



ECON 4: FINANCIAL ACCOUNTING

Summer Session I 2018

Instructor:	Runjing Lu	Lecture:	MW 5:00-7:50pm
Email:	rul053@ucsd.edu	Place:	Peterson 103
Teaching Assistant:	Sarah Zeng	Session	7/13 1-2:30pm 7/20 10am-noon
Email:	s9zeng@ucsd.edu	Place	See TED announcement

Office Hours:

- Runjing Lu: Monday 3:30-4:30 pm, Wednesday 1:45-2:45 pm in Sequoyah Hall 227
- Sarah Zeng: Friday (7/13) 2:30-4:30pm, all other Fridays 8-10am, Econ Building 126.

Main References: The standard textbook prescribed by the economics department is *Financial Accounting – The Impact on Decision Makers*, 10th Edition, by Gary A. Porter, Curtis L. Norton, Southwestern-College Publishing. Older editions (but written in the last 5 years) are acceptable. However, this class will not heavily rely on the textbook.

Course Pages: TritonEd (<https://triton.ed.ucsd.edu/>). Supplementary materials, slides, and important announcements will all be posted here. If you have added the class late, you can email ITS@ucsd.edu to gain access for the course page. You can CC me (rul053@ucsd.edu) in the email to expedite approval.

Objectives: This course provides a broad-based introduction to financial accounting and covers topics such as, the balance sheet (B/S), the income statement (I/S), the statement of cash flows (SCF), double-entry bookkeeping, accounting cycles, firms' accounting policies, and the time value of money. At the end of the course, a successful student should have developed the foundation for Corporate Finance, Intermediate Accounting, and Financial Statement Analysis. More concretely, you should be able to ...

- record business transactions in stylized financial statements (B/S, I/S, SCF).
- distinguish between cash-base and accrual-base accounting.



- describe accounting cycle.
- explain the influence that a firm's accounting policies have on its reported profits (conservatism v.s. aggressiveness).
- explain and calculate present value, evaluate investment projects, and apply basic asset pricing to financial products.

Course Outline & Important dates

<i>July 2</i>	Topic 1: The Balance Sheet
<i>July 6</i>	Topic 2: Accrual accounting & Income statement Topic 3.1: Accounting cycle - T-account & Journal entry
<i>July 9</i>	Topic 3.2: Accounting cycle - Wine Bar Case
<i>July 11</i>	Topic 3.3: Accounting cycle - Adjusting & Closing entries
<i>July 13</i>	Review & Case Study Session
<i>July 16</i>	Midterm Topic 4.1: Classifying Cash Flows
<i>July 18</i>	Topic 4.2: The Statement of Cash Flows
<i>July 20</i>	Review & Case Study Session
<i>July 23</i>	Topic 5.1: Accounting Policies
<i>July 25</i>	Topic 5.2: Accounting Policies - Ugly Puppy Case Topic 7: Introduction to Finance
<i>July 27</i>	Final review Session
<i>July 30</i>	Topic 7: Introduction to Finance (continued)
<i>August 1</i>	Final

Review & Case Study Sessions: Since the course does not meet for formal discussion sections, TA will hold out-of-class session dedicated for reviewing materials and case study on July 13rd and July 20th. I will hold final exam review session on July 27th. The exact time and location will be posted on TritonEd.

Problem sets: While homework is not a formal part of the course grade, problem sets will play a crucial role in developing your problem solving skills and should be taken seriously. According to my experience, students putting the most effort into the problem sets tend to perform best on the exams. Problem sets will be assigned regularly via TritonEd. You are encouraged to work together to solve problem sets. If you encounter problems, come to our office hours or email us. But remember that office hours is more effective and efficient than email in answering your questions, because solutions can sometimes be very hard to explain through email.

Grading Policy: There are two different “options” for the grading scheme for the course. I will automatically calculate your grade as $\max\{\text{Option 1}, \text{Option 2}\}$; that is, whichever option would, at the end of the course, result in the highest grade for you will automatically be chosen by me.

**Option 1:**

- Clicker questions (20%)
- Midterm exam (35%)
- Final exam (45%)

Option 2:

- Clicker questions (5%)
- Midterm exam (42.5%)
- Final exam (52.5%)

Further Information:

- **Clickers.** We will be utilizing peer instruction via clickers in this class. We will begin class with (relatively easy) clicker questions just to make sure everyone stays on track since the summer session moves very quickly and falling behind is dangerous. Later, throughout the class I will pose conceptually challenging, multiple-choice questions and give each of you the opportunity to practice new skills and ways of thinking in answering these questions; you will also have the opportunity to work with your classmates on these questions and I will be available to offer assistance as well. Peer instruction has been shown to improve learning in the classroom and additionally, this will give you an opportunity to practice explaining problems and solutions to others; this will be great preparation for your future internship and job interviews!

Thus, iClickers are required for this class. The i>Clicker 2 model is available at the UCSD Bookstore (if you already have the i>Clicker or i>Clicker(+) model, these will work fine). **Please register your clicker on TritonEd by 5pm July 9th** (on the Econ 4 home page, select "Tools" and then select "i>clicker student registration"). Before each lecture, set the frequency to DC. For each question you answer, you will receive 1/2 of a point for participation and 1/2 of a point for correctness. Clicker questions will count towards your grade starting in lecture on Monday July 9th. The one day with your lowest clicker score will be dropped automatically in case there is a day you are unable to make it to class.

- **Exam policies.**

1. You must bring your student ID to all exams.
2. You may only use a pen/pencil, an eraser, a scantron, and a non-programmable scientific calculator (e.g., the TI-30XA available online for \$10) during exams. Exams are closed book and you may not use any notes.
3. If you arrive late to an exam, I will allow you to take the exam in the time that remains as long as no one has turned in his/her exam and left the room. Once a classmate has turned in his/her exam, you will earn a zero on the test if you arrive late.
4. After your exams are graded, your TA will allow you to see your exam in the office hour. If you find that there was a minor grading issue (e.g., points were added up incorrectly), let the TA know and she will remunerate accordingly.



If there is a major issue (e.g., you don't think points were awarded correctly according to the grading rubric), **DO NOT** remove the exam from the TA's possession – leave it with your TA with a note on the front cover regarding the specifics of the re-grade request. You have one week from the announcement of the grade distribution to resolve grading issues, after which no re-grade request will be granted.

If the re-grade request is granted, we will re-grade your entire exam, not just the question you think may have been graded improperly. Therefore, your new grade may be higher or lower than your original grade. You may not ask for another re-grade or go back to your original score.

- ***Absences & Attendance.*** If you cannot make it to an exam, please notify me as soon as possible (and must be at least one day before the exam). You will receive a zero on any exam missed without a legitimate reason or a notification ahead of time. Any exam missed for a legitimate, university approved reason, provided that I knew about the absence ahead of time, may be made up at the discretion of me (this may include an oral evaluation as an alternative to taking a written exam or a re-weighting of the exams in the grade calculation shown above). This rules also apply for clicker questions (but remember that the day with the lowest clicker scores will be dropped automatically).

Administrative Issues:

- If you have a documented disability, please email me as soon as possible so that we can make suitable accommodations for you. If you believe you have a disability and desire accommodation, please register with the Office for Students with Disabilities (OSD).
- Students found guilty of academic dishonesty will earn a failing grade for the course. In addition, the Council of Deans of Student Affairs will impose a disciplinary penalty.
- After the University add deadline, students with extraordinary circumstances or with documentation of a university error may petition the Department of Economics to add courses. Extraordinary circumstances do not include: not being added to the course from the waitlist, forgetting to add a course, etc. Students with an extraordinary circumstance may submit a completed petition, with a written explanation (and documentation, if applicable) to Sequoyah Hall room 245. Please consult the staffs in Sequoyah Hall room 245 for detailed process.