

**Columbia University**  
**School of International and Public Affairs**

**EMPA U6010**  
**Accounting for Public Affairs**

**Arthur T. Dong**  
**Fall – 2004**

**SYLLABUS**

**Required Textbook:** Stickney, Clyde P. and Weil, Roman L., Financial Accounting: An Introduction To Concepts, Methods and Uses, Thompson South Western Publishing.  
**10<sup>th</sup> Edition**

**Supplementary:** Anthony, Robert N. Essentials of Accounting, Addison-Wesley

**Part I**

Basic Accounting Concepts  
Internal Decision Making and External Financial Reporting

<b>Class</b>	<b>Topic</b>	<b>Readings</b>
1.	<b>Introduction</b> Function & objectives of accounting Management accounting Financial Reporting: principal statements Introduction to Competitive Behavior	<b>Chapter 1 S&amp;W</b> <b>Wal Mart Case</b>
2.	<b>The Balance Sheet</b> Accounting equation and transaction analysis Use of accounts Debit and credit notation The accounting cycle	<b>Chapter 2</b>
3.	<b>The Income Statement</b> Cash basis of accounting Accrual basis of accounting Revenue and expense adjustments Preparation of the income statement and balance sheet	<b>Chapter 3</b>
4.	<b>Receivables and Revenue Recognition</b> Principles of income recognition Accounts receivable and bad debts	<b>Chapter 6</b> pp. 315-345

<b>Class</b>	<b>Topic</b>	<b>Readings</b>
<b>5.</b>	<b>Inventories</b> Manufacturing cost flows Perpetual and periodic inventory systems Inventory valuation methods Implications of choice of method: income and tax effects Current cost disclosure	<b>Chapter 7</b> pp. 365-391
<b>6.</b>	<b>Long Term Assets: Depreciation and Depletion</b> Methods of computing depreciation Tax effects Dispositions Natural resource assets and intangible assets	<b>Chapter 8</b> pp. 417-453
<b>7.</b>	<b>Liabilities</b> Liability recognition Contingencies Current liabilities	<b>Chapter 9</b> pp. 475-487 <b>The Cola Wars</b> <b>Coke versus Pepsi</b>
<b>8.</b>	<b>The Time Value of Money</b> Present and future value concepts Mortgages and amortization schedules Net present value and internal rate of return	<b>Appendix,</b> pp. 831-847
<b>9.</b>	<b>Financial Instruments: Bonds</b> Valuation models for bonds The corporate and government bond markets Yields and Prices Accounting for bonds	<b>Chapter 9</b> pp. 492-510 Handout
<b>10.</b>	<b>Owners' Equity</b> Reporting earnings Capital stock and retained earnings Dividend policy	<b>Chapter 12</b> pp. 671-695
<b>11.</b>	<b>Statement of Cash Flows</b> Significance of cash flow Accounting income vs. cash flow	<b>Chapter 4, 13</b>
<b>12.</b>	<b>Financial Statement Analysis</b> Measures of profitability Measures of liquidity Debt structure and the measurement of risk	<b>Chapter 5</b> <b>Case:</b> <b>Fox Broadcasting Co.</b>

**Grading Policy:** There will be weekly problem sets handed out, one take-home midterm and one final examination. The final grade will be calculated as follows:

Problem Sets:	40%
Midterm:	20%
Final	30%
Class Participation	10%

**Written Assignments are due on time, points will be deducted for late assignments.**

Problem sets are to be completed in teams of 3. All assignments must be submitted in typed or spreadsheet form.

**Office Hours:** To be determined

**Teaching Assistant and Lab:**

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**Case Materials**

Required Cases Will Be:

1. Wal Mart Stores Discount Operations  
Harvard Business School Case Number 9-387-018
2. Coca Cola versus Pepsi-Cola (A)  
Harvard Business School Case Number 9-387-108
3. Fox Broadcasting Corporation  
Harvard Business School Case Number 9-387-096