DUKE UNIVERSITY

ECONOMICS 274
ADVANCED FINANCIAL AND MANAGERIAL
ACCOUNTING

SPRING 2020

SYLLABUS

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Course Objectives

The purposes of this course are to further improve your understanding of complex corporate financial reporting requirements and techniques and to continue to develop a framework for analyzing the political and economic significance of a wide variety of financial reporting issues. During the class, you will also be exposed to a selection of managerial accounting topics. You should develop an in-depth understanding of the material to which you were introduced in ECONOMICS 174. The concepts, theory, and technical details will be stressed and closely examined. Exercises, problems and cases will provide vehicles for class discussion. This course takes the perspective of a decision maker both as the user and as the preparer of financial statement information. After completion of this course you will be able to read, understand, analyze and evaluate a company’s annual report and their 10-K. You should also be able to effectively participate in many managerial decisions.

Course Materials

Financial Reporting and Analysis by Lawrence Revsine, Daniel W. Collins, W. Bruce Johnson, H. Fred Mittelstaedt and Leonard C. Soffer, 7th edition, published by McGraw-Hill/Irwin, 2018, is required and will be the primary reference. There are also ebook options on the McGraw-Hill (mheducation.com) website that are more affordable. Handouts and solutions to selected problems will be provided on Sakai. Additional materials may also be distributed in class. If you have to miss a lecture, have a classmate pick up the handouts for you.
Course requirements

(1) Class Attendance and Preparation

Students are expected to attend all sessions. You should read/overview appropriate materials prior to class. The more you prepare before the presentation, the more comfortable you will be when the topics are covered in class. You are encouraged to attempt the assigned problems prior to class, but don’t get “bogged down” in specific details until after the material is covered.

(2) Homework

Several homework exercises, problems and cases are listed below. You may be required to show evidence that you attempted the assignment. You are encouraged to work in groups. Solutions will be posted on the Sakai site.

(3) Examinations


(4) Grading

Final course grades will be determined by the following allocation:

- 10% attendance, homework, cases and class participation
- 15% in-class examination (2/11/20)
- 15% in-class examination (3/31/20)
- 10% group take-home examination (due 4/9/20)
- 50% final examination (4/29/20, 1:30 to 5:30 p.m.)
- 100%

(5) The Honor Code

Duke University is a community of scholars and learners, committed to the principles of honesty, trustworthiness, fairness, and respect for others. Students share with faculty and staff the responsibility for promoting a climate of integrity. As citizens of this community, students are expected to adhere to these fundamental values at all times, in both their academic and non-academic endeavors. You are expected to follow the Duke Honor Code. Specific issues concerning homework, tests and examinations will be discussed in class.
DAYS 1 & 2
(1/9, 14)
INSTITUTIONAL SETTING AND ACCRUAL ACCOUNTING
Ch. 1: Pr. 9; Case 2
Ch. 2: Ex. 1, 2, 3, 4, 12; Pr. 5

DAY 3
(1/16)
REVENUE RECOGNITION
Ch. 3: Ex. 8, 9, 12, 13, 14; Pr. 3, 18

DAY 4
(1/21)
BALANCE SHEET AND SCF
Ch. 4: Ex. 1, 2, 5, 6, 7, 10, 11, 12; Case 4

DAYS 5 & 6
(1/23, 28)
STATEMENT OF CASH FLOWS
Ch. 17: Ex. 2, 5, 7, 9; Pr. 2, 3, 9

DAY 7
(1/30)
COST-VOLUME-PROFIT
Sakai

DAY 8
(2/4)
BUDGETING
Sakai

DAY 9
(2/6)
DECISION MAKING
Sakai

DAY 10
(2/11)
IN-CLASS EXAMINATION # 1

DAYS 11 & 12
(2/13, 18)
CAPITAL BUDGETING
Sakai

DAY 13
(2/20)
RECEIVABLES
Ch. 8: Ex. 4, 8, 9; Pr. 6

DAY 14
(2/25)
INVENTORIES
Ch. 9: Ex. 4, 7, 9, 15, 16, 17; Pr. 1
DAYS 15 & 16
(2/27, 3/3) LONG-LIVED ASSETS
Ch. 10: Ex. 4, 5, 8, 11, 17, 19; Pr. 1

DAYS 17, 18 & 19
(3/5, 17, 19) BONDS
Ch. 11: Ex. 4, 5, 6; Pr. 2, 3, 7

DAYS 20 & 21
(3/24, 26) LEASES
Ch. 12: Ex. 4, 6, 7; Pr. 3, 10

DAY 22
(3/31) IN-CLASS EXAMINATION #2

DAYS 23 & 24
(4/2, 4/7) TAXES
Ch. 13: Ex. 1, 4, 5; Pr. 1, 3, 10

DAYS 25 & 26
(4/9, 14) GROUP TAKE-HOME DUE (4/9)
INVESTMENTS
Ch. 16: Ex. 1, 4, 5, 8, 11, 12; Pr. 1, 5

DAY 27
(4/16) FINANCIAL STATEMENT ANALYSIS
Ch. 5: Ex. 2, 3, 4, 6; Pr. 15

DAY 28
(4/21) VALUATION
Ch. 6: Ex. 1, 2, 4, 7; Pr. 1, 7

DAY 29
(4/29) COMPREHENSIVE FINAL EXAMINATION
(1:30 p.m. to 5:30 p.m.)

* Syllabus changes may be made and additional handouts, problems and assignments may be given at the instructor's discretion.