

UNIVERSITY OF MIAMI
LAW 123 A
FINANCIAL ACCOUNTING FOR LAWYERS
COURSE SYLLABUS
SPRING 2019

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COURSE DESCRIPTION

The course focuses on the analysis and use of financial accounting information in the evaluation of corporate performance. The course initially demonstrates the accounting process and resulting generation of financial statements. Building on these core accounting concepts, the course emphasizes the understanding of financial statements prepared under U.S. and International Accounting Standards and the analysis of these financial statements including common size analysis, ratio analysis, the impact of taxes, and credit analysis. Completion of the course will enhance the student's ability to read, interpret and analyze financial statements for making investment, credit, acquisition and other evaluation decisions.

LEARNING OBJECTIVES

Upon completion of this course you should be able to:

- Comprehend financial accounting's role in business and understand the differences between financial and management accounting.
- Read and understand company financial statements including the income statement, the balance sheet, the statement of changes in shareholders equity and the statement of cash flows.
- Use common size analysis and ratio analysis to evaluate a company on the following dimensions:
 - Efficiency
 - Liquidity
 - Solvency
 - Profitability
 - Cash flow
- Understand how creditors and investors evaluate a company, including an assessment of credit and investment worthiness.

SPECIAL RESTRICTIONS

This course is intended to be an introduction to financial accounting for students who do not have a degree in accounting or who did not pursue accounting training previously. Students who have taken accounting courses beyond the introductory level (ex. 300(0) level accounting course such as Intermediate Accounting) are only allowed to take this course as an upper-level student on a Pass/Fail grading basis. Be sure to check with the Law Registrar's office, or either Professor with a copy of your transcripts, in advance if you think this may apply to you to confirm the grading basis.

REQUIRED MATERIALS

Textbook

Financial Accounting, 9th Edition (earlier or later editions are fine if you cannot find 9th edition)
by Jerry J. Weygandt, Paul D. Kimmel, Donald E. Kieso
ISBN 978-1-118-33432-4

Calculator

Each student is required to have their own calculator for use during class. Please bring a calculator to class each day and have it ready to do calculations. During exams, the use of any calculator capable of recalling information such as names, phone numbers, equations, flash cards, or other user-entered or uploaded information **is not permitted**. The Law School has a supply of simple function calculators which will be provided to all students during the exam/quizzes.

COURSE WEBSITE

The website for this course can be accessed in the TWEN page through lawschool.westlaw.com. All students registered for the course can access the course's website. The site includes the course syllabus, solutions to all assignment material included in the text, important announcements, assignments, PowerPoint slides, and any other relevant course information.

GRADING

Quizzes	10%
Final Exam	55%
Course Project / Presentations	<u>35%</u>
Total	<u>100%</u>

Quizzes

Two quizzes will be given during the semester, the purpose of which is to allow an assessment of the students understanding of the material covered to date and to provide an opportunity for students to see the type of multiple choice questions to expect on the final exam. The average of the two quiz grades will count towards the final grade.

Final Exam

Exam will be a mixture of objective (multiple choice) and open ended (Problem/Essay) questions.

Project

The project requires an analysis of the financial statements of U.S. publicly traded companies. In consultation with the professor, each group will select two **publicly traded U.S. companies** in the same industry for analysis. For example, the two companies that will be used in the course as examples are Johnson&Johnson and Pfizer. The number of students in each group will be determined during the first class based on course enrollment. No two groups may select the same companies. There is no required minimum/maximum page length for the written component. The emphasis will be on quality not quantity. Students need to select their companies and identify their group **no later than January 24th**. Choice of companies should be approved by Professor Perez in advance. Simply send an email with the group members and choice of companies. Once approved, a copy of the financial statements (Balance Sheet, Income Statement and Cash Flow statement, and any other statements the company produces as part of their annual report) should be provided to Professor Bond **by January 24, 2019**. **Do not include copies of the footnotes or MD&A section (or other 10K items). Provide a copy of any updated annual financial statements issued during the course when they are made available.**

You will need to obtain the following information for your companies:

- SEC Form 10K or Company Annual Report for the two most recent years (minimum).
- Recent Earnings press releases, News and magazine articles about the economy, industry, and company.

Components of the project

- Brief Overview of the Industry and Companies
- Ratio Analysis (Calculate each ratio for both companies):
 - Liquidity Ratios: Current Ratio, Receivables Turnover, Inventory Turnover
 - Profitability Ratios: Profit Margin, Asset Turnover, Return on Assets, Return on Common Stockholder's Equity, Earnings per Share, Price-earnings Ratio, Payout Ratio
 - Solvency Ratios: Debt to Total Assets, Times Interest Earned, Free Cash Flow
- Conclusions (relative profitability, financial position, and cash flows of the two companies). Which company would you invest in and why?

Regarding evaluation and grading, your report should be a group effort and should be prepared and edited to assure its completeness and a professional appeal. We suggest that each member of the group review the entire report for completeness, organization, presentation, correctness, clarity and understandability. You should be sure to include robust and informative comments regarding your analysis and findings. Reports that simply show the calculations will receive low scores. Reports that are poorly prepared and presented (less than professional work) and reports that leave out important areas, that miss important considerations, or reports that have an inadequate comparison of the companies will also receive low scores. Reports that explain what the calculations tell us, what caused the situations, and the implications of the situations will receive higher scores.

The due date for the final written component of the project is Tuesday, April 23, 2019. Late assignments will be subject to a penalty of 2.5 points (out of 100) per day.

University of Miami General Class Policies

Use of Laptops, Cell Phones, Smartphones, PDAs

Before class begins, please turn the ringer off and put away your cell phone (and anything else that may beep or ring). Cell Phones, Smartphones, PDAs and Other Electronic Devices (such as recording equipment) may not be used during class except at the express discretion of the instructor. Text messaging or other receiving or sending of messages during class is specifically not allowed. Laptops may be used for the sole purpose of note taking.

Attendance

Each student is required to attend every class and attendance will be part of the participation grade. Please make every effort to attend each and every class. Inform your instructor in advance if you will miss class for any reason. As a side note, students who miss even one class in an accounting course generally have great difficulty recovering, which most often results in a lower grade.

Arriving Late, Leaving Early, Coming & Going

Please try to arrive to class on time. Enter very quietly if you arrive late. Please do not leave class early unless you have made prior arrangements with your instructor.

Late Submission of Assignments

Late assignments will incur a grade penalty of 2.5 percentage points per day.

General Behavior

Students will conduct themselves with respect and professionalism toward faculty, students, and others present in class and will follow the rules prescribed by the instructor for classroom behavior. Students who fail to do so may be asked to leave the classroom with a grade penalty.

Collaboration on Graded Assignments

Students may not work together on graded assignments unless the instructor gives express permission or unless explicitly indicated on the course syllabus. In this course, students may work together on everything except exams.

Incomplete Grades

In accordance with University policies, an Incomplete (I) grade will be recorded only when a student is unable to complete the course for a verifiable non-academic reason (such as an accident or illness that confines the student to the hospital). An Incomplete (I) will not be given when a student is failing the course or when a student wishes to repeat the course. Both the professor and the Department Chair must approve all incomplete grades in advance.

Email

Please refrain from emailing your instructor to obtain routine information that was or will be provided during class. When sending your instructor an email message, please make use of the subject line to summarize your message and include the course number and section. Please also be sure to identify yourself with your real name in your email messages. Your instructor will use the email address you have listed in Blackboard (the one you registered through MyUM) to contact you, including contacting you for any important announcements. So it is important to make sure that your email account listed with MyUM is up-to-date.

Academic Integrity

Academic dishonesty in any form is not tolerated. This policy is required to encourage consistent ethical behavior among students and to foster a climate of fair competition. Personal integrity is a quality that is expected and respected at the University of Miami. The students must seek an education in a sound manner with devotion to honesty that will not be violated in search of an easy way to make a grade. The student's academic conduct must be beyond reproach. Consequently, the Undergraduate Student Honor Code in is force at all times. Students are responsible for reading, understanding, and upholding the Honor Code which is available from the Office of the Dean of Students.

OFFICE OF DISABILITIES

If you have a disability, or suspect that you may have a disability, the Law School encourages you to contact The Office of Disability Services for information about available opportunities, resources, and services. You may also visit the Office of Disability Services website at www.law.miami.edu/disability-services

Tentative Class Schedule - Spring 2019 (subject to change)

Week of (Tuesday)	Days	Chapter	Topics	Questions (all Multiple Choice questions should be reviewed)
1/15/2019	T/TH	1	Introduction, Course Format, Expectations, Project Accounting in Action	E1-7, E1-8, E1-14, P1-1A, P1-2A
1/22/2019	T/TH	2	The Recording Process (All project groups must be identified/approved and financial statements turned in by the 24th)	P2-1A, P2-2A
1/29/2019	T/TH	3, 4	Adjusting Accounts / Completing the Accounting Cycle Review Financial Statement line items for companies selected	E3-4, E3-5, E3-7, E4-7, E4-17
2/5/2019	T/TH	8	Accounting for Receivables Quiz on the Accounting Cycle and Financial Statements, and Receivables (ch. 1-4, 8)	E8-4, P8-4A
2/12/2019	T/TH	5, 6, 9	Merchandising/Inventories Plant Assets	E5-2, E5-3, E5-20, E5-21, E6-4, E6-5, E6-6, E9-5, E9-6, E9-7
2/19/2019	T/TH	10, Appendix G	Liabilities / Time Value of Money	E10-11, E10-12, E10-17, E10-20
2/26/2019	T/TH	11	Corporations: Organizations, Stock Transactions, Dividends and Retained Earnings Quiz on Chapters 5,6,9,10,11	E11-3, E11-4, E11-7
3/5/2019	T/TH	14	Financial Statement Analysis	E14-7, E14-8, E14-11, P14-2
3/11-15/2019			Spring Break	
3/19/2019	T/TH	13	Statement of Cash Flows	E13-4, E13-5, E13-7, E13-8
3/26/2019	T/TH	7, 12	Fraud, Internal Controls and Cash / Investments	E7-3, E7-5, E7-11, P7-3A, E12-5, E12-7, E12-12
4/2/2019	T/TH		Group Presentations	
4/9/2019	T/TH		Group Presentations	
4/16/2019	T/TH		Materials review	
4/23/2019	T		Materials Review	Projects due April 23 rd Last class is April 23 rd
4/26 to 5/9	TBD		Law School Exam Period	