Class Meetings: Saturdays  
9:00am – 1:00pm (Oski)  
2:00pm – 6:00pm (Axe)

Instructor: Xiao-Jun Zhang  
F481, 642-4789  
xzhang@haas.berkeley.edu

Office Hours: By appointment

Course Websites:  
https://bspace.berkeley.edu/  
http://www.study.net/

GSI: Emuejevoke Elstein (emuejevoke_elstein@mba.berkeley.edu)  
Office Hours: TBD

Sections: TBD

COURSE OVERVIEW

This required core course in Financial Accounting covers the accounting principles and methods (GAAP) used in preparing financial statements. It emphasizes the rationale for, and implications of the fundamental accounting concepts. The course provides a foundation to critically analyze and interpret accounting data, and to use accounting data in various decision situations.

STRUCTURE OF LECTURES

The material in each chapter of the text will be presented in lecture form and supplemented with examples from the popular press. We use problems to enhance the learning of key accounting concepts and to illustrate the uses and misuses of financial reports. Class notes for each session will be distributed during class. Reading the relevant materials and thinking about the class work problems prior to each class are essential.
GRADING POLICY

Your grade will be determined in the following way:
Final grade = Max {grade based on option A, grade based on option B}.

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<th>Option A</th>
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<tr>
<td>Cases</td>
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<td>Problem sets</td>
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<td>Class participation</td>
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<td>Midterm examination</td>
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<td>Final examination</td>
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Cases:
You are required to turn in written analysis of two cases. One of them is a team project, and you must use the team assigned by the EW MBA office. The other one should be completed on an individual basis. Unless otherwise indicated, the reports are due at the beginning of the class on the date specified below in the Course Outline.

Exams:
Both exams will consist of numerical problems. The exams will be closed book, although you will be allowed to bring in a 8.5” x 11” sheet of notes.

Problem Sets:
You are required to turn in the problem sets on the dates specified in the course outline. While you may discuss the homework assignments with your colleagues, you are expected to solve the problems and write up the solutions on an individual basis. These problem sets will be graded on a satisfactory/unsatisfactory basis.

Class Participation:
I expect active class participation. Please let me know in advance by e-mail if you are going to miss a class session. Class participation credit is awarded for the quality and frequency of your contributions to the class discussion.
COURSE OUTLINE

1. 10/13
   Topics Fundamentals of Financial Reporting
   Readings Text Module 1 and Module 2 (pages 2-1 to 2-14)
              Study.Net Articles 1 and 2
   Problems and Cases: Kellogg, Study.Net Exercises 1

2. 10/20
   Topics Articulation of Financial Statements
   Readings Text Module 2 (pages 2-15 to 2-32),
           Modules 3, and Module 4
           Study.Net Articles 3-6
   Problems and Cases: Chemalite, Study.Net Exercises 2 and 3
   ASSIGNMENT DUE Problem Set 1

3. 10/27
   Topics Operating Activities: Revenue and Cost of Goods Sold
   Readings Text Module 5 (pages 5-1 to 5-12)
           Module 6 (pages 6-3 to 6-25)
           Study.Net Articles 14, 15, 17, and 18
   Problems and Cases: Study.Net Exercises 4 and 5
   ASSIGNMENT DUE Problem Set 2

4. 11/03
   Topics Operating Activities: Depreciation, Amortization, and Income Taxes
   Readings Text Module 6 (pages 6-26 to 6-36)
           Module 5 (pages 5-19 to 5-25)
           Study.Net Articles 19, 20, and 27
   Problems and Cases: Talbots, Study.Net Exercise 8
   ASSIGNMENT DUE Problem Set 3
5. 11/10  MIDTERM EXAMINATION

6. 11/17
   Topics
   Financing Activities: Interest Expenses
   Off-Balance-Sheet Financing

   Readings
   Text Module 8 and Module 10 (pages 10-1 to 10-11)
   Study.Net Articles 25 and 26

   Problems and Cases:
   Study.Net Exercises 6 and 7

   ASSIGNMENT DUE
   Problem Set 4
   Case (team assignment)

7. 12/1
   Topics
   Financing Activity: Owner Financing
   Investment Activities: Marketable Securities
   Inter-company Investments

   Readings
   Text Module 7 (pages 7-1 to 7-27) and Module 9
   Study.Net Articles 11, 12, 13, and 28

   Problems and Cases:
   Study.Net Exercise 9

   ASSIGNMENT DUE
   Problem Set 5
   Case

8. 12/8  FINAL EXAMINATION