Course Objectives:
This course examines the fundamental concepts of financial accounting and finance, from the perspective of both managers and investors. Key topics covered include:

- Principles of accrual accounting;
- Recognizing and recording accounting transactions.
- Micro-economic events vs accounting transactions;
- Preparation and analysis of financial statements (Balance Sheet, Income Statement, Direct and Indirect Cash Flow Statements, and Statement of Owners' Equity);
- Entity typology (accounting for industrial vs service vs financial entities);
- Ratio analysis from financial statements, and ratios from financial statements plus market data;
- Pro-forma projections of financial statements;
- Time value of money (present values, future values and interest/discount rates), inflation;
- Discounted-cash-flow (DCF) project evaluation methods – NPV, BCR and IRR. Robustness of NPV and limitations of IRR;
- Project Evaluation under Capital Budgeting and Mutual Exclusivity;
- Introduction to DCF Valuation of Entities using Pro-Forma Projections. Equity Value and Enterprise Value models.

As part of covering the above topics, the following real-world case-studies are presented and analyzed in an accounting and business finance context. A primary purpose of these studies is to increase students' ability to use accounting and finance frameworks to analyze a wide variety of topical issues.

- Taxation of Professional Athletes vs Investment Managers.
- Great Recession II: Implications of Lehman's Collapse on companies participating in the short-term debt markets.
- Great Recession III: Accounting and Finance implications of Banks' loan securitizations vs their traditional On-Balance-Sheet lending.

Required Course Materials:

1. *Introduction to Accounting Package. 3rd Ed.* ($20.00)
   Anthony Webster. ISBN: 9781628908091. Publisher: Applied Finance, LLC.
   The Package includes a Textbook, Practice problems and a comprehensive Outline.

2. *Introduction to Business Finance Package. 2nd Ed.* ($20.00)
The Package includes a Textbook, Practice problems and a comprehensive Outline.

3. Calculator (financial calculator not needed).
   Used in class, for homeworks and during exams.

4. Excel or other spreadsheet program with sorting and "goal seek" functionality.
   Used for in-class demonstrations and homeworks, but not exams.

**Examinations and Course Grading:**

The course grade will be calculated as follows:

- **Homework**: 15%*
- **Exam I**: 20% / 30%**
- **Exam II**: 20% / 30%**
- **Final**: 30%
- **Class Participation**: 5%

* Lowest homework score is dropped.
**Best exam counts for 30%.