MBA 613
3D1/3D2/3D2
Financial Reporting & Decision Making
Fall 2019

Professor: Jill Mitchell, MS, MEd, CIA
Email: jmitcep@gmu.edu
Phone: 703-323-4569

Course Description
This course will provide students with an understanding of the principles of financial accounting and reporting. Students will gain knowledge and skills needed to prepare the financial statements of a business and to conduct analysis of financial statements to assist in business decisions. To this end, the course explores the informativeness of accounting numbers and the contexts in which these numbers are more (or less) informative.

Text and Required Materials

“A letter from Prison” – HBS case study: https://hbsp.harvard.edu/import/673027

Course Websites
1. Blackboard 9.1: https://mymason.gmu.edu
2. Connect Accounting website: In the Blackboard course, go to “McGraw-Hill Connect.” Click on any assignment in this folder to access the Connect website.

MBA Program Learning Goals

Knowledge of Functional Business Disciplines: Demonstrate knowledge of all core functional areas of business and an ability to integrate them into a meaningful firm level perspective.

Analytical Decision Making: Demonstrate the ability to analyze uncertain complex management situations using appropriate tools, techniques, and information systems for decision making.

Ethics and Responsibility: Demonstrate knowledge of ethical decision making considerations, corporate social responsibilities and sustainability practices.
Course Objectives
After completing the course, learners will be able to:

- Interpret economic events from financial reports.
- Prepare financial statements for a business.
- Conduct financial statement analysis to assess profitability, liquidity, and solvency of a business.
- Analyze and interpret financial statements using different accounting methods.
- Apply ethical decision making considerations in an accounting context.

Grading
Letter grades will be assigned based on total points earned by students completing all course requirements as follows:

<table>
<thead>
<tr>
<th>Item</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Midterm</td>
<td>25%</td>
</tr>
<tr>
<td>Final Exam</td>
<td>40%</td>
</tr>
<tr>
<td>In class exercises</td>
<td>10%</td>
</tr>
<tr>
<td>Financial Statement Analysis (Connect)</td>
<td>8%</td>
</tr>
<tr>
<td>A letter from prison case study</td>
<td>7%</td>
</tr>
<tr>
<td>Connect Homework Assignments</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

The final grade will be based on the following scale:

<table>
<thead>
<tr>
<th>Grade</th>
<th>% Earned</th>
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<tbody>
<tr>
<td>A</td>
<td>94 -100</td>
</tr>
<tr>
<td>A-</td>
<td>90-93</td>
</tr>
<tr>
<td>B+</td>
<td>87-89</td>
</tr>
<tr>
<td>B</td>
<td>84–86</td>
</tr>
<tr>
<td>B-</td>
<td>80-83</td>
</tr>
<tr>
<td>C</td>
<td>70-79</td>
</tr>
<tr>
<td><strong>F</strong></td>
<td><strong>Below 69</strong></td>
</tr>
</tbody>
</table>

Connect Homework Assignments: are to be completed and submitted by the due date in Connect – this is individual and not group work. Usually these dates are set after the week in which the material is covered in class. They are scored automatically and comprise 10% of course grade. All chapters are equally weighted. Solutions to Connect Assignments are available only after the due date.

In Class Exercises: are problems and exercises usually based on chapter material. These will be posted on Blackboard. Students may work in groups and can consult fellow students in solving these exercises. Submissions are done individually.
**HBS Case Study:** This is based on the questions posted for the case study. Students work in groups to submit.

**Additional Problems:** are not required to be submitted. If you need more practice with the homework type of problems, these are the ones to try. Solutions will be posted for these problems.

**Grade Expectations**
To attain an “A” grade, a good performance in exams is required. A good approach to exams would be to attain mastery of:
- Problems solved in lectures
- Assignments for each chapter in the text book and additional problems
- Relevant examples and other material in the text

**Student Expectations:**
- Read the assigned chapters before we discuss the material in class.
- Be professional and respectful at all times.
- Ensure you are receiving email to your GMU address.

**Extra Credit**
No provisions exist for obtaining extra credit in MBA 613.

**Missed Exams**
Make-up exams are not given. In the event of an extraordinary circumstance, notify your instructor by email prior to the scheduled exam time. A make-up exam may be administered with documented support of an extraordinary circumstance.

**Connect Website**
The McGraw-Hill Connect website contains Connect Assignments to submit and LearnSmart. LearnSmart is an interactive and adaptive learning module which students may use to help in understanding the textbook material. Use of LearnSmart is optional.

Connect assignments are completed and submitted by all students prior to the due date. To register for Connect Accounting, go to “McGraw-Hill Connect,” in the Blackboard course. Click on any assignment in this folder to access the Connect website.

If you experience problems when working with the Connect website, please contact Connect Technical Support at 800-331-5094.

**Professor Contact:**
To contact the instructor, Email is the preferred communication method. Please communicate with me using only your GMU email address.

**Behavioral Expectations**
**Honor System and Code:** The Honor System and Code adopted by George Mason University will be enforced for this class: [https://oai.gmu.edu/mason-honor-code/](https://oai.gmu.edu/mason-honor-code/). In your work on all
written assignments, keep in mind that you may not present as your own the words, the work, or the opinions of someone else without proper acknowledgement. You also may not borrow the sequence of ideas, the arrangement of material, or the pattern of thought of someone else without proper acknowledgement. Please note: Faculty are obligated to submit any Honor Code violations or suspected violations to the Honor Committee without exception. Note that consultation with fellow students is permitted only in In-class exercises and case studies. Any communication with a fellow student or anyone else during exams is deemed a violation of the Honor Code.

**School of Business Standards of behavior:** The mission of the School of Business at George Mason University is to create and deliver high quality educational programs and research. Students, faculty, staff, and alumni who participate in these educational programs contribute to the well-being of society. High quality educational programs require an environment of trust and mutual respect, free expression and inquiry, and a commitment to truth, excellence, and lifelong learning. Students, program participants, faculty, staff, and alumni accept these principles when they join the School of Business community. In doing so, they agree to abide by the following standards of behavior:

- **Respect** for the rights, differences, and dignity of others
- **Honesty** and integrity in dealing with all members of the community
- **Accountability** for personal behavior

Integrity is an essential ingredient of a successful learning community. Ethical standards of behavior help promote a safe and productive community environment, and ensure every member the opportunity to pursue excellence. School of Business can and should be a living model of these behavioral standards. To this end, community members have a personal responsibility to integrate these standards into every aspect of their experience at the School of Business. Through our personal commitment to these Community Standards of Behavior, we can create an environment in which all can achieve their full potential.

**Other Items**

**E-mail:** I will occasionally send e-mail messages to the entire class. I will use the GMU mailing list associated with this class.

**Disability:** If you have a disability and you need academic accommodations, please see me and contact the Office of Disability Services (ODS) at 703-993-2474. All academic accommodations must be arranged through the ODS. Please take care of this during the first two weeks of the semester. More information about ODS is available at [http://www.gmu.edu/student/drc](http://www.gmu.edu/student/drc)

**Religion:** Students who will miss class for religious reasons should inform me of their anticipated absences as soon as possible.

**Counseling center:** George Mason University has a counseling center that can provide assistance if you find yourself overwhelmed by life, want training in academic or life skills, or the like. More information is available at [http://www.gmu.edu/departments/csd/c](http://www.gmu.edu/departments/csd/c)

**Notice of mandatory reporting of sexual assault, interpersonal violence, and stalking:** As a faculty member, I am designated as a “Responsible Employee,” and must report all disclosures of sexual assault, interpersonal violence, and stalking to Mason’s Title IX Coordinator per University Policy 1412. You may seek assistance from Mason’s Title IX Coordinator, Jennifer
Hammat, by calling 703-993-8730 or email cde@gmu.edu. If you wish to speak with someone confidentially, please contact one of Mason’s confidential resources, such as Student Support and Advocacy Center (SSAC) at 703-993-3686 or Counseling and Psychology Services (CAPS) at 703-993-2380. The 24-hour Sexual and Intimate Partner Violence Crisis Line for Mason is 703-380-1434.

**Writing:** George Mason University has a writing center that can help you improve your English writing skills. More information is available at [http://writingcenter.gmu.edu/](http://writingcenter.gmu.edu/)

**Inclement weather & campus emergencies:** Information regarding weather related changes in the University’s schedule (e.g., closing or late opening) will be provided on the GMU website and via MasonAlert.
<table>
<thead>
<tr>
<th>Week</th>
<th>Topics</th>
<th>Graded Homework problems in Connect</th>
<th>Additional problems*</th>
</tr>
</thead>
</table>
| 1    | Introduction  
Ch. 1: Financial Statements and business Decisions | E1-1, 3, P1-1 | E1-4, 5, 7, AP1-1 |
| 2    | Ch. 2: Investing and Financing Decisions and the Accounting System  
Ch. 3: Operating Decisions and the Accounting System | P2-3 (excluding parts 3, 4 and 6)  
M3-3, 4; E3-2, 5 | E2-4, 5, 9, AP2-2  
M3-7, 8, E3-6, AP3-4 |
| 3    | Ch. 4: Adjustments, Financial Statements, Quality of earnings  
Ch. 5: Communicating and Interpreting Financial Information | E4-10, P4-7 (only #2) | P4-2, 4  
CP5-6 |
| 4    | **Midterm Exam 1 hour 15m**  
**Chapters 1, 2, 3, 4, 5**  
Ch. 13: Analyzing Financial Statements |  |  |
| 5    | Ch. 12: Statement of Cash Flows  
**CONNECT: Financial Statement Analysis** | E12-7, P12-1 | E12-3, 4, AP12-1 |
| 6    | Ch. 6: Receivables  
Ch. 7: Cost of Goods Sold and Inventory  
**HBS Case due: A letter from Prison** | E6-11, 13, 18  
E7-8, 14, 16 | E6-10, 14, 19  
P7-3, 5 |
| 7    | Ch. 8: Property, Plant and equipment; Intangibles  
Ch. 11 Owners’ Equity | E8-11, M8-7, P8-10  
M11-6, E11-13 (1), 23 | E8-8, AP8-7  
E11-16 |
| 8    | Ch. 10: Bonds | No graded work due; Must look at additional homework for practice | E10-3, 11, P10-7, 9 |
|      | **Final Exam (Sunday)** |  |  |
*For all additional problems listed above, the solutions are posted on Blackboard. Some of these may show “journal entries” instead of transaction analysis.