KAIST College of Business

MGT650 / SMB560 -- FINANCIAL ACCOUNTING

Course Syllabus -- Spring 2017

Professor: Choong-Yuel Yoo (류충렬)
Office: Supex 432
Phone: 958-3326
E-mail: cyoo@business.kaist.ac.kr <- the best way to contact the instructor.
Office Hours: Wednesday 1:00-2:20 pm or by appointment.
Teaching Assistant: TBA

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Course Objectives:

This course introduces students to the fundamentals of financial accounting and accounting research. After completing the course, a student is expected to understand how accounting information is produced and what kind of contributions scholarly accounting research can make to society. Since the course content will be approached from the perspective of a user, rather than a producer (i.e., accountants), of financial accounting information, a student's analytical ability is emphasized.

Overview of Course Content:

Accounting is the language of business and therefore a solid understanding of accounting is imperative to quality business education. Accounting produces economic information about a business that aids decision-makers to make decisions. Depending on the classes of decision-makers, we can roughly divide accounting into financial accounting and management accounting. Financial accounting produces financial statements that primarily serve external decision-makers, such as investors, financial analysts, creditors and government agencies. Management accounting, on the other hand, generates information primarily used by internal decision-makers, such as managers. This course concentrates on financial accounting.

Financial accounting measures the economic consequences of a business's activities and aggregates these measurements in the form of accounting reports or financial statements. The information in the financial statements serves external decision-makers in different ways. For example, financial analysts and investors use accounting information to value the firm; creditors base debt contracts on accounting information; accounting measures of performance often determine managers' compensation contracts. No matter how financial accounting information is used, it is clear that a thorough understanding of the accounting information produced by a business is a key to making sound business decision.

Integrity Statement:

We follow all KAIST's policy on academic integrity. Academic dishonesty is unacceptable and will not be tolerated. Cheating, forgery, plagiarism and collusion in dishonest acts undermine the school's educational mission and the students' personal and intellectual growth. Students guilty of above actions will receive an "F" in the course and face additional disciplinary actions that the University imposes.

Text:

1. *Financial Accounting: An Introduction to Concepts, Methods, and Uses*, Weil, Schipper and Francis, 14th edition, South-Western, 2014.

2. 재무회계 강의 - 백복현|정부천, 신론사, 2015

3. (Class notes) Class notes will be posted in the public folder.

4. Reading articles on current issues in financial reporting (TBA)

Grading:

Your course grade will be determined as follows:

Midterm Exam	20%	
Final Exam	30%	50%
Homework	20%	
Quizzes	10%	
Attendance and Participation	20%	
Total	100%	

Examinations (60%):

There are no make-up exams unless you miss them for legitimate reasons, such as medical emergencies (need to provide written poof). The midterm and the final will be in class and will be closed-book. The exams will be composed of multiple choice, problem solving, and short essay questions. All exams are cumulative (e.g., the final exam will be comprehensive). Class materials, in-class discussion and homework assignments serve as the best guide to exam content.

Homework (20%):

There will be roughly 2-3 homework problems due at the beginning of each class. Your homework is graded based on effort (on completeness, not on correctness).

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Quizzes (10%):

There will be five pop quizzes (i.e., given without warning or prior announcement). Each quiz will ask two short questions.

Attendance and Participation (10%):

Class attendance and participation is crucial for the success of this course. You are expected to attend all class sessions and be prepared for class discussion. If you are to miss a class, please notify me in advance. Should you have legitimate reasons for missing a class, please provide me with related documents prior to missing the class, so as not to be fully penalized for the attendance and participation grade.

Credit for class participation can be earned in several ways: active participation in class discussions, responding to the instructor's questions, and asking pertinent questions during class. You will earn no credit for class participation by merely attending class.

Structure of the Course:

In this course we will take the perspective of financial statement users rather than that of preparers. Accordingly, we will emphasize on interpreting and analyzing financial information. All exams will reflect this perspective. However, our emphasis does not suggest that accounting techniques are unimportant. After all, it is impossible for someone to analyze financial information without thorough understanding of how such information is prepared. We choose the former perspective mainly for the purpose of presenting and testing.

Classroom and Exam Policy:

I expect you the followings in my class:

- Read the assigned handouts (or chapters) before you come to class. If you have never taken an accounting course and you don't prepare yourself, the class time can be very long, boring and even meaningless.
- Speak only English in class,
- Write your homework/ midterm/ final exams in English (no credit for your answer if written in Korean),
- Get to class on time,
- Get assignments and exams done on time,
- Turn off your wireless devices such as smart phones and laptop computers in class and during the exams.
- Fill in your academic/professional bio, submit its hard copy to me, and upload the bio to the public folder

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Other useful links:

Korea Exchange	http://www.krx.co.kr
Korea Financial Supervisory Service	http://ifrs.fss.or.kr/ (Financial Reporting) http://dart.fss.or.kr (Disclosures)
Korea Accounting Standards Board	http://www.kasb.or.kr
International Accounting Standards Board	http://www.iasb.org
US FASB	http://www.fasb.org/
US SEC archives	http://www.sec.gov/cgi-bin/srch-edgar
Yahoo Finance US	http:// finance.yahoo.com
Dow Jones Morningstar	http://www.morningstar.com

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