardy, or do not follow the class rules three times
- 80% - miss class, be tardy or do not follow the class rules four times
- 70% - miss class, be tardy or do not follow the class rules five times
- 60% - miss class, be tardy or do not follow the class rules six times
- 50% - miss class, be tardy or do not follow the class rules seven times
- 0% - miss class, be tardy or do not follow the class rules more than seven times.

An absence due to a university excused event is considered an excused absence. Tardiness due to a weather-related issue where numerous students are late is also considered an excused event. Using your cell phone in class due to a family emergency would also be considered an excused event.

If you are absent for any reason, it is your responsibility to check MOODLE and contact a classmate to obtain any notes, handouts, announcements, or assignment changes that have been made to the syllabus.

### **2. Homework (10% of grade)**

There are 12 homework assignments. All homework assignments will be conducted online through the Mybusinesscourse.com system. Homework must be completed by the designated due date. **No make-up homework will be offered.** The homework is designed to be a "learning experience" to help reinforce those skills necessary to do well on the examinations. You are allowed 3 attempts for each question/problem. Your overall homework grade will be the percentage average of your 11 best grades out of the 12 homework given. You must follow the problem instructions for inputting your answer or the system will mark it wrong!

*\*You may drop the lowest homework grade.*

### **3. Quizzes (10% of grade)**

There are 11 quizzes. All quizzes will be conducted online through the Mybusinesscourse.com system. Quizzes must be completed by the designated due date. **No make-up quizzes will be offered.** You will have 1 attempt to take each online quiz within 1 hour. Your overall quiz grade will be the percentage average of your 10 best grades out of the 11 quizzes.

*\*You may drop the lowest quiz grade.*

**As homework assignments and quizzes are done in mybusiness.com, you are responsible to monitor the grade postings on Mybusinesscourse.com after completion of each assignment and report any errors to me in writing before the end of the semester.**

### **4. Term project (10% of grade)**

Students will organize themselves into groups of three individuals. Each group will choose a publicly-traded company (i.e. an SEC-regulated company) with at least 7 years of annual data. Each group will be responsible to collect financial statements of the chosen company and a key competitor, along with other relevant financial information. The group will perform an in-depth financial analysis following the instructions. Each group will present and submit a six-page (maximum, double-spaced) written report of analyses, in good form, and digitally submit the report and all supporting documents (e.g. Excel Workbooks with generalizable formulas) to Moodle. Additional information on this project will be given in the class.

Plagiarism is using someone else's work or ideas without giving that person credit. By doing this, a student is, in effect, claiming credit for someone else's thinking. This can occur in drafts, papers, and oral presentations. Whether the student has read or heard the information used, the student must document the source of information. When dealing with written sources, a clear distinction should be made between quotations, which reproduce information from the source word-for-word within quotation marks, and paraphrases, which digest the source of information and produce it in the student's own words. Both direct quotations and paraphrases must be documented. Even if a student rephrases, condenses or selects from another person's work, the ideas are still the other person's and failure to give credit constitutes a misrepresentation of the student's actual work and plagiarism of another's ideas. Buying a paper or using information from the Internet without attribution and handing it in as one's own work is Plagiarism.

### **5. Exams (65% of grade)**

The course includes two in-class exams. Refer to the schedule at the end for the dates and the coverages of the exams. The format of the exams will be announced. You are expected to be present to take the examination on the scheduled dates. After reviewing the exams, the exams **will be retained** by the instructor. **All exams are the property of the instructor and removing any part of an exam, physically or electronically is considered a violation of proper academic conduct and the student will receive a "0" in the course.**

If you are unable to be present for a legitimate unavoidable emergency, you are required to give me notification of your reason prior to the time of the examination. I will require written documentation to excuse you. The decision to give a makeup and arrangements for taking the makeup exam will be made on an individual basis in those cases where your absence from the regularly scheduled examination is for a legitimate, unavoidable and verifiable reason. Make-ups

are rarely given.

**Grade:** The final grade is a weighted average of all participation, assignments, quizzes, project, and exams. The weights are:

Attendance	5%
Homework	10%
Quizzes	10%
Term project	10%
Exam 1	30%
Exam 2	35%
Total	100%

The relationship between course grade and course average are based on the following grading factors:

Percent of Points	Numeric Grade	Letter Equivalent
100 % - 90%	4.0 - 3.6	A
89% - 80%	3.5 - 3.0	B
79% - 65%	2.9 - 2.0	C
64% - 50%	1.9 - 1.0	D
49% - 0%	0.0	F

No final grade will be released by phone or email. I will utilize Oakland Moodle system to post your final grades.

Per university policy, a grade of “I” (incomplete) may only be assigned if the student is unable to complete the course during the current semester, but will be able to complete within eight weeks after the end of this semester. All “I” grades convert to 0.0 after eight weeks, and cannot be modified thereafter. Accordingly, a grade of “I” will be assigned only if the student had a legitimate reason for not completing during this semester, and will be able to complete within eight weeks of the end of this semester. Before a grade of “I” will be submitted, you must consult with your instructor and complete an “I” grade petition form. Copies of the petition form are available at the SBA undergraduate advising office.

**Class policies:**

University rules for academic conduct will strictly be followed.

**1. Academic conduct policy:** Students who are suspected of academic dishonesty will receive “0.0” in this course. Academic dishonesty includes, among other things, plagiarism (copying without acknowledging the source), unauthorized procurement, or giving or receiving assistance from an unauthorized source while completing an examination. For in-class examination, **You must complete the exams on your own**, without assistance from any other persons or any sources.

**2. Laptop/Wireless Devices Policy:** All phones should be put on silent or vibrate during the class session. If you need to take a phone call, please exit the classroom and take the call in the hallway. Texting in class is not allowed. Laptops are allowed in the classroom for the purpose of academic work only. Any use of wireless devices for non-class activities during class time will be considered a serious violation.

**3. Extra Credit**

Extra credit opportunities, if any, will be offered to all students equally. No extra credit assignments or projects will be offered on an individual basis under any circumstances in this course.

**4. University dates:** All students should be aware of the University Academic Calendar and Important Dates for the Winter 2017 term. For example, January 17<sup>th</sup> is the last day to drop a course and receive a 100% refund. For a complete listing of important dates, see <http://www.oakland.edu/registrar/important-dates>.

**5. Special Considerations:** Students with disabilities who may require special accommodations should make an appointment with campus Disability Support Services, 106 North Foundation Hall, phone 248 370-3266. Students should also bring their needs to the attention of the instructor as soon as possible by providing the “Letter of Accommodations” created by DSS. For academic help, such as study and reading skills, contact the Academic Skills/Tutoring Center, 103 North Foundation Hall, phone 248 370-4215.

**6. Excused Absence Policy:** This policy for university excused absences applies to participation as an athlete, manager or student trainer in NCAA intercollegiate competitions, or participation as a representative of Oakland University at academic events and artistic performances approved by the Provost or designee.

Students shall inform their instructors of dates they will miss class due to an excused absence prior to the date of that anticipated absence. For activities such as athletic competitions who schedules are known prior to the start of a term, students must provide their instructors during the first week of each term a written schedule showing days they expect to miss classes. For other university excused absences students must provide each instructor at the earliest possible time the dates that they will miss.

7. The instructor reserves the right to change this syllabus as necessary at any time in the semester. Any changes to this syllabus, due dates, course requirements or grading requirements will be made as far in advance as possible. All students will be held responsible for completion of all course components. Check the course web site on Moodle periodically for updates and information.

**Important Dates for Winter Semester 2018:**

Classes begin ..... January 3, 2018  
Winter Recess: (no class).....February 17-25, 2018  
Last day of classes .....April 17, 2018

For a complete listing of important dates, see <http://www.oakland.edu/registrar/important-dates>.

**TENTATIVE CLASS SCHEDULE Winter Semester 2018 ACC 3010.002**

<b>DATE</b>	<b>Module</b>	<b>TOPIC</b>	<b>Assignments by module</b>
1/9 TU	1	Framework for Analysis and Valuation	Module 1 Assignment & Quiz due on 1/14 @ 9:00 PM
1/16 TU	2	Review of Business Activities and Financial Statements	Module 2 Assignment & Quiz due on 1/21 @ 9:00 PM
1/23 TU	B	Computing and Analyzing Cash Flows	Appendix B Assignment & Quiz due on 1/28 @ 9:00 PM
1/30 TU	3	Profitability Analysis and Interpretation	Module 3 Assignment & Quiz due on 2/4 @ 9:00 PM
2/6 TU	4	Credit Risk Analysis and Interpretation	Module 4 Assignment & Quiz due on 2/11 @ 9:00 PM
2/13 TU	5	Revenue Recognition and Operating Income	Module 5 Assignment & Quiz due on 2/18 @ 9:00 PM
<b>2/27 TU</b>	<b>1-5</b>	<b>Exam 1 (Modules 1-5)</b>	
3/6 TU	6	Asset Recognition and Operating Assets	Module 6 Assignment & Quiz due on 3/11 @ 9:00 PM
3/13 TU	7	Liability Recognition and Nonowner Financing	Module 7 Assignment & Quiz due on 3/18 @ 9:00 PM
3/20 TU	8	Equity Recognition and Owner Financing	Module 8 Assignment & Quiz due on 3/25 @ 9:00 PM
3/27 TU	9	Intercompany Entities	Module 9 Assignment & Quiz due on 4/1 @ 9:00 PM
4/3 TU	11	Forecasting Financial Statements	Module 11 Assignment & Quiz due on 4/8 @ 9:00 PM
4/10 TU	12	Cost of Capital and Valuation Basics	Module 12 Assignment due on 4/15 @ 9:00 PM
4/17 TU		Project Presentations	Project due 4/16 9:00 PM
<b>4/24 TU</b>	<b>6-12</b>	<b>Exam 2 (Modules 6-12) 7:00 PM-10:00 PM</b>	

\*Course schedule and assignments are subject to change at the discretion of the instructor.