

**Accounting**  
**Course Number: 22:010:648**  
**Course Title: Decoding of Corporate Financial Statements**

## **COURSE DESCRIPTION**

- 1) Analysis and Decoding of Corporate Reports and Disclosures.
- 2) Risk Analysis.
- 3) Bankruptcy.
- 4) Special topics from Mergers and Acquisitions.

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## **COURSE MATERIALS**

- Textbook(s): Financial Reporting and Statement Analysis, by Wahlen, Baginski, and Bradshaw (9th edition). You can rent the book from the website: <http://www.cengagebrain.com/shop/>

The text will only serve as a guide. My lectures are the most important part of the learning experience. Supplementary cases, notes and other handouts to supplement will be given during the class or posted on the canvas. You will also be assigned a group project so that you can learn and apply the techniques that we learn in class.

- Check Canvas ([canvas.rutgers.edu](http://canvas.rutgers.edu)) and your official Rutgers email account regularly.

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## **LEARNING GOALS AND OBJECTIVES**

The EMBA/MBA program offers students good exposure to a wide variety of business subjects. Each class is taught by experts in the area, and the students learn the subject in great depth. However, given my own experiences in different business schools, I always found that the MBA curriculum lacked the one class which will bring together knowledge from diverse areas such as accounting, economics, finance, production and marketing to analyze and solve business problems. I have noticed that while students understood different subjects/topics pretty well in isolation, they often could not see how they were connected, or how to integrate knowledge from different areas to analyze and solve business problems. Therefore, I decided to offer just such a class. This course has been developed and refined over the years partly based on the feedback and comments that I have received from the students in the EMBA and IEMBA program, from the regular MBA, and the part time MBA students here in the United States, and executives from overseas as well.

During class, I will be providing you with practical tools and techniques that will enable you to understand and analyze the performance of any business corporations anywhere in the world – whether they are in manufacturing, retailing or services. This knowledge should serve you well as you rise up the corporate ladder, start your own business, help you if you are running one, or even for your own investments (remember, even if you do not actively invest in businesses, your pension plans and retirement funds probably are invested in the different firms!).

You will be examining corporate reports from many different firms and learn how to analyze and evaluate the performance of the corporation. You will learn to focus on important information and separate hype from facts. You will be exposed to both good and bad corporations, so that you can learn to recognize the “good” from the “bad”. We will try to understand the different corporate games that are commonly played. You will also be given tools and techniques to gauge the “riskiness” of a firm, and if a corporation can remain solvent in the future. Finally, you will be introduced to the important topic of structuring mergers and acquisitions (including the role of taxes).

The course is a mixture of qualitative and quantitative techniques that have already been taught in the other classes. I expect you are comfortable with the core MBA material (accounting, finance, economics and marketing). I would also expect that you are keeping up with the latest business news and developments. Other than that, the only expectation would be that you are prepared to work to learn skills and tools that are highly valued (and well paid!!) in the United States and the world over.

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## **PREREQUISITES**

Students registered for this class are expected to have taken the basic MBA level classes in Accounting, Finance, Microeconomics, and Statistics. Please talk to me if you have any concerns.

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## **ACADEMIC INTEGRITY**

*I do NOT tolerate cheating.* Students are responsible for understanding the RU Academic Integrity Policy (<http://academicintegrity.rutgers.edu/>).

I will strongly enforce this Policy and pursue *all* violations. On all examinations and assignments, students must sign the RU Honor Pledge, which states, “On my honor, I have neither received nor given any unauthorized assistance on this examination or assignment.” I will screen all written assignments through *SafeAssign* or *Turnitin*, plagiarism detection services that compare the work against a large database of past work. Don’t let cheating destroy your hard-earned opportunity to learn. See [business.rutgers.edu/ai](http://business.rutgers.edu/ai) for more details.

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## **ATTENDANCE AND PREPARATION POLICY**

-Barring unforeseen circumstances, I expect to be teaching all scheduled class sessions. Similarly, barring unforeseen circumstances or religious observances, I expect all my students to attend every class session. If I am to be absent, the EMBA office, or I will send you notice via email and Canvas as far in

advance as possible. If you are to be absent, report your absence in advance at <https://sims.rutgers.edu/ssra/>. If your absence is due to religious observance, a Rutgers-approved activity, illness, or family emergency/death and you seek makeup work, also send an email with full details and supporting documentation [within 10 days of your first absence

- For weather emergencies, consult the campus home page. If the campus is open, class will be held.
- I expect to arrive on time for each class and I expect the same of you. I expect my class sessions and lectures to take up all the allotted time, and I would expect you to attend the full session in every class. I expect you will have a valid reason if you come in late or have to leave a class early, I expect you will come fully prepared for classes and expect you to participate fully.

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## CLASSROOM CONDUCT

I expect you to be considerate to your classmates and the professor, follow class decorum, and make the learning experience to be both positive and rewarding.

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## EXAM DATES AND POLICIES

You will be assigned a group project on the first day of class. The completed project is due by () by email. Please list the names of the group members in alphabetical order. Your names should be spelled exactly as it shows up on your Rutgers University rosters.

**There will be an in-class final examination on ()**. Specific details of the final examination will be announced in the last class session before the examination date.

**The Project and the Exam will be equally weighted in assigning your grades.**

**During exams, the following rules apply:**

- If you have a disability that influences testing procedures, provide me an official letter from the Office of Disability Services at the start of the semester.
- No cell phones or other smart devices are allowed during the final examination.

## GRADING

The Project and the Exam will be equally weighted in assigning your grades.

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## GRADING POLICY

Your final grade is not subject to negotiation. If you have any questions, please submit your written request to me within one week of receiving your final grade and provide all due supporting documentation. If your case merits a revision of grade, I will gladly correct it. I cannot and will not adjust grades based on consequences, such as hurt pride, lost scholarships, lost tuition reimbursement, lost job

opportunities, or dismissals. Do not ask me to do so. According to the policies of the University, it is not honest to attempt to influence faculty in an effort to obtain a grade that you did not earn.

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## COURSE SCHEDULE

<u>Topics</u>	<u>Readings</u>	<u>Assignments (Cases &amp; Problems)</u>
Balance Sheet	Ch.1	1.10, 1.12, 1.13
Income Statement, Income Flows vs Cash Flows	Ch. 3	3.19, 3.20, 3.21, 3.22, 3.23, 3.24.
Profitability	Ch. 4	4.15, 4.16, 4.17, 4.18, 4.19, Case 4.1 Part A
Intercorp. Invst.		Notes and Case to will be posted on Canvas
Topics in taxation (relating to mergers & acquisitions)	.	Notes and Case to will be posted on Canvas
Bankruptcy Models/Foreign Currency Transactions and Translations (if time permits)		

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## SUPPORT SERVICES

If you need accommodation for a *disability*, obtain a Letter of Accommodation from the Office of Disability Services. The Office of Disability Services at Rutgers, The State University of New Jersey, provides student-centered and student-inclusive programming in compliance with the Americans with Disabilities Act of 1990, the Americans with Disabilities Act Amendments of 2008, Section 504 of the Rehabilitation Act of 1973, Section 508 of the Rehabilitation Act of 1998, and the New Jersey Law Against Discrimination. More information can be found at [ods.rutgers.edu](http://ods.rutgers.edu).

[Rutgers University-New Brunswick ODS phone (848)445-6800 or email [dsoffice@echo.rutgers.edu](mailto:dsoffice@echo.rutgers.edu)]

[Rutgers University-Newark ODS phone (973)353-5375 or email [ods@newark.rutgers.edu](mailto:ods@newark.rutgers.edu)]

If you are *pregnant*, the Office of Title IX and ADA Compliance is available to assist with any concerns or potential accommodations related to pregnancy.

[Rutgers University-New Brunswick Title IX Coordinator phone (848)932-8200 or email [jackie.moran@rutgers.edu](mailto:jackie.moran@rutgers.edu)]

[Rutgers University-Newark Office of Title IX and ADA Compliance phone (973)353-1906 or email [TitleIX@newark.rutgers.edu](mailto:TitleIX@newark.rutgers.edu)]

If you seek *religious accommodations*, the Office of the Dean of Students is available to verify absences for religious observance, as needed.

[Rutgers University-New Brunswick Dean of Students phone (848)932-2300 or email [deanofstudents@echo.rutgers.edu](mailto:deanofstudents@echo.rutgers.edu)]

[Rutgers University-Newark Dean of Students phone (973)353-5063 or email [DeanofStudents@newark.rutgers.edu](mailto:DeanofStudents@newark.rutgers.edu)]

If you have experienced any form of *gender or sex-based discrimination or harassment*, including sexual assault, sexual harassment, relationship violence, or stalking, the Office for Violence Prevention and Victim Assistance provides help and support. More information can be found at <http://vpva.rutgers.edu/>.

[Rutgers University-New Brunswick incident report link: <http://studentconduct.rutgers.edu/concern/>. You may contact the Office for Violence Prevention and Victim Assistance at (848)932-1181]

[Rutgers University-Newark incident report link: [https://cm.maxient.com/reportingform.php?RutgersUniv&layout\\_id=7](https://cm.maxient.com/reportingform.php?RutgersUniv&layout_id=7) . You may also contact the Office of Title IX and ADA Compliance at (973)353-1906 or email at [TitleIX@newark.rutgers.edu](mailto:TitleIX@newark.rutgers.edu). If you wish to speak with a staff member who is confidential and does **not** have a reporting responsibility, you may contact the Office for Violence Prevention and Victim Assistance at (973)353-1918 or email [run.vpva@rutgers.edu](mailto:run.vpva@rutgers.edu)]

If students who have experienced a temporary condition or injury that is adversely affecting their ability to fully participate, you should submit a request via <https://temporaryconditions.rutgers.edu>.

If you are a military *veteran* or are on active military duty, you can obtain support through the Office of Veteran and Military Programs and Services. <http://veterans.rutgers.edu/>

If you are in need of *mental health* services, please use our readily available services.

[Rutgers University-Newark Counseling Center: <http://counseling.newark.rutgers.edu/>]

[Rutgers Counseling and Psychological Services–New Brunswick: <http://rhscaps.rutgers.edu/>]

If you are in need of *physical health* services, please use our readily available services.

[Rutgers Health Services – Newark: <http://health.newark.rutgers.edu/>]

[Rutgers Health Services – New Brunswick: <http://health.rutgers.edu/>]

If you are in need of *legal* services, please use our readily available services: <http://rusls.rutgers.edu/>

Students experiencing difficulty in courses due to *English as a second language (ESL)* should contact the Program in American Language Studies for supports.

[Rutgers–Newark: [PALS@newark.rutgers.edu](mailto:PALS@newark.rutgers.edu)]

[Rutgers–New Brunswick: [eslpals@english.rutgers.edu](mailto:eslpals@english.rutgers.edu)]

If you are in need of additional *academic assistance*, please use our readily available services.

[Rutgers University-Newark Learning Center: <http://www.ncas.rutgers.edu/rlc>]

[Rutgers University-Newark Writing Center: <http://www.ncas.rutgers.edu/writingcenter>]

[Rutgers University-New Brunswick Learning Center: <https://rlc.rutgers.edu/>]

[Optional items that many faculty include:

- Students must sign, date, and return a statement declaring that they understand the RU Academic Integrity Policy.

- Students must sign, date, and return a statement declaring that they understand this syllabus.]