

# University of California San Diego



**Economics 4: Financial Accounting**  
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**Winter 2006**  
Syllabus

## 1. Texts:

1. Core Concepts of Accounting, 8<sup>th</sup> edition, Anthony & Breitner, Prentice Hall.
2. Financial Accounting 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%**
- **Financial Accounting Standard Essay ( March 9)** **A Substitute for 1 Quiz**
- **Mid-quarter Exam (February 2)** **25%**
- **Book Report (March 7)** **1 x 10% = 10%**
- **Final Exam (University schedule)** **40%**

### **Class Schedule**

<i>Date</i>	<i>Day</i>	<i>Topic and Important Dates</i>	<i>Reading Assignment</i>
<i>Week 1</i>	1/10	Course Introduction. Accounting	Text Parts 1-2
	1/12	Compounding & Discounting	Tutorial (at web page)
<i>Week 2</i>	1/17	Financial Capital	Reader 1-2
	1/19	Financial Statements	finance.yahoo.com SBUX
<i>Week 3</i>	1/24	Booking Transactions	Text 3-7; Reader 3
	1/26	Booking Transactions	<i>Restaurant start-up</i>
<i>Week 4</i>	1/31	Review	
	2/2	<b>Midterm Exam</b>	
<i>Week 5</i>	2/7	Accounting Choices	Reader 5
	2/9	Accounting Choices	
<i>Week 6</i>	2/14	The Cash Flow Statement	Text 9
	2/16	The Cash Flow Statement	
<i>Week 7</i>	2/21	The Cash Cycle & Financial Proformas	
	2/23	Open	
<i>Week 8</i>	2/28	Compounding & Discounting (annuities)	
	3/2	NPV for Financial Decisions	
<i>Week 9</i>	3/7	More Complex Transactions	Reader 4
	3/9	More Complex Transactions	
<i>Week 10</i>	3/14	Financial Reporting	Reader 6
	3/16	Review	