Contact Information:

Professor: Michelle Yetman  
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Office Hours: by appointment

Teaching Assistant: Mahesh Kumar  
Email: mntarajan@ucdavis.edu  
Office Hours: Thursdays 3-5 pm in Gallagher Hall Room 1213 (no office hours on 11/11 or 11/25).  
In place of office hours on 11/11, Monday 11/15 from 3-5 pm in Gallagher Hall

Email is the easiest way to contact us. Students should email questions to both the professor and the teaching assistant. Please provide the section identifier and course number (either “Daytime 200A”, “Sacramento 200A” or “San Ramon 200A”) in the subject line.

Course Objectives:

Corporate financial reporting is concerned with the form and content of the financial information disclosed by firms to external parties (e.g. shareholders, financial analysts). In the United States financial reporting practices must follow “Generally Accepted Accounting Principles” (GAAP), which are set by the Financial Accounting Standard Board (FASB), a private-sector regulatory authority. GAAP define the set of accounting method and disclosure practices from which firms select when providing information to external parties. The primary emphasis of this course is to assist you in developing the basic skills required to interpret, analyze and evaluate information contained in published financial statements. The course will introduce a variety of financial reporting topics. Later elective courses in the program cover many of the same topics, as well as additional topics, in more depth.

Waiving Out of the Course:

Students who earned a bachelor or master degree in accounting are/or who are certified public accountants will be automatically waived from taking the core Financial Accounting Course (200A). The student should email Professor M. Yetman (mhyetman@ucdavis.edu) and summarize the relevant education or certification that qualifies them for the exemption. She will send an email to you and student services confirming your exemption.

Other students who feel they have a very good understanding of basic accounting principles may request to take the waiver exam. Students who minored in accounting or have already taken a few financial accounting courses may attempt the waiver exam. The professor does not recommend waiving the course for students who have had only one previous undergraduate financial accounting course, as beginning undergraduate accounting courses are typically taught with an emphasis
towards bookkeeping, whereas this course is taught with an emphasis towards managerial decision-making.

**Class Materials:**

**Textbook:** Financial Accounting for MBAs, 4th edition by Easton, Wild, Halsey, McAnally. ISBN: 978-1-934319-34-5. There are many changes between the first three and the 4th editions (including many of the end of chapter exercises and problems), so I urge you to obtain the 4th edition.

**Additional Materials:**

- **Course Cases** are provided on study.net. Instructions to accessing study.net are in SmartSite under “Resources,” “Instructions for Accessing Study.net.” If you have problems accessing the cases on study.net, contact Instructional Resources at the Graduate School of Management at instructional@gsm.ucdavis.edu or study.net directly. Other case information will be posted on SmartSite under “Resources,” “Cases”.
- **Class notes** will be provided on SmartSite under “Resources,” “Class Notes” at least 24 hours before class. Note that electronic copies of the class notes are not a substitute for the material covered in class. They are a base set of notes to assist you in note taking during class.
- **Solutions** to most of the textbook problems are posted on SmartSite under “Resources,” “Textbook Solutions.”

**Class Format:**

You are expected to have read the textbook material and attempted the textbook assignment prior to coming to class. Although you are responsible for all questions, exercises, and problems assigned, I will cover only the more challenging ones in class. The class format is a lecture that highlights key conceptual issues followed by working select problems and cases.

**Attendance:**

I do not take attendance. However, attending class is valuable in helping you understand the material; therefore I suggest you attend class. If you do need to miss class, you will need to rely on a classmate for any notes taken in class. I am happy to answer questions about the material, but only after you attempt to work through it yourself. One issue with respect to missing class is with respect to exam. Please see “Exam Policy” below in terms of the policies.

If you know you will be missing a class and would like to attend an alternative section, you may email me to request to attend one of my other classes. The attached schedule outlines the topics that I plan to cover on each date. However, I cannot guarantee that the timing of the lectures will be perfectly synchronized across the sections.

**Classroom Etiquette:**

Please do your best to arrive in time. I realize that circumstances may occur where you may be late to class. Please feel free to join the class late, but enter quietly and try to minimize disruption to the class. Also, please turn your cell phone off during class. If you must have your cell phone on
during class then please turn it on vibrate and sit in an area of the class room where you can minimize disturbance should you need to leave the room to take a call. Finally, please be respectful to all of your classmates and do not talk to your neighbors during class.

**Performing well in the course:**

This course does not require a prerequisite and will be taught assuming no prior knowledge of accounting. Because this is a master’s course we move – the material quickly. This gives you little time to digest the material before we move on. Not understanding the material in early chapters will prevent the understanding of material in later chapters since the accounting concepts build on each other. Thus, many students will be inclined to get lost quickly unless they keep up and invest in understanding each concept as it is covered. If you find yourself getting behind, I strongly suggest that you find time to study. If you are confused, you need to see me for help (but only after you attempt to understand the material on your own). With this in mind, before the first class I strongly encourage you to read modules 1-3 and attempt the textbook assignment (solutions are posted on SmartSite). I don’t expect you to fully understand the assignment, but if you read the modules and attempt the assignment, things will become clearer to you in the lecture.

**Assessment and Exam Policy:**

Your final grade will be determined by your performance on three exams, which are equally weighted to determine the final grade. You are expected to take the exams at the scheduled time. If you must miss a exam, then please contact the professor as far in advance as possible to make alternative arrangements. With the exceptions of emergencies, failure to contact the professor about missing a will result in a score of 0 on the item.

The content of the exams will be derived from the textbook readings, textbook assignments, case assignments, class notes, and any problems covered in class. You are responsible for understanding all of the assignments regardless of whether we covered them in class (detailed solutions of all of the assignments will be posted on the course website). Case solutions will not be posted on the website, but we will review them in class.

Requests for regrading must be made in writing within two weeks from the return of the graded item. My grader and I may regrade the entire item and, therefore regrading may result in a higher or lower score.
Schedule (subject to change):

**Daytime:** Tuesday from 12 pm – 2:50 in Gallagher Hall, room 1213.

**Sacramento:** Tuesday from 6 – 8:50 pm in Sacramento Education Center, room 2222

**East Bay Section 1:** Friday from 2 – 4:50 pm and Saturday from 9 am – 11:50 in Bishop Ranch, room 1502

**East Bay Section 2:** Friday from 6 – 8:50 pm and Saturday from 1 – 3:50 pm in Bishop Ranch, room 1502

Directions to locations: [http://www.gsm.ucdavis.edu/ExploreOurSchool/index.aspx?id=188&m2=99&m3=4&m1=94](http://www.gsm.ucdavis.edu/ExploreOurSchool/index.aspx?id=188&m2=99&m3=4&m1=94)

Note: Class notes will be posted on the course website at least 24 hours before class. There is no need for you to review them before class, but you may want to either print them or download them onto your computer to assist in note taking during class. Information about Exams will be posted on SmartSite under “Resources,” “Exams.” Do not turn in the case or textbook assignments. They are assigned for purposes of class discussion and for practice for exams. Solutions to Textbook Assignments will be posted on SmartSite under “Resources,” “Textbook Solutions”. Case solutions will be posted on SmartSite under “Resources,” “Cases.”

**Exam Dates are in Italicized, Bold, Underlined Font.**

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<thead>
<tr>
<th>Daytime and Sac</th>
<th>East Bay</th>
<th>Module</th>
<th>Topic</th>
<th>Case Assignments (do not turn in)</th>
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| Sept 28 and Fri Sept 24 | 1 | Financial Accounting for MBAs | • Read Module 1  
  • Skim Appendixes 1A & 1B,  
  • Q1-1 – 1-8, Q1-15 – Q1-18, E1-28, E1-30, E1-34, P1-36, P1-39, P1-44 | |
| and Oct 5 and Sat Sept 25 | 2 | Introducing Financial Statements and Transaction Analysis | • Read Module 2  
  • Skim Appendix 2A  
  • Q2-1 – Q2-18, M2-21, M2-23, E2-27, E2-35, P2-41, P2-43, P2-45, P2-46, P2-48 | |
| | 3 | Constructing Financial Statements and Analyzing Transactions (only part of chapter) | • Read Module 3, but ignore the discussions on t-accounts and journal entries. We will record transactions only in the financial statement template and NOT in t-accounts or journal entry form. Also ignore discussion on Trial Balance.  
  • Ignore Appendix 3A.  
  • Q3-1, Q3-7, Q3-9, Q3-10, E3-28, E3-33, E3-36, P3-39, P3-41, P3-44, P3-45b, P3-47b | |
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| Oct 12         | Fri Oct 8 | 3      | Constructing Financial Statements and Analyzing Transactions | Case 1: Lost Peak Winery, Inc. (A)  
- Case is provided on study.net  
- Additional case information will be posted under “Cases” in SmartSite as Case1.pdf | Continued from last assignment. |
|               |         | 4      | Analyzing and Interpreting Financial Statements | | • Read Module 4 and appendices  
• Q4-1–4-14, M4-15, M4-16, M4-17, E4-25, P4-39, P4-40, P4-41, P4-47, P4-48 |
| **Tues Oct 19** and **Fri Oct 22** | Sat Oct 9 and **Fri Oct 22** | 5      | Reporting and Analyzing Operating Income  
and | Read these sections of Module 5  
• Revenue and its Recognition (5-1 – 5-11). No need to memorize the cases on 5-7 and 5-8 or how to calculate percentage of completion revenue, but be aware of the concepts.  
• Research and Development (R&D) expenses (5-11 – 5-14)  
• Restructuring Expenses and Incentives (5-14 – 5-16)  
• Income Tax Expenses and Allowances (5-17 – 5-24, plus appendix 5A)  
• Extraordinary Items (5-26 – 5-27)  
Skim these sections of Module 5  
• Foreign Currency Translation Effects (5-24 – 5-25)  
• Earnings Per Share (5-27 – 5-29) | |
<p>|               |         | 6      | Reporting and Analyzing Operating Assets | Q5-1, Q5-2, Q5-3, Q5-6, Q5-7, Q5-8, Q5-10, M5-15, M5-21, E5-22, E5-23, E5-26, E5-30, E5-32, P5-41 | Read Module 6 (focus on inventory) |</p>
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| Nov 2 | Sat Oct 23 | 6 | Reporting and Analyzing Operating Assets | Case 2: Merrimack Tractors and Mowers, Inc.: LIFO or FIFO?  
- Case is provided on study.net  
- Case questions will be posted under “Cases” in SmartSite as Case2.pdf | Read Module 6 (all)  
Q6-1 – Q6-11, E6-22, E6-24, E6-27, E6-30, E6-32, E6-37, P6-41, P6-42 |
| Nov 9 | Fri Nov 5 | 8 | Reporting and Analyzing Nonowner Financing | Case 3: Depreciation Policy: British Airways Versus Lufthansa  
- Case is provided on study.net  
Case questions will be posted under “Cases” in SmartSite as Case3.pdf | Read Module 8  
Q8-1 – Q8-6, E8-23, E8-24, E8-28, E8-30, E8-31, E8-32, P8-37 |
| Nov 16 | Sat Nov 6 | B | Appendix B Constructing the Statement of Cash Flows and Review | Case 4: To be announced  
Case will be posted under “Cases” in SmartSite as Case4.pdf (not study.net). | Read Appendix B and B1  
QB-1 – QB-21, PB-39, PB-44, PB-47 |
| Nov 23 | Fri Nov 19 | B | Appendix B Constructing the Statement of Cash Flows and Review | | |
| Nov 30 | Sat Nov 20 | B | Appendix B Constructing the Statement of Cash Flows and Review | | |