

BUAD 280: Introduction to Financial Accounting

Section 14516:
T/Th 2:00pm - 3:20pm PT

Spring 2022

Professor: Matthew Shaffer
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Office Hours: Tues 3:30pm-5:30pm:
Office ACC 114

TAs: Michelle Park (parkmm@usc.edu) and Jack Zhou (jackzhou@usc.edu)

Course Description and Format

This is the required intro financial accounting course for undergrad business majors at USC.

I have an extremely simple approach to teaching this course. I wrote down all the material I want students to learn into my own book, “Why are we doing this? The meaning of financial accounting,” available (for free) [here](#). That is what I teach in class, and that’s the core material and concepts I test students on. It’s that simple. My mantra for teaching is:

No mysteries, no surprises. My goal is not to keep my students in suspense, it is to make it as easy as possible for them to **master the most important concepts.**

My lectures cover the same material, in the same order, as my text, and, likewise, the homework and exam problems are just arithmetic applications of the core, key concepts that are emphasized in both. I do not require students to do the readings in advance—however, doing so will make it very easy for students to follow everything in lecture and master the material as we go. Students who are struggling should be able to fully remedy that by doing the reading with care. I have taught this course to 300 students and have never seen one exception to this rule.

This course provides a controllable, clear, and doable path to an A. Nothing in this course requires any special genius. What some students find challenging is that the course is *technical and cumulative*, with key material and terminology introduced each lecture, and building sequentially. This means that it is hard—sometimes impossible—to catch up if you fall behind, and cramming just doesn’t work. In other words, what’s challenging is managing your time, attention, and energy, as a busy college student, living through challenging times, to stay on top of the new key concepts, every single week, throughout.

Materials

Students are *not required to purchase any materials*. The main text for the course is my book, which is freely available on my website [here](#).

However, students are welcome to purchase a physical copy and/or digital access to the McGraw-Hill textbook. That book is a large, publisher-provided text, and, as such, provides more detail, more visuals, and practice problems, etc. My own text is what I teach in class (and test students on). But there should be no inconsistencies between the two texts. The McGraw-Hill text is available in the bookstore:

- Spiceland, D., Thomas, W., and Hermann, D. (2018). *Financial Accounting, 5th Ed.* McGraw-Hill Education
 - ISBN for Online Access + Online text (purchased through USC Bookstore: 9781264006762
 - ISBN for Online Access + Loose-leaf text (purchased through USC Bookstore): 9781264006182
 - ISBN for Online Access + Online text (purchased directly from McGraw): 9781264006663

Prerequisites and Recommended Preparation

Although there are no formal prerequisites for this course, regularly reading a general business periodical or newspaper's financial section will aid in your business education. The Wall Street Journal can be purchased at a discounted student rate at www.wsjstudent.com. I also have a number of podcasts, newsletters and Twitter accounts that I particularly recommend—please contact me if interested.

Grading Policies

Your grade reflects your mastery of this technical material, and nothing more (i.e., not your character, etc.). The total class points are allocated as follows:

	Weight
Exam I	30%
Exam II	20%
Final Exam	30%
Homework	10%
Group Ratio Analysis Project	10%
Total	100%
Discretionary / qualitative:	+/- 10%

This course is subject to Marshall's deflationary **forced curve**. That is, the maximum average grade is fixed by the school. This means that the exams must be sufficiently challenging to separate students in the class, and attaining an 'A' requires exceptional performance.

I curve each component of the overall grade before calculating the total grade. This means that if, for example, you have a 93% **raw score** on your homeworks, but the class average is 97%, that component could decrease your grade.

+/-10% of your grade is determined by the professor's qualitative / discretionary evaluation of your positive contribution to the class. Inputs to that evaluation could include, e.g., attendance, participation, courtesy and professionalism toward your colleagues and in the classroom, asking interesting questions, identifying mistakes or ambiguities in the slides/text, or finding topical and/or relatable memes (or, even better, creating them).

Students must meet a minimum standard on the exams in order to pass this course—i.e., simply completing all the required assignments is not sufficient to guarantee that the student will pass. Any student, of any ability level, who puts in a genuine effort to review the course material and internalize the key concepts throughout the course, week-by-week, should be able to achieve at least an A-. I have taught 300 students and never seen any exceptions.

Assignments and Grading Detail

Exams

The exam dates for this spring are as follows:

Exam I	February 24
Exam II	April 5
Final Exam	TBD [May 4-11]

The Leventhal School of Accounting policy is exams should not be missed unless there is a very serious emergency AND it can be properly documented. In addition, to the extent possible, you must inform the instructor of the emergency prior to the exam (it is understood this is not always possible). If you miss an exam for something other than a serious emergency and / or you cannot provide documentation, you will receive a zero grade for the exam.

The final exam must be taken at the scheduled time unless an incomplete contract has previously been approved according to Leventhal School of Accounting guidelines.

I will not offer take-home or open-book exams. All exams will be proctored, with **integrity strictly enforced**, to maintain a fair and level playing field for all students, to prevent a "race to the bottom," and to assure students that they are in control of their grade in this curved class.

Homework

There will be a **homework for each chapter of the text**. The course TA's, Jack Zhou (jackzhou@usc.edu) and Michelle Park (parkmm@usc.edu), are delegated full control of the homework. Please direct your questions on homework to them. Homework problems will be posted to the course Blackboard page. Typically, they will be due at midnight on the night before the first lecture on the *next* chapter. But please check the due date on each Blackboard assignment itself to be sure.

Ratio Analysis Group Project

Students will be randomly assigned to groups of four, and each group will be randomly assigned a pair of two competitor companies, and instructed to analyze and compare them, using the companies' public 10-K filings (accessible via the SEC's EDGAR site, <https://www.sec.gov/edgar.shtml>), as well as the ratios we will learn and discuss in class. Each assigned group of 4 is expected to submit fully original, independent work. Students will use Excel to perform the requisite calculations. The project is described in full detail in a separate document that will be distributed after the first midterm. The **due date for the ratio analysis project will be March 30 at midnight**. To prevent free-riding, group members will evaluate each other in a "group rate poll."

Course TAs

There are two official course Teaching Assistant: Michelle Park (parkmm@usc.edu), and Jack Zhou (jackzhou@usc.edu). Please contact them and attend their office hours for any and all homework questions, and general tutoring as well.

Add/Drop Process

See the Registration Calendar for details, [here](#).

Statement for Students with Disabilities

Students requesting test-related accommodations will need to share and discuss their DSP recommended accommodation letter/s with their faculty and/or appropriate departmental contact person at least **three weeks** before the date the accommodations will be needed. Additional time may be needed for final exams. Reasonable exceptions will be considered during the first three weeks of the semester as well as for temporary injuries and for students recently diagnosed. Please note that a reasonable period of time is still required for DSP to review documentation and to make a determination whether a requested accommodation will be appropriate.

The Office of Disability Services and Programs (www.usc.edu/disability) 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 (or to your TA) 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.

Schedule

Date	Topic	Shaffer Text
Jan 11	Intro & Overview, 1	Ch. 1
Jan 13	Intro & Overview, 2	Ch. 1
Jan 18	(No Class: MLK Jr. Holiday)	N/A
Jan 20	Syllabus Day	N/A
Jan 25	Accounting for External Transactions	Ch. 2
Jan 27	Accounting for External Transactions	Ch. 2
Feb 1	The <i>Tools</i> of Accounting: Debits, Credits, etc.	Ch. 3
Feb 3	End of Period Adjusting Entries / Internal Transactions	Ch. 4
Feb 8	TA-led review/practice session ("Drill baby drill")	
Feb 10	Closing the Books: The "Mechanics" of Reporting	Ch. 5
Feb 15	Intro to Ratio Analysis	Ch. 7
Feb 17	Looping Back: Accrual Accounting Deep Dive	Ch. 6
Feb 22	Practice Quiz & Review Session	(All of the above)
Feb 24	Midterm 1 (30% of overall grade)	(All of the above)
Mar 1	Receivables: Accounting for Uncollectible Accounts, 1	Ch. 8
Mar 3	Receivables: Accounting for Uncollectible Accounts, 2	Ch. 8
Mar 8	Extended office hours / break	
Mar 10	Inventory and COGS	Ch. 10
Mar 15	(Spring Break)	
Mar 17	(Spring Break)	
Mar 22	Long-Term Assets Part 1: Complications	Ch. 11
Mar 24	Long-Term Assets Part 1 / 2: Flex day	Ch. 11/12
Mar 29	Enrichment Lecture	
Mar 31	Long-Term Assets Part 2: Fair Value (cont.)	Ch. 12
Apr 5	Midterm 2 (20% of overall grade)	(All of the above)
Apr 7	Intro. to Finance	Ch. 13
Apr 12	Long-term Liabilities, 1	Ch. 14
Apr 14	Long-term Liabilities, 2	Ch. 14
Apr 19	Enrichment Lecture	
Apr 21	Shareholders' Equity	Ch. 15
Apr 26	Statement of Cash Flows, 1	Ch. 16
Apr 28	Statement of Cash Flows, 2	Ch. 16
[TBD: May 4-11]	Final Exam (30% of overall grade)	(All of the above)

The updated final exam schedule can be found at this link: <https://classes.usc.edu/term-20221/finals/>.