# GSBA 510 – Online

Fall 2021

# Section 15570; Session 740

Marshall School of Business

### Accounting Concepts & Financial Reporting

### Schedule of Classes and Assignments

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| Professor Harris Smith | Office hours: By appointment (ZOOM or phone) |
| Marshall School of Business | Email: harrissm@marshall.usc.edu |
| Evening Lecture Time: Wed 6 -7:30pm | Cell: (925) 787-9129 |
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 **Course Description and Objectives**

In general terms, financial accounting is the measurement of economic activity for decision-making. Financial statements are a key product of this measurement process and an important component of firms’ financial reporting activities. In the past couple of years, financial accounting came to the forefront of the national consciousness as the stock market continued to decline amid faltering investor confidence. The crisis of confidence began with the revelation of accounting irregularities at some of the United States’ largest companies. However, the implications extended well beyond the effects of individual accounting or company failures: investors seemed to lose confidence in the integrity of the financial system as a whole. The capital markets, whose relative efficiency is based largely on the timely dissemination of relevant and reliable financial information, were at risk. Clearly, the importance of understanding accounting has never been so salient.

The objective of this course is not to train you to become an accountant but rather to help you develop into an informed userof financial statement information. While financial statement users face a wide variety of decisions, they are often interested in understanding the implications of financial statement information for the future cash flows and earnings potential of a firm. We will focus on understanding the mapping between underlying economic events and financial statements, and on understanding how this mapping affects inferences about future profitability. Because annual reports are somewhat formidable, we will spend time familiarizing ourselves with how firms present the information for various accounts in the financial statements, including the footnotes. We also will discuss the role of the various institutions involved in the reporting process. By understanding the environment in which financial reporting takes place you will be in a better position to evaluate critically the disclosures made by firms in published financial statements.

The following learning objectives will be emphasized: (1) familiarity with the transactions businesses engage in, (2) fluency in accounting terminology, (3) understanding the logical structure that maps transactions into accounting numbers, (4) understanding the rationale for various accounting methods, (5) awareness of the judgment involved and the discretion in choosing accounting methods, making estimates, and disclosing information in financial statements, and (6) familiarity with the various formats used for different disclosures. I will also incorporate aspects of the Library Business into various core topics outlined in the syllabus.

Several features of the course are used to facilitate these learning objectives. The textbook provides a conceptual foundation for the course by introducing the accounting framework and by characterizing accounting principles and alternative methods. Class time will be allocated to a combination of short lectures, review of homework, discussions of the assigned materials and current events.

The first couple of classes provide a rapid and intense review of accounting as the language of business. The cases that we use in these sessions provide a review of basic bookkeeping and financial statement preparation, and form the foundation for the remainder of GSBA 510.

### Organizational/Classroom Policies

This class will be entirely online. Synchronous (MarshallTALKS) class sessions will be held Wednesdays from 6:00 – 7:30 p.m. Pacific Time via Zoom. The Zoom link is posted with your Canvas course pages.

**Required Text:** *Financial Accounting* **6th edition** by Dyckman, Hanlon, Magee and Pfeiffer; ISBN 978-1-61853-311-1. The physical book will be provided to you by MMLIS. It is also available at the following link: https://cambridgepub.com/book/dhmp6e#purchase.

 Syllabus materials are organized according to the order in which they will be discussed in class. These materials include the cases and other assignments, financial press articles, and some class handouts. Homework assignments marked with “Q” indicate Questions, “M” indicates Mini-exercises and “E” indicates Exercises in the back of each chapter in the textbook.

 Students are required to complete all of the reading assignments, pre-recorded lectures, interactive exercises, and prework/knowledge check assignments at their own pace during the week before​ attending the MarshallTalk Sessions, where they will interact with one another and with me at the same time to apply the concepts they’ve learned throughout the week. It is estimated that students will spend approximately 4 to 5 hours per week to complete the assigned work.

 USC Canvas Course Pages: All information for this course, including announcements, assignments, solutions and other resources will be posted on the USC Canvas Course Pages under https://marshallusc.instructure.com/. If you have any questions or need assistance with the Canvas Course Pages, please contact the Marshall Help Desk at HelpDesk@marshall.usc.edu

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| 3 Additional course materials and additional class handouts are provided on Canvas. The assigned textbook prework/knowledge transfer problems are intended for your use as a tool for self-study and self-assessment. They help test your understanding of the basic concepts and help you prepare for the more challenging material that will be discussed in class. You should be fully prepared to discuss the prework/knowledge transfer assignments during class time. |
|  **Technology Requirements:** The following equipment and system requirements are recommended to successfully participate in this online course: Computer with webcam; Earphones or headset; Reliable (preferably high speed) Internet connection; Current operating system for Windows or Mac; Current browser: Google Chrome, Firefox, Internet Explorer (not recommended), Safari (Mac) For technical support please see: **USC Systems** (Canvas, USC Login, MyUSC, USC Gmail, GoogleApps) For assistance with your USC login or other USC systems, please call +1 (213) 740-5555 or email Consult@usc.edu. They are open Mon – Fri 9:30am – 5pm and weekends from 8am - 5pm (all Pacific time). **Zoom Video Web Conferencing System** (MarshallTALKS) **(Meeting ID 933-8947-7557; password: Harris)**Zoom is the platform used for all online sessions and online office hours. A link and instructions to join the Zoom sessions will be posted in the Canvas Course Pages. For more information about Zoom, go to: Zoom Support Tutorials. For further assistance, using Zoom, go to Zoom Support Page. You may also call (888) 799-9666 ext. 2. They are available 24/7. **Marshall Systems** (MyMarshall, Marshall Outlook email) For assistance with Marshall systems you can call +1 (213) 740-3000 Mon-Fri 8am-6pm (Pacific), email HelpDesk@marshall.usc,edu, or use our self-help service portal as shown below. The portal allows you to get immediate assistance by searching for the information you need. You can also use it to chat with a technician or input a request. To access the service portal, follow these steps: On a computer or mobile device, go to MyMarshall Home Page and click the “Help” link on the upper right; Log in using your Marshall username and password. (If you don’t know your Marshall login please follow the onscreen instructions pertaining to login issues).If your computer does not have Microsoft Word, Office 365 package is available to you free of charge and allows you to install Word, Excel, PowerPoint, Outlook, OneNote, Publisher, and Access on up to 5 PCs or Macs and Office apps on other mobile devices including tablets. Office 365 also includes unlimited cloud storage on OneDrive. To download Office 365 log into your student (University) email through a web browser, choose Settings (top right corner), and select software. If you have further questions or need help with the software, please contact the USC ITS service portal. |
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 **Grades** for GSBA 510 will be based on a midterm exam, a final exam, class participation, and hand-in homework assignments. The following weights will be used in calculating your final grade:

Midterm Exam 35%

Final Exam 35%

Class Participation 15%

Homework Assignments 15%

Total 100%

**Prework/Knowledge Transfer Assignments:**

Prework and knowledge transfer assignments listed in the course outline need to be submitted by 11:59pm the night before each class session and should be short and concise and be computer generated (e.g., using Word or Excel). Because assignments may have different plausible answers, it is possible to receive full credit even if your answers differ from potential solutions discussed in class.

**Exams:**

The midterm and the final exams will be open book and open notes. The exams will be distributed via Canvas and there will be an allotted time in which you must complete the exam. For the midterm and final exam, you will have 5 days from the time the exam is posted to complete.

**Class Participation**:

I view class discussion as an integral part of the learning experience of the course. Your class participation grade will be based on contribution to class discussion, not based on the amount of time you talk. I recognize that students with different backgrounds will contribute differently to class discussion. Contributions can take many forms, including, but not limited to, insightful comments and thoughtful questions. Cold calls are fair game. Use of other personal communication devices, such as cell phones, is considered unprofessional and is not permitted during academic or professional sessions. Audiotaping may be permitted if approved by the professor. Use of any recorded or distributed material is reserved exclusively for the USC students registered in this class. Regarding readings, speaker questions and debates, students should diligently prepare and share the outcome of their analyses with the class. Students will offer their opinions in group settings many times in their careers; thus, class participation serves to prepare students for this business experience.

The evaluating of in-class participation is based on the following:

* *Relevance* – Does the comment meaningfully bear on the subject at hand? Irrelevant or inappropriate comments can detract from the learning experience.
* *Responsiveness* – Does the comment connect to what someone else has said?
* *Analysis* – Is the reasoning employed consistent and logical? Has data from course materials, personal experience, or general knowledge been employed to support the assertions/findings?
* *Value* – Does the contribution further the understanding of the issues at hand?
* *Clarity* – Is the comment concise and understandable?

**Class Participation—Behavioral Anchor Rating Scale:**

**Excellent Performance**

· Initiates information relative to topics discussed

· Accurately exhibits knowledge of assignment content

· Clarifies points that others may not understand

· Shares personal experiences or opinions related to topic

· Offers relevant / succinct input to class

· Actively participates in class exercises

· Demonstrates ability to apply, analyze, evaluate & synthesize course material.

· Demonstrates willingness to attempt to answer unpopular questions

· Builds on other students’ contributions

**Average Performance**

· Participates in group discussions when asked

· Demonstrates knowledge of course material

· Offers clear, concise, “good” information on class assignments

· Offers input, but tends to reiterate the intuitive

· Attends class regularly

**Unacceptable Performance**

· Fails to participate even when directly asked

· Gives no input to discussions

· Does not demonstrate knowledge of the readings

· Shows up to class: does nothing

· Distracts group / class

· Irrelevant discussion

Attendance via ZOOM is highly recommended for all on-line sessions. Tardiness, entering or leaving during class, and/or lack of attendance can have a negative effect on your class participation grade. If you cannot avoid missing a class session, it is your responsibility to make arrangements with the professor to make sure that you receive all the materials for that day. If you cannot attend a session, it will be recorded and archived in Canvas.

Class attendance and participation is important in developing a coherent view of the materials covered in the course. Unless accommodated as described in (b) below, attendance and active participation is expected at the synchronous Zoom class sessions.

Students are expected to have cameras on during the synchronous Zoom sessions, and preferably use headsets or earphones to ensure the best audio quality. Please advise me if you have circumstances under which you will not be able to meet these expectations.

For students who are located in a time zone where the synchronous class sessions or exams fall outside the window of 8 a.m. to 10 p.m. in your local time zone, please contact me. You will not be penalized for not attending the live Zoom class sessions. The Zoom sessions will be recorded and posted on Canvas, and you will be responsible for watching the recorded sessions. Exams and other synchronous assessments will be scheduled for students to be able to complete the assessment between 8 a.m. and 10 p.m. in your local time zone.

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

**Please do:**

i. Log into class early or promptly

ii. Arrange to attend class where there is a reliable internet connection and without distractions

iii. Dress respectfully. Video conference business meetings are and will be the norm, so practice your professional telepresence.

iv. If you use a virtual background, please keep it respectfully professional.

v. Display both your first and last name during video conferencing and synchronous class meetings.

vi. Respectfully minimize distractions by muting and or turning off video if necessary and when appropriate.

vii. Engage in appropriate tone and language with instructors and classmates.

**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.

All Zoom sessions will be recorded and posted in the Blackboard Course pages.

**Academic Conduct:**

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 Part B, Section 11, “Behavior Violating University Standards” <https://policy.usc.edu/scampus-part-b/>.  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](http://policy.usc.edu/scientific-misconduct/).

**Support Systems:**

Students whose primary language is not English should check with the American Language Institute http://dornsife.usc.edu/ali, which sponsors courses and workshops specifically for international graduate students.

*Student Counseling Services (SCS) -* ***(213) 740-9355*** *– 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](http://www.suicidepreventionlifeline.org/)

*Relationship & Sexual Violence Prevention Services (RSVP) -* ***(213) 740-9355*** *- 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* ***(213) 740-9355***

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 EX: personal, financial, and academic.<https://studentaffairs.usc.edu/ssa/>

*Diversity at USC*

Tabs for Events, Programs and Training, Task Force (including representatives for each school), Chronology, Participate, Resources for Students. [*https://diversity.usc.edu/*](https://diversity.usc.edu/)

*USC Emergency Information*

Provides safety and other updates, including ways in which instruction will be continued if an officially declared emergency makes travel to campus infeasible. [emergency.usc.edu](http://emergency.usc.edu)

*USC Department of Public Safety – UPC: (213) 740-4321 – HSC: (323) 442-1000 – 24-hour emergency or to report a crime.* Provides overall safety to USC community. [dps.usc.edu](http://dps.usc.edu/)

**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 ([www.usc.edu/disability](http://www.usc.edu/disability)). 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 me 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 Continuity:**

In case of a declared emergency if travel to campus is not feasible, the USC Emergency Information web site (http://emergency.usc.edu/) will provide safety and other information, including electronic means by which instructors will conduct class using a combination of USC’s Blackboard learning management system (blackboard.usc.edu), teleconferencing, and other technologies.

**Add/Drop Process**

Courses may be added until November 5, 2021. After registering, it is the student's responsibility to officially drop from a course if he or she decides not to continue in a course. All such changes must be processed by Web registration or through the

Registration Department Failure to withdraw officially will result in the mark of "UW," which is computed in the GPA as zero (0) grade points. A student may drop a course without academic or financial penalty up until November 5, 2021. If the course is dropped after November 5, 2021 and before November 17, 2021, the course does not appear on the academic transcript, but the course tuition and fees will be assessed to the student's account. If the course is dropped after November 17, 2021, it will be recorded with a mark of “W.” No course may be dropped after December 6, 2021. A student may not withdraw from a course in which he or she is committed or was accused of committing an academic integrity violation.

**Financial Reporting and Analysis – GSBA 510**

### Fall 2021

### Wednesday Course Overview

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| Session | Date | Topic |
| 1 | Wednesday October 27 | Introduction to Course and Financial Reporting |
| 2 | Wednesday November 3 | Financial Statement Adjustments and analyzing Cash Flows |
| 3 | Wednesday November 10 | Reporting and analyzing Revenue Recognition and Accounts Receivables |
| 4 | Wednesday November 17 | Reporting and analyzing Inventories and Midterm Review |

**MIDTERM EXAM will be posted on line on Thursday morning November 18th at 8am and will be due back by Monday, November 22nd at 11:59pm. Once started, you will have 3 hours to complete the exam.**

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| Session | Date | Topic |
| 5 | Wednesday November 24 | Reporting and analyzing Fixed Assets, Intangibles, and Liabilities |
| 6 | Wednesday December 1 | Reporting and analyzing Shareholders' Equity and Accounting for Library Organizations |
| 7 | Wednesday December 8 | Analyzing and interpreting Financial Statements, Ratios, and Final Review |

 **FINAL EXAM will be posted on line on Thursday, December 9th at 8am. The exam will be due back by 11:59pm Monday, December 13th. Once started, you will have 3 hours to complete the exam.**

**Financial Accounting**

**Specific Assignments (Subject to Change)**

**1: Wednesday, October 27**

 **Introduction to Course and Financial Reporting**

*Watch*

Introduction to Financial Accounting – Part 1

Introduction to Financial Accounting – Part 2

Double Entry Accounting

 *Read*

DHMP: Chapters 1 (pages 2-21) and 2 (pages 42-70)

 *Prework due for Week 1*

DHMP Chapters 1 and 2 - Problems M1-19, M1-21, M1-24, M2-20, M2-23 and E2-41

**2: Wednesday, November 3**

 **Financial Statement Adjustments and analyzing Cash Flows**

*Watch*

Adjusting Accounts for Financial Statements

Statement of Cash Flows – Part 1

Statement of Cash Flows – Part 2

 *Read*

DHMP: Chapters 3 (pages 100-117)) and 4 (pages 156-182)

 *Prework due for Week 2*

 DHMP Chapters 3 and 4 - Problems M3-21, M3-26, Q4-7, Q4-11 and M4-23

**3: Wednesday, November 10**

 **Reporting and analyzing Revenues, Expenses and Accounts Receivables**

*Watch*

Revenue Recognition – Part 1

Revenue Recognition – Part 2

Accounts Receivable

 *Read*

DHMP: Chapter 6 (pages 270-288)

Accounts Receivable

 *Prework due for Week 3*

 DHMP Chapter 6, Problems Q6-1, Q6-5, M6-14 and M6-20

4**: Wednesday, November 17**

 **Reporting and analyzing Inventories and Midterm Review**

*Watch*

Inventory Accounting

FIFO, LIFO and Average Cost

 *Read*

DHMP: Chapter 7 (pages 326-339 and 345-349)

 *Prework due for Week 4*

 DHMP Chapter 7, Problems Q7-6, M7-14, M7-15 and M7-16

**MIDTERM EXAM will be posted on line on Thursday November 18th at 8am and will be due back by Monday, November 22nd at 11:59pm. Once started, you will have 3 hours to complete the exam.**

**5: Wednesday, November 24**

 **Reporting and analyzing Fixed Assets, Intangibles and Liabilities**

*Watch*

Reporting & Analyzing Long-Term Operating Assets – Part 1

Reporting & Analyzing Long-Term Operating Assets – Part 2

Reporting & Analyzing Liabilities – Part 1

Reporting & Analyzing Liabilities – Part 2

 *Read*

DHMP: Chapters 8 (pages 372-382 and 388-392) and 9 (pages 412-430)

 *Prework due for Week 5*

 DHMP Chapters 8 & 9, Problems Q8-3, Q8-6, Q8-10, M8-12, Q9-1, Q9-3, Q9-4, M9-21

**6: Wednesday, December 1**

 **Reporting and analyzing Shareholders’ Equity and Accounting for Library Organizations**

 *Watch*

Reporting & Analyzing Shareholders’ Equity

 *Read*

 DHMP: Chapter 11 (pages 528-544)

 *Prework due for Week 6*

DHMP Chapter 11, Problems Q11-1, Q11-2, Q11-9 and Q11-15.

**7:** **Wednesday, December 8**

**Analyzing and Interpreting Financial Statements, Ratios and Final Exam Review**

 *Watch*

Analyzing & Interpreting Financial Statements

 *Read*

DHMP: Chapter 5 (pages 218-226 and 233-238)

*Prework due for Week 7*

DHMP Chapter 5, Problems Q5-1, M5-15 and M5-16

**FINAL EXAM will be posted on line on Thursday, December 9th at 8am. The exam will be due back by 11:59pm Monday, December 13th. Once started, you will have 3 hours to complete the exam.**

# Appendix I. LIM PROGRAM LEARNING GOALS

**The course contributes to achievement of the LIM program goals as follows:**

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| **How GSBA 510 Contributes to Student Achievement of LIM Program Learning Goals** |
| **LIM Program Learning Goals** | **Degree of Emphasis (1=Low, 2=Moderate, 3=High)** | **GSBA 510 Objectives that support this goal** |
| a. Understand the ecology of libraries and information networks, their unique environments and how they are governed; |  2 | Apply disciplinary based constructs to the industry/sector environments utilizing accounting and finance concepts taught throughout the course |
| b. Articulate and employ professional values and ethics in a variety of situations and circumstances; |  3 | Demonstrate an understanding of the theoretical accounting and finance concepts and techniques in order to be able to recognize proper and consistent accounting treatments in financial reporting |
| c. Apply and assess management strategies, practices and decisions. |  3 | Apply disciplinary based constructs to the industry/sector environments utilizing accounting and finance concepts taught throughout the course |
| d. Develop and manage content, including negotiating with vendors and licensors, for targeted communities of users; |  N/A |  N/A |
| e. Organize, retrieve and manage information for stakeholder benefit; |  3 | Apply disciplinary based constructs to the industry/sector environments utilizing accounting and finance concepts taught throughout the course |
| f. Locate, synthesize and translate information to intelligence for various client groups; |  3 | Recognize theoretical accounting and financial concepts to apply to potential employers and others |
| g. Develop, implement and assess programs and services for enhancing use of information and ideas; |  2 | Recognize and apply accounting and finance information (ex. budget analysis; ratio analysis; peer analysis) |
| h. Understand the role of current and emerging technologies and infrastructure in organizational effectiveness and service delivery; |  2 | Apply disciplinary based constructs to the industry/sector environments utilizing accounting and finance concepts taught throughout the course |
| i. Design, apply and interpret different research and evaluation methods to gain insight, assess impact and make appropriate decisions. |  N/A |  N/A |
| j. Manage and lead diverse projects and teams, understanding communication and leadership behaviors that affect workplace performance and client satisfaction. |  N/A |  N/A |
| k. Apply persuasion and influence through networking, collaboration, and relationship- building; |  2 | Apply disciplinary based accounting and finance constructs to the industry/sector environments |
| l. Demonstrate a commitment to continued professional education and lifelong learning. |  3 | Recognize theoretical accounting and finance concepts learned in class to identified professional problemsEngage with leaders in the field as knowledgeable colleagues |