

ACCOUNTING (ACCT)

ACCT 152. Introduction to Financial Accounting. 3 Units.

Financial accounting is the measurement of economic activity for decision-making. The objective of this course is not to train you to become an accountant but rather to help you develop into an informed user of financial statement information. Through cases, homework assignments, and classroom discussion, we will focus on understanding the mapping between underlying economic events and financial statements, and on understanding how this mapping affects inferences about future profitability and liquidity. The learning objectives are 1) Understanding accounting rules and terminology and how these are applied to construct financial statements, and 2) building an awareness of the judgment involved and the discretion allowed in choosing accounting methods, making estimates, and disclosing information in financial statements.

ACCT 210. Financial Accounting. 3 Units.

Financial accounting is the measurement of economic activity for decision-making. Financial statements are a key product of this measurement process and an important component of firms' financial reporting activities. The objective of this course is not to train you to become an accountant but rather to help you develop into an informed user of financial statement information. While financial statement users face a wide variety of decisions, they are often interested in understanding the implications of financial statement information for the future cash flows and earnings potential of a firm. We will focus on understanding the mapping between underlying economic events and financial statements, and on understanding how this mapping affects inferences about future profitability and liquidity. The following learning objectives will be emphasized: (1) familiarity with the transactions businesses engage in, (2) fluency in accounting terminology, (3) understanding the structure that maps transactions into accounting numbers, (4) understanding the rationale for various accounting methods, and (5) awareness of the judgment involved and the discretion allowed in choosing accounting methods, making estimates, and disclosing information in financial statements.

ACCT 212. Managerial Accounting: Strategic Performance Management. 2 Units.

This course provides an introduction to the concepts and tools of managerial accounting. The first part of the course covers alternative costing methods and illustrates how the resulting cost information can be used to analyze the profitability of individual products and customers. The second part of the course will examine the role of internal accounting systems in evaluating the performance of individual business segments and divisions of the firm. Included in this part are topics related to the choice of internal pricing methods for transferring goods and services across divisions of the firm and the use of financial metrics for assessing the profitability of these divisions.

ACCT 213. Financial Accounting - Accelerated. 3 Units.

This course develops students' ability to read, understand and critically evaluate corporate financial statements. The course is oriented toward the user of financial accounting data (rather than the preparer) and it emphasizes the reconstruction and interpretation of economic events from published accounting reports. The course is geared toward students who already have had some exposure to basic financial accounting concepts, allowing for more depth and breadth of topic coverage and discussion in class.

ACCT 219. MSx: Accounting. 3 Units.

A characteristic of business is the extensive use of accounting data. The financial accounting course has the general objective of developing students' understanding of the nature, scope, and limitations of accounting information. To achieve this objective the course attempts to: (1) develop students' understanding of the conceptual accounting framework, including the objectives of financial reporting, and (2) develop students' ability to understand and critically evaluate the financial disclosures made by corporations. An issue of particular interest will be the managerial incentive aspects of accounting information and disclosures.

ACCT 311. Global Financial Reporting. 3 Units.

This course is designed to enhance students' understanding of current financial reporting issues through a detailed analysis and comparison of U.S. GAAP and International Financial Reporting Standards. The course will cover the development of accounting standards, implementation of these standards, and how to interpret output from these standards. The course highlights intermediate and advanced financial reporting topics including fair value accounting, asset securitization, consolidation including special purpose entities, foreign currency translation, derivatives and hedging, leases, revenue recognition, pensions, and equity compensation. The course also focuses on evaluating emerging financial reporting issues such as proposed financial reporting standards put forth by U.S. or international standard setting bodies. This course should help students better understand the environment governing global financial reporting and how firms develop financial statement information within this environment.

ACCT 313. Accounting-Based Valuation. 3 Units.

This course is designed to develop students' ability to interpret and use financial accounting information, primarily in a valuation context. The perspective taken is that of an outsider relying on publicly available financial information for investment purposes. The course relies heavily upon financial statement analysis tools and the economic profit-based valuation framework. Through lectures, in-depth case studies, and real-time exercises, the first half of the course covers traditional financial statement analysis-based tools for critically analyzing and assessing a firm's current financial performance and economic condition, including ratio analysis, accounting quality analysis and financial distress / bankruptcy prediction models. The second half of the course introduces the accounting-based valuation framework and develops the link between financial statement analysis, forecasting and firm value. The capstone to the course is the completion of a comprehensive, real-time valuation of a publicly traded firm (or registered IPO candidate). The course is structured for students to gain a deeper understanding of the economic pressures behind the valuation creation and valuation process. The course will be useful to those students who anticipate making investment or credit decisions at least partially based on historical and prospective financial statement information, and those who want to have a better understanding of how to use financial information to assess whether and how any organization is creating value through its operations and strategic actions.

ACCT 317. Managerial Accounting: Performance Measurement, Compensation, and Governance. 3 Units.

The course will examine the academic and professional controversies surrounding corporate governance and executive compensation. A basic framework will be developed to integrate the many important dimensions of corporate governance in the U.S. and international be able to (i) understand the debates about appropriate choices for corporate governance and executive compensation, (ii) critically evaluate the implications of academic and professional research studies on these controversial issues, and (iii) make practical decisions about corporate governance in a business setting.

ACCT 332. Mergers and Acquisitions. 3 Units.

This course provides a comprehensive overview of strategic, economic, and financial issues related to mergers and acquisitions. Specifically, we review the market for corporate control, discuss strategic issues related to firms' decision to acquire or be acquired, and examine the M&A regulatory environment. We analyze various valuation and deal structure considerations, identify strategies that underlay a successful negotiation, and review the financial reporting and income tax implications of M&A transactions. In covering these and other related issues, we will discuss both the theory and practice of mergers and acquisitions. To provide some specific context we will analyze several M&A deals (e.g., Google/Motorola, Disney/Fox, UpJohn/Pharmacia, Oracle/PeopleSoft, and many more). In discussing these cases, we will examine the situation faced by the company, the issues surrounding the transaction, including the financial implications, and focus on the managerial incentives and the judgment applied. We will also review some of the related literature in accounting, economic, and finance, to gain broader perspectives and insights into the financial issues associated with M&A transactions. Class time comprises mini lectures that introduce some of the more technical concepts, case discussions, and guest speakers who will offer additional perspectives on the subject matters. The course is co-taught by Ron Kasznik (GSB) and Safra Catz (Oracle Corporation). Ms. Catz is the CEO of Oracle Corporation and a member of its Board of Directors. She has led Oracle through more than 100 acquisitions in recent years (including PeopleSoft, Siebel, BEA, Sun Microsystems, and more). Prior to joining Oracle in 1999, Ms. Catz was Managing Director at Donaldson, Lufkin & Jenrette, a global investment bank (now part of CSFB). Ms. Catz currently also serves on the board of directors for Walt Disney.

ACCT 333. Taxes and Business Strategy. 3 Units.

Traditional business courses analyze an array of factors affecting business decisions but provide little systematic consideration of the role of taxes. By contrast, tax accounting courses traditionally concentrate on technical legal and administrative issues while ignoring the environment in which taxes enter an individual's or firm's decision. This case-based course intends to bridge this gap by providing a framework for recognizing how taxes affect strategic personal and business decisions and gaining experience analyzing a wide range of tax-related issues. The key themes of the framework - all parties, all taxes and all costs - are applied to decision contexts such as investments, retirement planning, cash and equity compensation, organizational form, tax planning for multiple jurisdictions, and M&A. The goal of this course is to provide an approach to thinking about taxes that will be valuable across jurisdictions even as laws change.

ACCT 340. Alphanomics: Informational Arbitrage in Equity Markets. 4 Units.

This is an advanced elective course on the economics of active investing in public equity markets. We will cover a set of foundational skills needed to select, and manage, a portfolio of public stocks. Specifically, the course material is designed to improve student skills in: (1) assessing the relative attractiveness of individual companies, (2) building stock screens to filter and rank firms based on user-specified parameters, (3) buying and shorting individual equity positions, and (4) monitoring and managing portfolio risk. This is a hands-on course with an emphasis on experiential learning. Students will make extensive use of the analytical tools. Some of the classes will be held in the "Real-time Analytics and Investment Lab" (R.A.I.L.) facility in the Bass Center. There is no final exam. However, there will be a number of individual cases and a final group project. 25% of the grade will be based on class participation, and 75% will be based on cases and projects. Because it is an advanced elective, students taking this class are expected to be well versed in core economic, accounting, and finance skills. Material covered in a second Financial Modeling course, as well as in Accounting 312 (Evaluating Financial Statement Information) and Accounting 313 (Accounting-based Valuation) will come in handy. However, none of these courses are required.

ACCT 354. Analysis and Valuation for Event-Driven Investing. 3 Units.

This Bass seminar is designed to develop students' ability to interpret and use financial accounting information in credit and equity valuation contexts. The course will focus on valuing the securities of companies undergoing significant changes as a result of litigation, restructuring, regulatory changes, mergers, spin-offs or significant industry shifts. Throughout the course, students will (1) enrich their understanding of how alternative economic, legal, political and regulatory outcomes affect the value of various components of a company's capital structure and (2) develop their ability to apply financial statement analysis to assess the likelihood and valuation implications of the events of interest. Event-driven investing follows the life cycle of companies as they revamp their corporate structures in response to economic and regulatory environments. For example, in rising economic periods companies may undertake acquisitions or spin off divisions to enhance shareholder value. During adverse environments, bankruptcy and reorganizations often reshape the capital structure by offering opportunities to create value through the restructuring process. During economic transitions, debt and equity investors may make significantly different assessments of the quality of a company's earnings, its assets, and its likelihood to meet its debt obligations. To assess the probability of corporate events, investors must make judgments about the quality of a company's earnings and assets and understand how accounting policies may influence management's representations. Investors must also interpret how accounting policies function at various points in a firm's life cycle, influencing the quality of earnings for firms differently in different economic environments. In the first half of the course, we will develop the course framework, and apply it to illustrative cases. Companies featured in past years include Tyco, AIG, CIT, Fannie Mae, Tesla, Pharmasset and Gilead and Commerzbank. Students will interpret information from companies' public financial disclosures to assess the likelihood of different events or outcomes. The course will also feature readings on current accounting standards, articles from the popular press, publicly available financial statement information, and guest speakers with in-depth knowledge of investing strategies vis a vis the case companies. The latter part of the course will be devoted to project work, with students working in teams to develop an event-driven investing strategy. The aim is to allow students to conduct independent research on a company, industry, economic context, or financial reporting environment of particular interest. Students will develop their investment idea, articulate their sense of the possible outcomes for the components of the firm's capital structure, and explain how they have assessed the likelihood and valuation consequences of those outcomes. At the conclusion of the course, students will present their strategies to the class and a panel of expert judges.

ACCT 516. Analysis and Valuation of Emerging Market Firms. 2 Units.

This course examines the unique institutional, governance and transparency issues affecting corporate valuations in emerging markets. Through lectures, case discussions and the students' real-time analysis of an emerging market firm, this condensed course is structured for students to gain a deeper understanding of the economic pressures behind the value creation, value destruction, and valuation process in emerging economies. The course focuses on critically interpreting financial and non-financial information for purposes of assessing firm fundamentals and corporate governance risk in the presence of weak legal systems, strong political forces, limited investor protections, limited market development, strong macro-economic forces, opacity and resultant business arrangements. The course is beneficial for investors, consultants, managers, and entrepreneurs operating in or considering expansion to developing markets.

ACCT 523. Board Governance. 2 Units.

This course is focused on helping students understand the role boards and board members play in corporate governance and the lives of businesses large and small. This case-driven course is designed to help students who plan to serve on boards as private-equity or venture investors, entrepreneurs who will need to assemble and manage boards, and executives who realize they will need to interact with and answer to boards. The course is designed to help students understand the issues boards face – both routine and non-routine – through the eyes of the board member. By understanding the roles and responsibilities of board members and the mechanisms through which they exercise these duties, students will come away with an understanding of how boards function effectively (and in too many cases fail to function effectively). The course will include examining boards in a variety of contexts with a focus on three types of situations: public for-profit companies, early-stage private companies, and not-for-profit companies of different sizes.

ACCT 524. Individual Taxes and Financial Planning. 2 Units.

The goal of this course is to provide a fundamental understanding of the principles of taxation and tax planning as they relate to personal income taxes and considering an individual's financial position. Traditional business courses analyze an array of factors affecting business decisions but provide little systematic consideration of the role of taxes in individual financial planning decisions. By contrast, tax accounting courses traditionally concentrate on technical legal and administrative issues while ignoring the environment in which taxes enter an individual's decision-making. This case-based course intends to bridge this gap by discussing how taxes affect a variety of personal financial planning decisions.

ACCT 542. Corporate Taxes and Business Strategy. 2 Units.

The goal of this course is to provide a fundamental understanding of the principles of business taxation and tax planning, which will be relevant and valuable even as tax laws change – over time, across borders, and by taxpayer type. The role that taxes may play in business decisions are presented within an "all taxes, all parties, all costs" framework, from the tax issues at start-up (e.g., the choice of organizational form for a new venture), multistate and multinational operations, financial accounting implications, and mergers and acquisitions. We will use cases to gain hands' on experience analyzing business tax strategies and refer to financial statement disclosures as appropriate so that you can learn how taxes affect the financial reporting for transactions. A recurring theme will be linking the tax strategies that we learn with concepts from corporate finance, financial accounting, business law, and economics.

ACCT 609. Financial Reporting and Management Control. 3 Units.

This course is aimed at doctoral students in accounting and neighboring fields including economics, finance, political economics and operations management. The course seeks to provide an introduction to the role of accounting information in (i) measuring firm performance, (ii) projecting profitability and firm value for external constituents, (iii) and motivating and controlling the firm's management. The main topics covered in this course include: 1. Profitability Measurement and Accrual Accounting. 2. Performance Evaluation and Managerial Incentives. 3. Accounting-based Equity Valuation. 4. The Informational Role of Accounting Numbers. 5. Earnings Quality Constructs and Measures. The primary objective of the course is to introduce students to current research paradigms on these topics and to identify promising avenues for future research. The course readings include recent theoretical and empirical papers.

ACCT 610. Seminar in Empirical Accounting Research. 3 Units.

Empirical Research on Financial Reporting: This doctoral-level course covers research on the role of accounting information in capital markets. The focus is on introducing students to key themes in empirical accounting and capital markets research, and to key research designs applied to examine information-related questions. Course topics include the informational role of financial reports, accounting measurement attributes, earnings management, earnings quality, and the role of key actors in the financial reporting environment, including management, investors, auditors, analysts and regulators. The course is interdisciplinary in nature. The readings focus on research design, and key theories, themes and approaches from the accounting, finance, economics and psychology literature. Our overall goal is develop your understanding of existing research and its strengths and limitations, and to identify new research opportunities.

ACCT 611. Disclosure and Financial Markets. 3 Units.

This course provides a broad overview of the economic theories of corporate disclosure, with a focus on the effects that these disclosures have on financial markets. The range of topics we will study include: voluntary disclosure, earnings management, disclosure and trade, disclosure and investor welfare, disclosure and asset prices, and cheap talk and reputation games.

ACCT 612. Financial Reporting Seminar. 3 Units.

The purpose of this PhD seminar is to facilitate your conception and execution of substantive individual research in financial reporting. It provides a vehicle for supplementing and integrating your knowledge of basic research tools and methods, as well as an exposure to the dimensions of contemporary research in the field of financial reporting. The focus of the research we will discuss in this seminar is on global financial reporting. Such research encompasses studies dealing with contemporary financial reporting issues as well as research addressing issues relating to the globalization of financial reporting. Because these issues are also of concern to financial reporting standard setters, we will discuss whether and how the research we study informs standard setting debates. Prerequisite: Consent of the instructor.

ACCT 615. Selected Topics in Empirical Accounting Research. 3 Units.

This course examines selected topics in accounting research. The course features three faculty who will each give a focused look at a given area, introduce students to important questions in that area, key papers in the related literature, and critical aspects of the research designs applied in the area. The aim is to increase student's familiarity with empirical accounting research, their ability to critically evaluate research and research designs, and to prepare students to conduct independent research.

ACCT 617. Applications of Contract Theory in Accounting Research. 3 Units.

This course develops tools from information economics to study the strategic interactions between different agents inside a firm. Common to these studies is that agents acquire private information that is valuable to other parties. The range of applications includes: centralization vs delegation, static and dynamic contracting under moral hazard, Bayesian persuasion, and the optimal design of monitoring/auditing mechanisms.

ACCT 618. Market Efficiency and Informational Arbitrage. 3 Units.

The informational efficiency of stock markets has been a central theme in financial economic research in the past 50 years. Over this period, the focus of academic research has gradually shifted from the general to the more specific. While earlier studies tend to view the matter as a yes/no debate, most recent studies acknowledge the impossibility of fully efficient markets, and focus instead on analyses of factors that materially affect the timely incorporation of information into prices. At the same time, increasing attention is being paid to regulatory and market design issues that either impede or enhance market pricing efficiency. In this course, we will cover recent research on the role of informational arbitrage in asset pricing. Our starting point is the observation that, with costly information, equilibrium prices will invariably reflect some mispricing. The existence of mispricing introduces a role for informational arbitrage, whereby some traders will invest resources to become informed about the mispricing, with hopes of profiting from it. We review recent academic evidence on this process, and reflect on its implications for future market-related research. We will also discuss how academic research might help lower information/arbitrage costs. This is a doctoral level course. Our goal is not only to review existing research, but also to stimulate new work in the area. As such, I expect it will be of primary interest to Ph.D. students majoring in accounting, finance, and economics. Given our focus on returns prediction and the role of information in arbitrage strategies, this course should be of particular interest to those interested exploring the relation between information flows and market pricing dynamics. The course content is interdisciplinary in nature, spanning finance, economics, and accounting. Most of the readings in the earlier readings derive from finance and economics (market efficiency, limits to arbitrage, and behavioral finance); most of the later readings derive from financial accounting (equity valuation, fundamental analysis, earnings management, and analyst behavior).

ACCT 691. PhD Directed Reading. 1-15 Unit.

This course is offered for students requiring specialized training in an area not covered by existing courses. To register, a student must obtain permission from the faculty member who is willing to supervise the reading.

Same as: FINANCE 691, GSBGEN 691, HRMGT 691, MGTECON 691, MKTG 691, OB 691, OIT 691, POLECON 691, STRAMGT 691

ACCT 692. PhD Dissertation Research. 1-15 Unit.

This course is elected as soon as a student is ready to begin research for the dissertation, usually shortly after admission to candidacy. To register, a student must obtain permission from the faculty member who is willing to supervise the research.

Same as: FINANCE 692, GSBGEN 692, HRMGT 692, MGTECON 692, MKTG 692, OB 692, OIT 692, POLECON 692, STRAMGT 692

ACCT 698. Doctoral Practicum in Teaching. 1 Unit.

Doctoral Practicum in Teaching.

ACCT 699. Doctoral Practicum in Research. 1 Unit.

Doctoral Practicum in Research.

ACCT 802. TGR Dissertation. 0 Units.

Same as: FINANCE 802, GSBGEN 802, HRMGT 802, MGTECON 802, MKTG 802, OB 802, OIT 802, POLECON 802, STRAMGT 802