



Stetson School of Business and Economics

The Stetson School of Business and Economics (SSBE) promotes the advancement and integration of quality business education and practice. In support of Mercer University's mission, the School provides undergraduate and graduate programs that are designed to enable, enhance, and expand professional careers, civic responsibility and lifelong learning.

**BAA 510.A24
Fundamentals of Accounting and Finance**

Fall 2007

Thursdays October 18 to December 13, 2007

6:00 P.M. to 10:15 P.M.

Professor: Kathleen B. Pinson

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Office Hours: By appointment

Textbook website: <http://prenhall.com/fraser> for the *Understanding Financial Statements* text.

No website for second textbook.

COURSE DESCRIPTION

This is an introductory business course covering major accounting and finance issues, presented at the graduate level. It is designed to prepare students with little or no background in business to take graduate accounting and finance courses which require a fundamental understanding of these topics at an undergraduate level. Topics covered include: analysis of financial statements including ratio and trend analysis; investment analysis; time value of money; evaluation of the quality of earnings; forms of business organization and related taxation effects; and sources of capital and financing.

COURSE OBJECTIVES

Students completing this class should be able to:

- ⇒ Understand the principles, assumptions, and elements of financial statements
- ⇒ Prepare and interpret basic financial statements
- ⇒ Interpret and analyze annual reports
- ⇒ Discuss sources of capital
- ⇒ Be familiar with contemporary financial reporting issues
- ⇒ Solve problems using time value of money principles
- ⇒ Evaluate lease vs purchase decisions
- ⇒ Evaluate simple capital investment decisions
- ⇒ Be able to discuss how firms finance the firm
- ⇒ Be able to determine a firm's growth strategy

PREREQUISITES

None

TEXTBOOK (2 texts)

1). *Understanding Financial Statements*, 8th edition, Fraser and Ormiston, Prentice Hall. 2). *Finance and Accounting for Nonfinancial Managers*, 5th edition, William G. Droms, Basic Books. You will also need a financial calculator with instructions on use for this class, and a three-ring, 2" binder for your corporate annual report assignment.

- **Please note that assignments will not be accepted late. No exceptions!**
- **All work should be professional in appearance (free of grammatical errors and misspellings).**

GRADING STRUCTURE

Weekly assignments 5 @ 5 points each	25
Using the Corporate Annual Report(Keep weekly assignments in 3 ring binder)	50
In class assignments	<u>25</u>
Total	<u>100 points</u>

You have 100 total possible points for the term. Letter grades will be assigned according to the following scale:

92-100%	=	A
87-91%	=	B+
80-86%	=	B
76-79%	=	C+
70-75%	=	C
60-69%	=	D
Below 60%	=	F

PROTOCOL FOR USE OF CELL PHONES AND PAGERS

Out of courtesy for all those participating in the learning experience, **all** cell phones and pagers **must be turned to the silent setting** before entering any classroom, lab, **or formal academic or performance event**. Phones must be turned off during testing.

HONOR CODE - ACADEMIC MISCONDUCT

Any student that engages in any form of academic misconduct, including plagiarism, will be subject to the maximum allowed disciplinary action including suspension and expulsion. The minimum penalty will be a zero on the assignment. Plagiarism is the use of ideas, facts, phrases, or additional information such as charts or maps, from any sources, without giving proper credit to the original author. Using direct quotations, paraphrases, or reproductions of any material that is not the student's own authorship without citation is also considered plagiarism. Failure to reference any such material used is both ethically and legally improper. If you are unsure what constitutes academic misconduct, please consult the Mercer University 2006-7 Bulletin under the heading Academic Honesty.

AMERICANS WITH DISABILITIES

Atlanta and Regional Academic Centers

Students with a documented disability should inform the instructor at the close of the first class meeting. The instructor will refer you to Richard Stilley, Assistant Dean of Campus Life, 678-547-6823, for consultation regarding evaluation, documentation of your disability, and recommendations for accommodation, if needed. To take full advantage of disability services, it is recommended that students make contact, immediately. The office is located on the second floor of the Sheffield Student Center in Room 212.

Date	Reading Assignment	Activity due
Session #1 October 18, 2007	Chapter 1 Financial Statements: An Overview	Obtain latest Annual Report and Form 10-K for a company in which you have an interest. Assignment will be discussed in first class.
Session #2 October 25	Chapter 2 Balance Sheet	Problem 1.14 (Use your assigned company, not Eastman Kodak) Case 1.1 (1 st weekly assignment)
Session #3 November 1	Chapter 3 Income Statement and Statement of Stockholders' Equity Chapter 4 Statement of Cash Flows	Problem 2.19 Problem 3.16 Problem 2.15 (2 nd weekly assignment)
Session #4 November 8	Chapter 5 A Guide to Earnings and Financial Reporting Quality	Problem 4.11 Problem 5.13 Problem 4.5(3 rd weekly assignment)
Session #5 November 15	Chapter 6 The Analysis of Financial Statements	Problem 6.13 Case 5.1 (4 th weekly assignment)

<p>Session #6</p> <p>November 29</p>	<p>Chapter 7 Financial Forecasting and Cash Budgeting</p> <p>Chapter 8 Breakeven Analysis for Profit Planning</p> <p>Chapter 9 Working Capital Policy</p>	<p>Droms textbook</p>
<p>Session #7</p> <p>December 6</p>	<p>Chapter 10 Working Capital Management</p> <p>Chapter 11 Mathematics of Compound Interest</p> <p>Chapter 12 Capital Budgeting</p> <p>Chapter 13 Cost of Capital</p>	<p>Capital Budgeting problem(5th weekly assignment)- this assignment will be a hand out</p>
<p>Session #8</p> <p>December 13</p>	<p>Financial Statement presentations</p>	