

<u>Section</u>	<u>Class</u>	<u>Days</u>	<u>Time (CA Time)</u>	<u>Professor</u>
14105R	ACCT 416	M & W	10:00 – 11:50	Kling
14106R	ACCT 416	M & W	12:00 - 1:50	Kling

This class will be entirely online. Synchronous class sessions will be held as indicated above via Zoom. The Zoom link is posted in your Blackboard course.

Professor Greg Kling
Phone: 213-740-5004
Email: gkling@marshall.usc.edu

Office Hours [Use This Link to Schedule a Meeting](#)

Please use the above calendar link to schedule a one-on-one meeting, in 15-minute increments. Please note that students may select back-to-back meeting times, if available, if a meeting longer than 15 minutes is desired.

Textbook Financial Reporting and Analysis ACCT 416
ISBN: 9781307597462

Order as an eBook direct from the publisher at <https://create.mheducation.com/shop/> or purchase a copy in the bookstore.

Additional course readings will be posted to Blackboard

Prerequisites BUAD 215 or BUAD 306 and ACCT 370, ACCT 370B or ACCT 415

Communication Blackboard, Marshall email, Zoom, and Teams

Academic Conduct Students are expected to adhere to, and will be bound by, the University policies governing academic integrity as discussed later in this syllabus

Course Description and Course Aspirations

The primary focus in this course is the examination of the role of financial statement analysis in the prediction of a firm's future financial performance. It is intended that students will gain an understanding over how to utilize and effectively analyze the information from financial statements and financial reporting for the purpose of conducting professional financial analysis. An important goal of this course is to provide students with practical tools and understanding to successfully perform financial statement analysis in a professional manner.

This course is only a half semester which necessitates that we cover the material very quickly. This course will focus on providing practical and “real life” experience of how to better understand and use financial reporting to make the best possible analysis. We will use the study of public companies to

provide a hands-on experience. This course is not focused on technical accounting; rather, it is focused on how to use the financial reports prepared by companies, analysts, and others.

Course Learning Outcomes

Upon successful completion of this course, students will be able to:

1. Prepare a comprehensive financial analysis.
2. Calculate the most commonly used ratios in financial analysis.
3. Explain where critical financial data may be found in a Company's publicly distributed materials.
4. Differentiate between Non-GAAP and GAAP financial measures, including identifying why Non-GAAP measures are sometimes preferred.
5. Demonstrate how cash metrics are used in financial statement analysis.
6. Differentiate between items that are included in core earnings and those that are one-time or special items.

Overview of Toolsets

Blackboard (Bb): Blackboard is the primary learning management system currently used at USC and may be accessed at the USC Blackboard Home Page. From the Blackboard Course Home Page, students can access their course syllabus, identify readings, participate in discussion forums, submit assignments, take exams, and review grades at any time. They can also access links to the other platforms used in this course.

Zoom: Zoom is the platform used for all online synchronous class sessions. A link and instructions to join synchronous sessions will be posted in the Blackboard course. For more information about Zoom, go to [Zoom Support Tutorials](#)

Teams: Online office hours will be conducted either in Zoom or Microsoft Teams. For more information about Teams meetings, go to [Teams Meetings Tutorial](#)

Points Assigned to Assessments

	Points
Homework completion	80
Pre-class self assessment exercises	80
Active Learning & Classroom Participation	135
Team Projects	60
Exam #1 (Midterm Exam)	215
Exam #2 (Cash Flow Exam)	185
Exam #3 (Final Exam, cumulative)	<u>245</u>
Total available	<u><u>1,000</u></u>

Late Assignments

Assignments submitted late will not be accepted and will earn a score of zero, except in the case of a well documented emergency or unforeseen circumstance to be approved by the professor in his sole and absolute discretion. Exams must be completed by the scheduled dates/times (there will not be make-up exams) and cannot be taken outside of the testing window, except when the exam time conflicts with a student's observance of a religious event or as discussed below when the exam is scheduled outside of 7 a.m. to 10 p.m. local time for the student.

Students will typically receive a system generated email when Blackboard receives a submission. Additionally, students will be able to see their submissions in the gradebook. Students have sole responsibility for confirming their assignment submissions were validly received by Blackboard on time and that the correct document was submitted.

Class Notes Policy

Students may not record any lecture, class discussion or meeting with the professor without the professor's prior express written permission. The word "record" or the act of recording includes, but is not limited to, any and all means by which sound or visual images can be stored, duplicated or retransmitted whether by an electro-mechanical, analog, digital, wire, electronic or other device or any other means of signal encoding. The professor reserves all rights, including copyright, to lectures, course syllabi and related materials, including summaries, PowerPoint slides, prior exams, answer keys, and all supplementary course materials (collectively known as "Course Materials") available to the students enrolled in class whether or not posted on Blackboard or otherwise. **Course Materials may not be reproduced, distributed, copied, or disseminated in any media or in any form, including but not limited to all public and private file sharing websites by anyone other than the professor or his designee without the express written permission of the professor.** Exceptions are made for students who have made prior arrangements with DSP and the professor.

Notes made by students on a university class or lecture may only be made for purposes of individual or group study, or for other non-commercial purposes that reasonably arise from the student's membership in the class or attendance at the university. This restriction also applies to any information distributed, disseminated or in any way displayed for use in relationship to the class, whether obtained in class, via email or otherwise on the Internet, or via any other medium. **Course Materials (defined above) include student-prepared materials based on course content.**

Homework Completion

Homework questions are assigned for certain classes to assist with ensuring comprehension of the materials we will cover in this course. Empirical studies have shown that students learn more effectively and deeply when they attempt to complete homework assignments before the solution is shown, rather than the other way around.

Homework answer submissions are due one hour before the start of the class session. It is important to note that the benefit is contained in the process of attempting completion and it is understood that a student will not necessarily determine the correct solution for every question. As a result, the scoring for the homework submissions will consider completeness (the number of questions the student tried to answer) and attempt (the depth to which the student attempted the analysis). A copy of the rubric that will be used to score homework completion is in the Course Information folder in Blackboard.

Pre-Class Self-Assessment Exercises

Each synchronous class session has self-assessment exercises which will assist in determining what material is understood and where you should consider re-reviewing some of the material. The questions will come from the assigned materials you should have reviewed prior to class, including textbook reading, supplemental reading posted to Blackboard and brief informational videos posted to Blackboard.

The self-assessment exercises are scored for accuracy, like a quiz or exam. You can attempt these exercises as often as necessary, prior to the due date/time, to learn the material and only your highest score will be counted.

The self-assessment exercises for each class will be available until one hour before the start of class for scoring purposes – that is, you will receive credit only for the exercises you complete one hour before the class session or earlier. However, you will have “read only” access to self-assessment exercises and the correct answers for the entire session.

Active Learning & Classroom Participation

It is important that students strive for effective participation in each synchronous class session. Adequate preparation for each class session includes the timely (i.e., before class) completion of the assigned materials.

A portion of the grade in this course is assigned based on the extent to which students participate actively in synchronous class sessions and the quality of their contributions to the in-class discussion. This is done to encourage the building of a healthy “learning community.” Studies show that we can learn more about effort and quality of thinking by hearing students share their ideas in a series of classes than can be done by reading written answers to a few exam questions. Further, active class participation encourages students to be well prepared and thus to become active, rather than passive, learners. Participation provides students with the opportunity to gain from the experiences and talents of everyone in the class. Class participation also helps students improve their oral communication skills, which are vitally important in the working world.

The synchronous class sessions will incorporate various active learning exercises, which may include discussing the homework questions, confirming the learning objectives were met and addressing other relevant issues with respect to our course subjects. We will accomplish this either in the main class session or in smaller breakout teams. You are not able to make up the class activity if you do not attend the class section, except as discussed beforehand with the professor, and approved by the professor in his sole and absolute discretion.

Active learning and classroom participation will be scored based on various key elements, such as active participation, attention/professionalism, preparation, and initiative/analysis. A copy of the rubric that will be used to score participation is in the Course Information folder in Blackboard.

For students who are in a time zone where the synchronous class session falls outside the window of 7 a.m. to 10 p.m. in the student’s local time zone, students are to contact the professor during the first week of class. Students in a time zone outside of the aforementioned window will not be penalized for not attending the synchronous Zoom class sessions. The synchronous Zoom sessions will be recorded and posted on Blackboard, and these students will be responsible for watching the recorded sessions.

Active Learning & Classroom Participation (Alternate Policy)

As previously mentioned, for any student who does not attend the synchronous Zoom session due to class time being outside the window of 7 a.m. to 10 p.m. local time, the following assignment will be required to be submitted for each class as an alternate to in-class active learning and classroom participation. The assignment should take no more than 1 hour and 50 minutes to complete (that is, the same amount of time the student would spend in the synchronous class session).

Instructions:

- 1) Write a one-page, double-spaced summary of the textbook chapter(s) and other assigned readings for the class session. Please title this page "Chapter X Summary, xx/xx/xxx". **[spend approximately 20 minutes on this]**
- 2) Write a one-page, double-spaced summary of 3 key points that you learned from viewing the recorded synchronous class session, which will be posted in Blackboard within 4 hours of the live class. Which points to highlight is your decision. Please keep in mind that Breakout Sessions will NOT be included in the Zoom recording, but the discussions in the main classroom will be. **[spend approximately 1 hour and 10 minutes on this]**
- 3) Respond to a question that I will email you before each class session which relates to the Active Learning that took place in the synchronous class session. Your response should be approximately $\frac{3}{4}$ page, double-spaced. This will give you exposure to the Active Learning exercises in class. **[spend approximately 20 minutes on this]**

The assignment submission link will be posted to Blackboard and will be due within 24 hours of the end of the assigned class session. Your submission will be scored using a rubric which is posted in the Course Information Folder in Blackboard.

Synchronous Session Netiquette

During synchronous Zoom sessions, the following netiquette is expected, as if the student were in a physical classroom.

- a. Please do:
 - i. Have your cameras on and preferably use headsets or earphones to ensure the best audio quality unless you are unable to do so **[NOTE: please advise your professor during the first week of class if you are unable to do so]**
 - ii. Log into class early or promptly
 - iii. Arrange to attend class where there is a reliable internet connection and without distractions
 - iv. Dress respectfully since video conference business meetings are and will be the norm, so practice your professional telepresence
 - v. Keep it respectfully professional if you use a virtual background
 - vi. Display both your first name – the name you want to be called – and last name
 - vii. Respectfully minimize distractions by muting and or turning off video if necessary and when appropriate
 - viii. Engage in appropriate tone and language with the professor and classmates
- b. Please try not to:
 - i. Engage in a simultaneous activity not related to the class
 - ii. Interact with persons who are not part of the class during the class session
 - iii. Leave frequently or not be on camera for extended periods of time
 - iv. Have other persons or pets in view of the camera

Team Projects

There are four team projects to be submitted during the session. Each team will choose a company (from a list provided) that will be used for the various projects. Each team member is expected to fully participate. The due date/time is indicated in the Course Calendar at the end of this syllabus. A copy of the rubric that will be used to score team projects is in the Course Information folder in Blackboard. Additional information is provided in Blackboard.

Exams

The exams are open book/open notes and will be submitted through Blackboard.

The midterm exam will be held on Wednesday, September 2, 2020 during the regularly scheduled class time. The cash flow exam will be held on Wednesday, September 16, 2020 during the regularly scheduled class time. The final exam will be held on Wednesday, September 30, 2020 during the regularly scheduled class time.

For students who are in a time zone where the exams fall outside the window of 7 a.m. to 10 p.m. in your local time zone, please contact your professor during the first week of class. Exams and other synchronous assessments will be scheduled for students to be able to complete the assessments between 7 a.m. and 10 p.m. in your local time zone. If you have a conflict for any exam date, you must discuss with your professor immediately and not later than August 26, 2020.

Grading Policy

Final grades represent how a student demonstrates mastery of the materials in the class relative to other students. Historically, the average grade for this class is approximately (B+) 3.3.

Three items are considered when assigning final grades:

(1) Your average weighted score as a percentage of the available points for all assignments (the points you receive divided by the number of points possible); (2) the overall average percentage score within the class; and (3) your ranking among all students in the class.

Retention of Papers

According to the Guidelines on Documents Retention, University policy requires that “final exams and all other grade work which affected the course grade” be kept for one year. Other papers or work that instructors hand back but that students fail to pick up will be held for one month.

Academic Conduct

Students are expected to make themselves aware of and abide by the University community’s standards of behavior as articulated in the [Student Conduct Code](#).

Plagiarism

Presenting someone else’s ideas as your own – either verbatim or recast in your own words – is a serious academic offense with serious consequences. Please familiarize yourself with the discussion of plagiarism in SCampus in Section 11 Behavior Violating University Standards <https://scampus.usc.edu/1100-behavior-violating-university-standards-and-appropriate-sanctions/>. Other forms of academic dishonesty are equally unacceptable. See additional information in SCampus and university policies on scientific misconduct, <http://policy.usc.edu/scientific-misconduct/>.

Actions in violation of this policy constitute a violation of the USC Student Conduct Code and may subject an individual or entity to university discipline and/or legal proceedings.

Support Systems

Student Counseling Services (SCS) - (213) 740-7711 – 24/7 on call

Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention. <https://engemannshc.usc.edu/counseling/>

National Suicide Prevention Lifeline - 1-800-273-8255

Provides free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week. <http://www.suicidepreventionlifeline.org>

Relationship & Sexual Violence Prevention Services (RSVP) - (213) 740-4900 - 24/7 on call

Free and confidential therapy services, workshops, and training for situations related to gender-based harm. <https://engemannshc.usc.edu/rsvp/>

Sexual Assault Resource Center

For more information about how to get help or help a survivor, rights, reporting options, and additional resources, visit the website: <http://sarc.usc.edu/>

Office of Equity and Diversity (OED)/Title IX compliance – (213) 740-5086

Works with faculty, staff, visitors, applicants, and students around issues of protected class. <https://equity.usc.edu/>

Bias Assessment Response and Support

Incidents of bias, hate crimes and microaggressions need to be reported allowing for appropriate investigation and response. <https://studentaffairs.usc.edu/bias-assessment-response-support/>

Student Support & Advocacy – (213) 821-4710

Assists students and families in resolving complex issues adversely affecting their success as a student. Examples: personal, financial, and academic. <https://studentaffairs.usc.edu/ssa/>

Diversity at USC – <https://diversity.usc.edu/>

Tab for Events, Programs and Training, Task Force (including representatives for each school), Chronology, Participate, Resources for Students.

Students with Disabilities

USC is committed to making reasonable accommodations to assist individuals with disabilities in reaching their academic potential. If you have a disability which may impact your performance, attendance, or grades in this course and require accommodations, you must first register with the Office of Disability Services and Programs (dsp.usc.edu). DSP provides certification for students with disabilities and helps arrange the relevant accommodations. Any student requesting academic accommodations based on a disability is required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP. Please be sure the letter is delivered to your professor as early in the semester as possible. DSP is located in GFS (Grace Ford Salvatori Hall) 120 and is open 8:30 a.m.–5:00 p.m., Monday through Friday. The phone number for DSP is (213) 740-0776. Email: ability@usc.edu.

Emergency Preparedness / Course Continuation

If an officially declared emergency makes travel to campus infeasible, *USC Emergency Information* <http://emergency.usc.edu/> will provide safety and other updates, including ways in which instruction will be continued by means of blackboard, teleconferencing, and other technologies.

Emergency Information

Emergency Information Line	213-740-9233
USC Emergencies Information	213-740-4321
USC Info Line	tune into KUSC Radio at 91.5 (FM) 213-740-2311
USC Public Safety - Non Emergencies	213-740-6000

Undergraduate Accounting Program Student Learning Objectives

The six Student Learning Objectives developed for this program by the USC Leventhal faculty and administration and filed with the AACSB, the accrediting body for accounting and business schools, are shown below. This course will deal primarily with Learning Objective 2, *Research, Analysis and Critical Thinking* (course emphasis: High). To a lesser extent, this course will also touch on three of the other Learning Objectives: Objective 1, *Technical Knowledge* (course emphasis: Low), Objective 4, *Communication* (course emphasis: Moderate), and Objective 5, *Leadership, Collaboration and Professionalism* (course emphasis: Moderate).

1. Technical Knowledge

Students will demonstrate technical proficiency in the accounting discipline, including the use of technical accounting knowledge to help solve problems and make decisions.

2. Research, Analysis and Critical Thinking

Students will demonstrate the ability to critically analyze, synthesize, and evaluate information for decision making in the local, regional and global business environment.

3. Ethical Decision Making

Students will demonstrate an understanding of ethics, ethical behavior and ethical decision making.

4. Communication

Students will demonstrate the ability to communicate ideas both orally and in writing in a clear, organized and persuasive manner.

5. Leadership, Collaboration and Professionalism

Students will demonstrate leadership skills and the ability to work cooperatively and productively to accomplish established goals.

6. Technology

Students will demonstrate an understanding of technology issues and utilize relevant technology tools and applications to gather and evaluate information, analyze and solve problems, work interactively with other people, and develop and present conclusions.

IMPORTANT DATES

August 17	First day of classes
August 25	Last day to add/drop (with refund)
September 8	Last day to drop class (no refund)
September 24	DROP DAY—Last day to drop a class with mark of “W”
October 2	Last day of session

COURSE CALENDAR

Class #	Date	Topic	Text Reading	Deliverables (All times are listed as CA time)
1	Mon, Aug 17	Introduction to Financial Reporting and Analysis		
2	Wed, Aug 19	Review Balance Sheet	2 to 19	SAE: due 1 hour before start of class HW: due 1 hour before start of class
3	Mon, Aug 24	Common Size & Index Analysis; Trend Analysis; Percent Change Analysis; CAGR; Degree of Operating Leverage	69 to 113	SAE: due 1 hour before start of class HW: due 1 hour before start of class TA#1: due by Sun, Aug 23 at 9 pm
4	Wed, Aug 26	Profitability Metrics and Ratios; Net Operating Income; Other Non-GAAP Key Profitability Metrics	134 to 157 212 to 239	SAE: due 1 hour before start of class HW: due 1 hour before start of class
5	Mon, Aug 31	Earnings Management; Stock-Based Compensation	42 to 53	SAE: due 1 hour before start of class HW: due 1 hour before start of class TA#2: due by Sun, Aug 30 at 9 pm
6	Wed, Sep 2	MIDTERM EXAM		EX: due by end of class session
	Mon, Sep 7	HOLIDAY		
7	Wed, Sep 9	Statement of Cash Flows Part 1; Cash Flow Analysis; Free Cash Flow	479 to 499	SAE: due 1 hour before start of class HW: due 1 hour before start of class
8	Mon, Sep 14	Statements of Cash Flows Part 2		SAE: due 1 hour before start of class HW: due 1 hour before start of class TA#3: due by Sun, Sep 13 at 9 pm
9	Wed, Sep 16	CASH FLOW EXAM		EX: due by end of class session
10	Mon, Sep 21	Liquidity Analysis; Solvency Analysis	261 to 275 309 to 328 329 to 351 383 to 394	SAE: due 1 hour before start of class HW: due 1 hour before start of class
11	Wed, Sep 23	Long-Term Assets; Intangible Assets; Fixed Asset Analysis	243 to 262	SAE: due 1 hour before start of class HW: due 1 hour before start of class
12	Mon, Sep 28	Wrap-Up		TA#4: due by Sun, Sep 27 at 9 pm
13	Wed, Sep 30	FINAL EXAM		EX: due by end of class session

DELIVERABLES LEGEND

SAE: Self-Assessment Exercises

HW: Homework

TA: Team Assignment

EX: Exam