

University of California San Diego



Economics 4: Financial Accounting
Michael Willoughby, CFA, Ph.D.

Spring 2006
Syllabus

1. Texts:

1. Core Concepts of Accounting, 8th or 9th edition, Anthony & Breitner, Prentice Hall.
2. Financial Accounting Spring 2006 READER; Willoughby (UCSD Bookstore)
3. The Number by Alex Berenson.

2. Course Objective

An introduction to the principles of financial accounting (assuming no prior knowledge of accounting) to help students become intelligent readers of the primary financial statements: balance sheet, income statement, and statement of cash flows. We will explore the nature of accrual accounting through simple illustrations in order to gain an appreciation of the amount of judgment required in applying these principles. We will also look at the financial statements of a publicly-traded company (Starbucks, Corp.). And, in order to prepare students for Economics 173, we will introduce Compounding & Discounting calculations.

3. Course Webpage: [www.http://econ.ucsd.edu/~mwilloug/econ4.html](http://econ.ucsd.edu/~mwilloug/econ4.html)

The Course Web Page will provide links to important documents and make important announcements. (a) Teaching Assistants & their responsibilities – if you have a concern about the course, it is your responsibility to contact “the” TA who is responsible for that aspect of the course; Your Scores -- check your quiz and exam scores as they are recorded and uploaded – it your responsibility to insure that *your* scores are accurate (no changes will be made after the last day of classes); Bring This to Class – occasionally, documents that will be used in-class will be uploaded 12-36 hours prior to class; Calendar – a reminder of important dates; Additional Readings – relevant for exams and quizzes.

4. Grading: The weighted-average for the class as a whole (approximately) will earn the lowest B-. Final scores are weighted according to the following schedule:

- **10 in-class Quizzes (given randomly; no make-ups)** **10 x 2.5% = 25%**
 on 3x5 Index cards only; any color
- **Mid-quarter Exam I (April 25th)** **15%**
 Scantraon 4^{1/4} x 11 any color
- **Mid-quarter Exam II (May 18th)** **20%**
 Scantraon 4^{1/4} x 11 any color
- **Final Exam (University schedule)** **40%**
 Scantraon 4^{1/4} x 11 any color

Class Schedule

<i>Date</i>	<i>Topic and Important Dates</i>	<i>Reading Assignment</i>
<i>Week 1</i>	Course Introduction. Accounting The Accounting System	Text Parts 1-2 finance.yahoo.com SBUX
<i>Week 2</i>	Financial Capital Booking Transactions	Reader 1-2 Text 3-7; Reader 3
<i>Week 3</i>	Booking Transactions Booking Transactions	<i>Restaurant start-up</i>
<i>Week 4</i>	Midterm Exam Accounting Choices	Reader 5; <i>Ugly Puppy</i>
<i>Week 5</i>	Accounting Choices Accounting Choices	
<i>Week 6</i>	The Cash Flow Statement The Cash Flow Statement	Text 9
<i>Week 7</i>	The Cash Cycle & Financial Proformas Midterm Exam	
<i>Week 8</i>	Compounding & Discounting NPV for Financial Decisions	Tutorial (at web page)
<i>Week 9</i>	Cash Flow Proformas More Complex Transactions	Reader 4
<i>Week 10</i>	Financial Reporting Review	Reader 6

