Department of Accounting
ACC 380K.7 – Financial Statement Analysis
Spring 2017 Syllabus

Instructor: Stephen T. Smith
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Office: GSB 4.112C (MPA Program Office)
Office Hours: Monday & Wednesday 10 AM – 11 AM & by appointment

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TA Office & Office Hours: TBD – See Canvas
Email questions are also encouraged

Class time and location: Unique #02735  T Th  8:00 – 9:30 AM  UTC 1.118
Unique #02740  T Th  9:30 – 11:00 AM   UTC 1.118

Required Materials and Equipment:
- Coursepack: will be available at UT Copy Center (McCombs location)
- Readings, cases and supplemental materials on Canvas

Prerequisite:
I assume familiarity with basic accounting and financial reporting concepts (e.g. ACC 356, 381, BA 384T or the equivalent). However, students have a wide range of backgrounds and you do not need to be experts in accounting or financial reporting to succeed in this course. Both accounting knowledge and institutional knowledge (e.g. via work experience) will be useful in contributing to class discussions and group work. Accordingly, I expect students with strong accounting knowledge to contribute their expertise in accounting, and those with non-accounting backgrounds to share their business or other experience.

Course Structure:
- The course will be taught using a combination of examples, discussion questions, cases and homework problems. We will explore the concepts using various firms’ historical and current financial data.
- A tentative schedule for each class is attached to the end of this document. This schedule will likely be revised as we go through the semester.
Course Requirements and Grading

Your grade in this course will be determined as follows:

- Mid-term Exam: 20%
- Cases: 40% (total of 14 cases – lowest 2 will be dropped)
- Group Project: 30% (includes peer evaluation for all teammates)
- Participation: 10%
- Total: 100%

Description of Requirements

Exam

There will be one exam worth 20% of your grade. It will be held during class. The exam will involve the lessons from class applied to a set of financial information from one or a small number of publicly traded firms. This is not an exam worth “cramming” for. You can study by preparing for and actively attending class. Class is essential; cramming is only a waste of your time. Please notify me immediately if you have a conflict with the exam date. All notifications of exam conflicts must be received at the start of the course.

Class Participation

Class participation is entirely about quality. Quality is defined as relevant comments, insights, answers or questions that add value to the discussion during the class or on the Discussion Board. In addition, quality trumps quantity. For example a student, who only offers a handful of extremely insightful and relevant comments over the entire semester would absolutely outperform a student who offers forty redundant, irrelevant or distracting comments each class. Class participation includes being in-class and asking questions when other groups present their project.

Cases

The primary objective of the Cases is to help you review the material before attending class. The fancy term for this is the “flipped classroom”. It helps ensure you can master the material by taking ownership before class. All Cases are due based on the tentative schedule listed at the end of the syllabus. These Cases will either in the coursepack or be posted on Canvas.

There are 14 Cases required by all students. You will be able to drop your lowest 2 case grades.

You are required to submit ALL Cases. Cases cannot be submitted late. Cases must be submitted on Canvas in the respective link. You can work in a group of two to three (max) students on all of the Cases. The goal of groups is to enable you to actively share ideas but still be involved. There is a cap to group sizes as large groups remove the benefit from working through the material. Whether you are flying solo, or working in a group of two or of three, EACH student must complete an individual submission to the case questions provided. It cannot be copied from another student. Each students’ submission must be their own work. Obviously, the submission will be influenced by their group work but submissions should not be identical.
**Group Project**

In this course, as in life, working effectively in a team is important. This is reflected by the fact that 30% of your final grade is a team project.

In the second or third week of class, you will self-select into groups of four. When submitting your company selections, please list each group member’s degree program, work experience and other relevant qualifications (e.g., CPA, degree in accounting).

As a group, you will choose two publicly traded firms that operate in the same industry. You may NOT choose to analyze a firm on which we spend a substantial amount of time in class. In addition, I would NOT recommend that you choose to analyze a pair of financial services firms (e.g., banking, insurance) as these types of firms often operate in unique markets with unique accounting issues that we do not cover in class. You have until Thursday, February 2\textsuperscript{nd} to form groups and submit company selections. The company selection sheet will be available on Canvas.

A complete firm analysis has four parts: (1) a business analysis, which includes an analysis of the primary industry or industries in which the firm operates, and an analysis of the firm’s competitive and corporate strategies; (2) a financial analysis, which includes profitability, risk and cash-flow analysis; (3) an accounting analysis, which includes an analysis of the firm’s accounting practices and procedures; (4) a prospective analysis, which includes forecasts of future performance and valuation. The final project will include a written analysis and a presentation.

Due dates are listed on the course schedule at the end of this document. I will post detailed requirements for the final projects to Canvas no later than four weeks prior to the due date. Requirements include a peer evaluation from each member of the team. If I deem that a particular group member hasn’t contributed to the project in a satisfactory fashion, that particular student’s grade will be negatively impacted.

**Grading Disputes**

My TA and I make every effort to grade all of your work fairly, accurately & consistently, but grading errors can occur. If you believe there’s an error, you may request a re-grading of the assignment or project. Be aware, however, that grading errors can occur in both directions. Errors can make grades too high as well as too low. Therefore, if you request a re-grading, your entire assignment will be re-graded, and all grading errors will be corrected. By requesting a re-grade, you accept the possibility that your grade may go either up or down. To request a re-grade, you must submit a written request to me within one week from the class period in which the assignment was first returned to students (whether or not you were present in class on that day). The request must be accompanied by the graded original and must state the area of dispute, your recommendation for change in grade, and an explanation or justification for your recommendation.


**Treat the Classroom as a Boardroom**

As future business professionals, you should treat the classroom as a boardroom, and follow these rules:

1. Arrive on time and post your name card
2. Be prepared (to discuss the case, summarize the readings, etc…)
3. Listen respectfully
4. Build on previous points
5. Direct comments to your classmates
6. State your assumptions
7. Speak concisely
8. Articulate your argument systematically
9. Give evidence to support your claims
10. Participate wholeheartedly
11. No cell phones
ACADEMIC INTEGRITY

I am committed to maintaining the highest ethical standards in my research and teaching, and I expect the same from my students. Here is the school’s policy statement on scholastic dishonesty:

The McCombs School of Business has no tolerance for acts of scholastic dishonesty. The responsibilities of both students and faculty with regard to scholastic dishonesty are described in detail in the BBA Program’s Statement on Scholastic Dishonesty at http://www.mccombs.utexas.edu/BBA/CodeOfEthics.aspx. By teaching this course, I have agreed to observe all faculty responsibilities described in that document. By enrolling in this class, you have agreed to observe all student responsibilities described in that document. If the application of the Statement on Scholastic Dishonesty to this class or its assignments is unclear in any way, it is your responsibility to ask me for clarification. Students who violate University rules on scholastic dishonesty are subject to disciplinary penalties, including the possibility of failure in the course and/or dismissal from the University. Since dishonesty harms the individual, all students, the integrity of the University, and the value of our academic brand, policies on scholastic dishonesty will be strictly enforced. You should refer to the Student Judicial Services website at http://deanofstudents.utexas.edu/sjs/ to access the official University policies and procedures on scholastic dishonesty as well as further elaboration on what constitutes scholastic dishonesty.

The number one way you could get into trouble in this course is by copying or plagiarizing work – either from a fellow student or from another source. I am well aware that there are many resources (online and elsewhere) that make cheating tempting and easy. I ask you to make the most of your education by resisting that temptation. Also be aware that my TAs and I have access to the same resources as you, and we will be vigilant in detecting cheating. Further, I will report all violations to the Dean of Students.

STUDENTS WITH DISABILITIES

If you require accommodation for a disability, please let me know. You may request appropriate academic accommodations from the Division of Diversity and Community Engagement, Services for Students with Disabilities, 512-471-6259, http://www.utexas.edu/diversity/ddce/ssd/.

RELIGIOUS HOLY DAYS

In accordance with University policy, please notify me of your pending absence at least fourteen days prior to the date of observance of a religious holy day. If you must miss a class or project/homework due date in order to observe a religious holy day, you will be given an opportunity to complete the missed work within a reasonable period.
CAMPUS SAFETY

Please note the following recommendations regarding emergency evacuation from the Office of Campus Safety and Security, 512-471-5767, http://www.utexas.edu/safety/:

- Occupants of buildings on The University of Texas at Austin campus are required to evacuate buildings when a fire alarm is activated. Alarm activation or announcement requires exiting and assembling outside.
- Familiarize yourself with all exit doors of each classroom and building you may occupy. Remember that the nearest exit door may not be the one you used when entering the building.
- Students requiring assistance in evacuation should inform their instructor in writing during the first week of class.
- In the event of an evacuation, follow the instruction of faculty or class instructors.
- Do not re-enter a building unless given instructions by the following: Austin Fire Department, The University of Texas at Austin Police Department, or Fire Prevention Services office.
- Behavior Concerns Advice Line (BCAL): 512-232-5050

Further information regarding emergency evacuation routes and emergency procedures can be found at: www.utexas.edu/emergency.