

## AMIS 6200 – Financial Reporting Fall 2023

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<b>6200-010</b>	9:45–11:15am MWF	Gerlach Hall 375

**NOTE: The material in this syllabus is subject to change. The timing of topics and reading assignments may change depending on how the class is proceeding and on unforeseen events. When changes occur, I will announce changes in class and by email, and will post an updated syllabus on Carmen.**

### Office Hours

Tuesday 12:00 PM – 1:00PM. Please email the instructor for appointments at other times.

### Course Materials

1. *Cases in Financial Reporting*, 8<sup>th</sup> Ed., by Drake, Engel, Hirst, and McAnally (**required**).
2. *Intermediate Accounting*, 3rd Ed., by Hanlon, Hodder, Nelson, Roulstone, and Dragoo. (**recommended but not required**). Chapter readings in the class calendar correspond to the chapters in Hanlon et al.
3. Lecture notes and additional materials (e.g., additional readings) are available on Carmen or in class.

### Course Objective and Description

AMIS 6200 is a core course in financial reporting for MAcc students. The course is designed to teach principles and applications of financial reporting found in US Generally Accepted Accounting Principles (GAAP) along with tools for analyzing and interpreting financial statements. The course will emphasize actual financial statements and footnotes to demonstrate real-world examples of accounting concepts. Prerequisites for this course are familiarity with financial reporting, preferably at the intermediate level or higher. I assume that all students have a basic competency in financial reporting.

### Textbook

As background reading it is recommended (but not required) that you have an intermediate-level financial accounting textbook. I recommend the third edition of *Intermediate Accounting* (Hanlon, Hodder, Nelson, Roulstone, and Dragoo 2022) Volumes 1 and 2. If you already have a different intermediate text (e.g., Spiceland et al. or Kieso and Weygandt) it is okay to use that book. As noted above, the chapter readings and page numbers in this syllabus correspond to the Hanlon et al. textbook.

### Class Expectations

This course demands a *considerable* amount of time and commitment. If you feel shaky about the basics of accounting, please be sure to review your class notes from introductory and intermediate courses now. The course speeds up after the midterm so please do not get behind on

readings and case preparation. Regular class attendance is important. If you do miss a class, it is your responsibility to ensure that you understand the material covered in the class you missed and that your group knows about your absence in advance.

### **Groups and Class seating**

On the first day of class, I will ask you to form small groups (usually four to five students each) for group projects and class discussions. On the second day of class I will pass around a seating chart so you can mark your location and that of your group (please plan to sit close to your fellow group members). During class discussions I will generally call on groups rather than individual students. In addition to the scheduled cases, I will sometimes provide handouts on particular topics that discuss issues and questions for group members to think about before class. During the class, I will randomly call on groups to discuss these issues and answer these questions. The idea is to encourage class participation without putting individual students on the spot. Note, however, that I will sometimes call on individual students—I don't want people free-riding off their fellow group members all throughout the term!

### **Grading**

The grading scheme is below. I reserve the right to change the weights during the term; you will be informed quickly if I elect to make changes. Grades will be assigned to point totals on a relative, rather than an absolute, basis. The average grade in the class is generally a B+; it is possible to earn any of the official OSU grades, from A to E, in this course.

	<b>Weight</b>
Midterm (9/15)	20%
Final (10/11)	30%
Professionalism/participation	5%
Case write-ups (2 total)	40%
Individual memo	5%
<b>Total</b>	<b>100%</b>

If you think the grade on your exam or case write-up does not reflect the quality of your performance, submit the original exam or assignment (without modification) and a clear written explanation of your reasoning **within one week after the return of your exam or assignment**. The written document should concisely and clearly identify the problem with the grade. I reserve the right to review the entire item; thus, your grade can increase or decrease with the review. There will be no grading appeals after the one-week period has passed.

### **Exams**

There will be one in-class mid-term exam and one final exam. The mid-term exam is scheduled for **Friday, September 15** during your regular class time. The mid-term exam will consist of multiple choice and short answer questions (often requiring journal entries). The midterm exam will cover material through the Presentation of Net Income section and the Pearson Case.

The final exam is scheduled for **October 11 at 9:45-11:15am in Gerlach 375**. (Note: I have requested this time for the final; however, the GPO sets final exam dates and times and has

**not yet confirmed this date and time).** The final exam will consist of multiple choice and short answer questions (often requiring journal entries); most of the questions will be based on a set of financial statements from one company (relevant portions of the financial statements will be handed out with the exam). Note: the final exam will draw heavily on the concepts and questions covered in the cases you prepare throughout the term. **The best way to study for the final exam is to clearly understand the material covered in the financial statement cases.**

For both exams, excused absences require advance approval. Any unexcused absence will result in zero points for that exam. **There are NO make-up exams.** A note from health services is not necessarily a sufficient excuse for missing an exam. Job/internship interviews should not be scheduled on exam days and will only represent an excused absence in extreme circumstances. Any request for rescheduling the final exam to accommodate travel plans will be denied.

The final exam will be comprehensive in nature but will emphasize material from the second-half of the term (i.e., the weeks following the mid-term exam). All exams are closed book.

### **Professionalism and Participation**

Attendance and being *actively engaged* in class are expected in this course. To encourage you to participate in class, 5% of your total grade will be awarded on the basis of your participation and professional behavior. In particular, when your group is called on to discuss a case your participation in this discussion will count heavily towards these points. When discussing a case or answering specific questions, whether or not you give the “right” answer is not the only issue; being prepared for and engaged in class is also important.

Behaving as a professional is expected in this course. This applies to conduct in the classroom, as well as in office hours and in course-related e-mails. I ask that you arrive on time for class with cell phones turned off and out-of-sight (i.e., in your pocket, purse, or backpack). If you are using a notebook computer in class, I ask that you only engage in course-related activity (Power point slides, Carmen class site, etc...) Web browsing and connecting to social media sites is distracting to other students. If I find evidence of this activity, I will ask you to leave your device at home.

### **Cases and Case Write-ups**

You and your group will prepare answers to questions from eight (8) cases during the term. The cases are found in the *Cases in Financial Reporting* text; however, I have posted a document on Carmen with the required questions for each case (i.e., don’t answer every question found in the cases text!) We will discuss each case in class, and I will try to give every group a chance to answer one or more questions—so be prepared with answers to each question! As mentioned earlier, the final exam will draw heavily from these cases so the best way to study for the final is to ensure your group thoroughly understands each case.

Twice during the term each group will turn in a write-up of its case answers. These write-ups will be graded for completeness and clarity. Note that, as with our case discussions during class, fully answering a case question may require accessing information beyond that contained in the case book (e.g., full financial statements). Each case write-up will be worth 20% of your grade. I will announce which cases are to be written up a few weeks before the case is discussed in class.

### **Individual Write-up**

Each student will individually write-up question  $n$  from the Apple case. This question is a memo from the perspective of Apple CFO Peter Oppenheimer, defending Apple from the charge that Apple supported a change in revenue recognition for iPhone sales because Apple wanted to report higher profits. The memo should be no longer than one page and should discuss the effect of the standard change on Apple's reporting of revenue, expenses, and income, and explain why the change was not about increasing profits. This is an individual assignment and should not be discussed with your group members. It will be due the same day the Apple case is discussed in class (September 8).

### **Extra Credit**

A common question (especially near the end of the term) is whether extra credit points are available. In the interests of fairness there are **NO** extra credit opportunities in the class. Your grade will be determined by performance on the graded items discussed above.

### **Use of calculators during exams**

You are required to have a calculator without any memory function for the mid-term and final. Calculators with memory functions are not acceptable for test taking purposes, nor are laptops, and smart phones and tablets with calculator apps. I suggest you pick up an acceptable calculator as soon as possible and not wait until the day of the midterm or final exam. Also, please check the batteries on your calculator before arriving in class for an exam. A financial calculator is not required but is allowed.

### **Academic Misconduct**

Academic misconduct will not be tolerated. According to University Rule 3335-31-02, all suspected cases of academic misconduct will be reported to the Committee on Academic Misconduct. Each student in this course is expected to be familiar with and abide by the principles and standards set forth in The Ohio State University's code of student conduct and code of academic conduct. You can view these documents or download a pdf version at:

[http://studentaffairs.osu.edu/resource\\_csc.asp](http://studentaffairs.osu.edu/resource_csc.asp)

<http://www.gradsch.ohio-state.edu/academic-and-research-misconduct.html>

It is also expected that each student will behave in a manner that is consistent with the Fisher Honor Statement, which reads as follows:

*As a member of the Fisher College of Business community, I am personally committed to the highest standards of behavior. Honesty and integrity are the foundations from which I will measure my actions. I will hold myself accountable to adhere to these standards. As a future leader in the community and business environment, I pledge to live by these principles and celebrate those who share these ideals.*

While most students have high standards and behave honorably, we sometimes encounter cases of academic misconduct. It is the obligation of students and faculty to report suspected cases of academic and student misconduct. Students can report suspected violations of academic integrity

or student misconduct to faculty or to the MAcc program's leadership. All reported cases of academic misconduct are actively pursued, and confidentiality is maintained.

In addition to the description of academic misconduct given at the above web links, I note that, for this class, academic misconduct includes turning in work that you did not prepare on your own or with your group (as applicable) including any solutions found on the internet or received from others outside the class including the use of any AI-generated content.

### **Students with Disabilities**

If you have a certified disability that is approved for accommodations by the [Office for Disability Services](#), please notify me immediately so I can provide the necessary accommodations. If you have not previously contacted the Office for Disability Services, I encourage you to do so immediately. In particular, if you need accommodations for an exam, I need to be notified at least two weeks prior to the exam.

### **Communication**

Class announcements and updates will be made on the course webpage on Carmen continually throughout the term, so please check the course webpage frequently (especially before coming to class each day). In addition, I post the lecture slides on Carmen at least a week in advance so you can review them before the class. Please contact me any time that you need help with the class. I am here to help you learn the material. I encourage you to come to office hours at some point during the term so we can meet individually, even if you do not have questions about class material. I look forward to a productive and enlightening term as we explore financial reporting together!

**Class Schedule and Assignments:**

*(Note: "Text" refers to Hanlon et al. 3rd edition)*

<b>Aug. 23</b>	(1)	<b>Topic:</b> <b>Reading:</b>	<b>Review of Financial Reporting</b> Text Chapters 1 & 2 "Is Enron Overpriced?" (On Carmen) Firm Identification exercise
<b>Aug. 25</b>	(2)	<b>Topic:</b> <b>Reading:</b> <b>Case #1</b>	<b>Review of Financial Reporting</b> Text Chapters 3 & 4 <b>Starbucks</b>
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<b>Aug. 28</b>	(3)	<b>Topic:</b> <b>Reading:</b>	<b>Review of Financial Reporting/SCF</b> Text Chapter 4, Chapter 5 (pages 5-1 to 5-17, 5-35 to 5-37) Cash Flow Handout (On Carmen)
<b>Aug. 30</b>	(4)	<b>Topic:</b> <b>Reading:</b>	<b>Statement of Cash Flows</b> Text Chapter 5 (pages 5-1 to 5-17, 5-35 to 5-37) Cash Flow Handout (on Carmen)
<b>Sep. 1</b>	(5)	<b>Topic:</b> <b>Reading:</b>  <b>Case #2</b>	<b>Statement of Cash Flows</b> Text Chapter 5 (pages 5-1 to 5-17, 5-35 to 5-37) Cash Flow Handout (On Carmen) "Cash Flow Problems Can Kill Profitable Companies" (On Carmen) <b>Golden Enterprises</b>
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<b>Sep. 4</b>	(-)	<b>Labor Day:</b>	<b>No class</b>
<b>Sep. 6</b>	(6)	<b>Topic:</b> <b>Reading:</b>	<b>Revenue Recognition</b> Text Chapter 7 (pages 7-1 to 7-29, 7-45 to 7-52)
<b>Sep. 8</b>	(7)	<b>Topic:</b> <b>Reading:</b> <b>Case #3</b>	<b>Revenue Recognition</b> Text Chapter 7 (pages 7-1 to 7-29, 7-45 to 7-52) <b>Apple Inc.</b>

<b>Sep. 11</b>	(8)	<b>Topic: Reading:</b>	<b>Presentation of Net Income</b> Text Chapter 3 (pages 3-1 to 3-9, 3-17 to 3-19), Chapter 8 (pages 8-10 to 8-19)
<b>Sep. 13</b>	(9)	<b>Topic: Reading:  Case #4</b>	<b>Presentation of Net Income</b> Text Chapter 3 (pages 3-1 to 3-9, 3-17 to 3-19), Chapter 8 (pages 8-10 to 8-19) <b>Pearson PLC</b>
<b>Sep. 15</b>	(10)	<b>Topic:</b>	<b>Midterm Exam (in class)</b>
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<b>Sep. 18</b>	(11)	<b>Topic: Reading:</b>	<b>Long-Term Debt</b> Text Chapter 6 (background review), Chapter 16 (pages 16-1 to 16-31, 16-39 to 16-43)
<b>Sep. 20</b>	(12)	<b>Topic: Reading:  Case #5</b>	<b>Long-Term Debt</b> Text Chapter 6 (background review), Chapter 16 (pages 16-1 to 16-31, 16-39 to 16-43) <b>Rite Aid Corporation</b>
<b>Sep. 22</b>	(13)	<b>Topic:</b>	<b>Guest Lecture: Professor Scott Hunter</b>
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<b>Sep. 25</b>	(14)	<b>Topic: Reading:</b>	<b>Leases</b> Text Chapter 17 (pages 17-1 to 17-17, 17-48 to 17-52)
<b>Sep. 27</b>	(15)	<b>Topic: Reading:  Case #6</b>	<b>Leases</b> Text Chapter 17 (pages 17-1 to 17-17, 17-48 to 17-52) <b>Build-A-Bear Workshop Inc.</b>
<b>Sep. 29</b>	(16)	<b>Topic: Reading:</b>	<b>Deferred Taxes</b> Text Chapter 18 (pages 18-1 to 18-24, 18-32 to 18-35)
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<b>Oct. 2</b>	(17)	<b>Topic:</b> <b>Reading:</b>  <b>Case #7</b>	<b>Deferred Taxes</b> Text Chapter 18 (pages 18-1 to 18-24, 18-32 to 18-35) <b>Zagg Inc.</b>
<b>Oct. 4</b>	(18)	<b>Topic:</b> <b>Reading:</b>	<b>Stock-Based Compensation</b> Text Chapter 20 (background reading), Chapter 21 (pages 21-1 to 21-14)
<b>Oct. 6</b>	(19)	<b>Topic:</b> <b>Reading:</b>  <b>Case #8</b>	<b>Stock-Based Compensation</b> Text Chapter 20 (background reading), Chapter 21 (pages 21-1 to 21-14) <b>Xilinx Inc.</b>
<b>Oct. 9</b>	(20)	<b>Topic:</b>	<b>Course Review</b>
<b>Oct. 11</b>	(21)	<b>Topic:</b>	<b>Final Exam: 9:45-11:15am Gerlach 375</b>

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