

**MFIN600**  
**Financial Reporting and Modeling**  
**Fall 2021 Course Outline**

**Master of Finance**  
**DeGroote School of Business**  
**McMaster University**

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***COURSE OBJECTIVE***

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Build a solid knowledge in preparation and analysis of financial information. Examine and evaluate the importance of high-quality accounting information in the current business, economic, and social context.

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***INSTRUCTOR AND CONTACT INFORMATION***

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**Section C01: Mon 1900 - 2200    Section C02: Thurs 0830 - 1120**

Alicia Damley, CFA, CPA, CA, MBA  
damleya@mcmaster.ca  
Office Hours: by Appointment  
Class Location: Virtual

TA: Ruinan Liu (He/Him)  
Liu1006@mcmaster.ca  
Office Hours: TBA

TA: Behnaz Amerirad  
amerirad@mcmaster.ca  
Office Hours: TBA

**Course website:** Avenue 2 Learn (A2L)

Course resources and announcements will be communicated via A2L. This should be your first stop for course related information.

*We are here to help you succeed!*

Both our course TAs, Ruinan Liu and Behnaz Amerirad, Mac Ph.D candidates, and I are here to help you navigate this course successfully!

Outside of class, it is easiest to connect via email. We can address a question quickly via email or setup a time to speak directly. I endeavor to respond to emails within 48 hours. For our mutual benefit and protection, please send all emails from your Mac id. If I have not responded to your inquiry within 48 hours, please re-send it in case it has been lost between our in-boxes.

Please always remember to:

- be courteous and respectful in all communication
- not send emails within 48 hours of a mid-term, exam or assignment due date. We are all busy. And it is important to plan accordingly!

### ***COURSE ELEMENTS***

Credit Value: 3	Leadership: Yes	IT skills: Yes	Global view: Yes
A2L: Yes	Ethics: No	Numeracy: Yes	Written skills: Yes
Participation: Yes	Innovation: Yes	Group work: Yes	Oral skills: Yes
Evidence-based: Yes	Experiential: No	Final Exam: No	Guest speaker(s): No

### ***COURSE DESCRIPTION***

The course is designed to provide an understanding of accounting principles, practices used in the preparation of financial information and also to develop a critical approach to analyze and interpret it. Consequently, the course approaches the subject from both the view of the user and the preparer of financial statements.

### ***LEARNING OUTCOMES***

Upon successful completion of this course, students will be able to complete the following key tasks:

- Prepare accounting entries of usual business transactions and assemble financial statements
- Gather, process and analyze information conveyed in a set of financial statements in terms of profitability, liquidity, solvency, performance, efficiency
- Develop conclusions from the analysis and present them in a concise and meaningful way
- Identify and interpret the roles and responsibilities of the participants of the financial information communication process from preparer to end user

### ***COURSE MATERIALS AND READINGS***

Required textbook:

**Financial Accounting, 7th (Canadian) Edition. By Robert Libby, Patricia Libby, Daniel G. Short, George Kanaan, Maureen Sterling. 1260065952 · 9781260065954 © 2020 | Published: March 5, 2020**

Mac Bookstore link:

[https://campusstore.mcmaster.ca/cgi-mcm/ws/tsub.pl?wsTERMG1=214&wsDEPTG1=FINANCE&wsCOURSEG1=600&wsSECTIONG1=DAY%20C01&crit\\_cnt=1](https://campusstore.mcmaster.ca/cgi-mcm/ws/tsub.pl?wsTERMG1=214&wsDEPTG1=FINANCE&wsCOURSEG1=600&wsSECTIONG1=DAY%20C01&crit_cnt=1)

Websites for group project:

<http://www.annualreports.com/>  
<http://www.sec.gov/edgar/searchedgar/companysearch.htm>  
<http://www.tsx.com/>  
<http://www2.morningstar.ca/>  
<http://www.sedar.com/>  
[www.degroot.mcmaster.ca](http://www.degroot.mcmaster.ca)

Websites for standards, regulators, professional organizations:

<http://www.ifrs.org/Pages/default.aspx>  
<http://www.fasb.org/home>  
<http://www.iasplus.com/en>  
<http://www.cpaontario.ca/>  
<http://www.cpacanada.ca/>  
<http://www.sec.gov/>  
<http://www.osc.gov.on.ca/>

Movie:

<http://freedocumentaries.org/documentary/enron-the-smartest-guys-in-the-room>

## ***COURSE OVERVIEW AND ASSESSMENT***

Missed tests/exams will receive a grade of zero unless the student has submitted and been approved for a Notification of Absence or MSAF. Late assignments will be penalized xxxxx% for each day they are late. Your final grade will be calculated as follows:

<i>Grade Component</i>	<i>Weight</i>	<i>Description</i>
Engagement	15%	Participation / contribution to discussion on Zoom Allocation based on <i>quality</i> , not quantity, of participation. Attended only does not count!  Each lecture we will apply the lecture material to two companies which will be chosen in the first lecture.
Case Analysis	20%	Group size: up to 6 students Report format: max 10 pages, including appendices

<u>Grade Component</u>	<u>Weight</u>	<u>Description</u>
Mid-Term Exam (cumulative)	35%	Venue: Online Format: MCQs and written answer Duration: 90 minutes
Group Project & Presentation	30%	Group size: up to 6 students Report format: max 20 pages, including appendices (20%) Presentation: professional format on company analysis (see below) Duration: 15 min + 5 min Q&A (10%)  Students are strongly encouraged to explore the data and trading related resources available in-person and/or virtually in the DSB's Allen H. Gould Trading Floor (GTF), DSB Rm 122A   905-525-9140 ext. 27760   <a href="mailto:gtf@mcmaster.ca">gtf@mcmaster.ca</a> See documents on Avenue for information on virtual access.

Our weekly interaction will occur as follows:

<i>Activity</i>	<i>Delivery</i>	<i>Description</i>	<i>Tools(s)</i>
<b>Lecture Core Content</b>	Asynchronous	Recorded lecture	Voice-over PPT via Avenue
<b>Live Lectures</b>	Synchronous	Live virtual session; opportunity to elaborate on content, present challenges, engage discussion  We will apply and discuss each chapters ratios to the two companies selected during our first lecture	Zoom
<b>Additional course resources</b>	Asynchronous	End of chapter practice questions  Additional readings  Co Annual reports (companies to be determined in the first lecture)	Via Avenue
<b>TA Access</b>	Asynchronous	1-hour live session with TA: discuss lecture materials and/or questions.  Please contact our course TAs via email to advise of your attendance so that the	Zoom

<i>Activity</i>	<i>Delivery</i>	<i>Description</i>	<i>Tools(s)</i>
		students per session can be better managed for a best outcome for all.	
<b>Group discussions</b>	Both	Synchronous: breakout rooms during lecture Asynchronous: Zoom private groups	Synchronous: Zoom Asynchronous: Zoom

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## ***COURSE DELIVERABLES***

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### ***Engagement***

Please ensure that you sign-in with your full name as registered at McMaster for our virtual lectures. Attendance at each lecture does *not* equal participation!

Since student participation is an important component of this course, official McMaster student ID photographs will be used to ensure that each student is assessed accurately. The instructor will use the photograph to ensure the accuracy of participation marks, group work, and for identifying students for grading purposes

### **Group Project & Presentation**

The group project will be completed in groups of up to 6 students. The 25% total evaluation will consist of a written report (15%) and an in-class presentation based on the report (10%). Each group will select a company from the list provided. Allocation will be done on a first-come first-served basis. The virtual presentation will be scheduled during the last week of class. The written report will be due at the same time via Avenue. Details will be shared in our 2<sup>nd</sup> week of class and posted on Avenue.

Students are strongly encouraged to explore the data and trading related resources available in-person and/or virtually in the DSB's Allen H. Gould Trading Floor.

### **Case Analysis**

The case analysis assignment will be completed in groups of up to 6 students. Each group will select a case from the list provided. Allocation will be done on a first-come first-served basis. Details of the case analysis are found in a separate document on Avenue.

Students are strongly encouraged to explore the data and trading related resources available in-person and/or virtually in the DSB's Allen H. Gould Trading Floor.

### **Mid-Term Exam**

The mid-term exam can include multiple choice, written answers and a company analysis.

The mid-term exam is **open-book** and will cover material from the textbook, any assigned readings, lectures and class discussion.

End of textbook chapter questions will be provided for student review and self-confirmation of mastery of material learning outcomes. These will be made available as part of each lecture's material on Avenue. These questions are also intended as foundation for the group project company analysis and provide a perspective on written questions on the mid-term exam.

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### **GRADE CONVERSION**

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At the end of the course your overall percentage grade will be converted to your letter grade in accordance with the following conversion scheme:

<b>LETTER GRADE</b>	<b>PERCENT</b>	<b>POINTS</b>
A+	90-100	12
A	85-89	11
A-	80-84	10
B+	75-79	9
B	70-74	8
B-	60-69	7
F	00-59	0

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### **COMMUNICATION AND FEEDBACK**

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Students who wish to correspond with instructors or TAs directly via email must send messages that originate from their official McMaster University email account. This protects the confidentiality and sensitivity of information as well as confirms the identity of the student. Emails regarding course issues should NOT be sent to the Area Administrative Assistants. All students must receive feedback regarding their progress prior to the final date by which a student may cancel the course without failure by default.

- *For Level 1 and Level 2 courses, this feedback must equal a minimum of 20% of the final grade.*
- *For Level 3 courses and above, this feedback must equal a minimum of 10% of the final grade.*

Instructors may solicit feedback via an informal course review with students by Week #4 to allow time for modifications in curriculum delivery.

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## ***REQUESTING RELIEF FOR MISSED ACADEMIC WORK***

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In the event of an absence for medical or other reasons, students should review and follow the Missed Term Work regulations that are outlined on the Master of Finance website;

<https://mfin.degroote.mcmaster.ca/current-students/missed-term-work/>

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## ***ACADEMIC INTEGRITY***

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You are expected to exhibit honesty and use ethical behaviour in all aspects of the learning process. Academic credentials you earn are rooted in principles of honesty and academic integrity. **It is your responsibility to understand what constitutes academic dishonesty.**

Academic dishonesty is to knowingly act or fail to act in a way that results or could result in unearned academic credit or advantage. This behaviour can result in serious consequences, e.g. the grade of zero on an assignment, loss of credit with a notation on the transcript (notation reads: “Grade of F assigned for academic dishonesty”), and/or suspension or expulsion from the university.

For information on the various types of academic dishonesty please refer to the [Academic Integrity Policy](https://secretariat.mcmaster.ca/university-policies-procedures-guidelines/), located at <https://secretariat.mcmaster.ca/university-policies-procedures-guidelines/>

The following illustrates only three forms of academic dishonesty:

- plagiarism, e.g. the submission of work that is not one’s own or for which other credit has been obtained.
- improper collaboration in group work.
- copying or using unauthorized aids in tests and examinations.

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## ***AUTHENTICITY/PLAGIARISM DETECTION***

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**Some courses may** use a web-based service (Turnitin.com) to reveal authenticity and ownership of student submitted work. For courses using such software, students will be expected to submit their work electronically either directly to Turnitin.com or via an online learning platform (e.g. A2L, etc.) using plagiarism detection (a service supported by Turnitin.com) so it can be checked for academic dishonesty.

Students who do not wish their work to be submitted through the plagiarism detection software must inform the Instructor before the assignment is due. No penalty will be assigned to a student who does not submit work to the plagiarism detection software.

**All submitted work is subject to normal verification that standards of academic integrity have been upheld** (e.g., on-line search, other software, etc.). For more details about McMaster's use of Turnitin.com please go to [www.mcmaster.ca/academicintegrity](http://www.mcmaster.ca/academicintegrity).

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### ***COURSES WITH AN ON-LINE ELEMENT***

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**Some courses may** use on-line elements (e.g. e-mail, Avenue to Learn (A2L), LearnLink, web pages, capa, Moodle, ThinkingCap, etc.). Students should be aware that, when they access the electronic components of a course using these elements, private information such as first and last names, user names for the McMaster e-mail accounts, and program affiliation may become apparent to all other students in the same course.

The available information is dependent on the technology used. Continuation in a course that uses on-line elements will be deemed consent to this disclosure. If you have any questions or concerns about such disclosure please discuss this with the course instructor.

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### ***ONLINE PROCTORING***

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**Some courses may** use online proctoring software for tests and exams. This software may require students to turn on their video camera, present identification, monitor and record their computer activities, and/or lock/restrict their browser or other applications/software during tests or exams. This software may be required to be installed before the test/exam begins.

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### ***CONDUCT EXPECTATIONS***

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As a McMaster student, you have the right to experience, and the responsibility to demonstrate, respectful and dignified interactions within all of our living, learning and working communities. These expectations are described in the [Code of Student Rights & Responsibilities](#) (the "Code"). All students share the responsibility of maintaining a positive environment for the academic and personal growth of all McMaster community members, **whether in person or online**.

It is essential that students be mindful of their interactions online, as the Code remains in effect in virtual learning environments. The Code applies to any interactions that adversely affect, disrupt, or interfere with reasonable participation in University activities. Student disruptions or behaviours that interfere with university functions on online platforms (e.g. use of Avenue 2 Learn, WebEx or Zoom for delivery), will be taken very seriously and will be investigated. Outcomes may include restriction or removal of the involved students' access to these platforms.



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## ***ACADEMIC ACCOMMODATION OF STUDENTS WITH DISABILITIES***

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Students with disabilities who require academic accommodation must contact [Student Accessibility Services](#) (SAS) at 905-525-9140 ext. 28652 or [sas@mcmaster.ca](mailto:sas@mcmaster.ca) to make arrangements with a Program Coordinator. For further information, consult McMaster University's [Academic Accommodation of Students with Disabilities](#) policy.

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## ***ACADEMIC ACCOMMODATION FOR RELIGIOUS, INDIGENOUS OR SPIRITUAL OBSERVANCES (RISO)***

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Students requiring academic accommodation based on religious, indigenous or spiritual observances should follow the procedures set out in the [RISO](#) policy. Students should submit their request to their Faculty Office **normally within 10 working days** of the beginning of term in which they anticipate a need for accommodation or to the Registrar's Office prior to their examinations. Students should also contact their instructors as soon as possible to make alternative arrangements for classes, assignments, and tests.

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## ***COPYRIGHT AND RECORDING***

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Students are advised that lectures, demonstrations, performances, and any other course material provided by an instructor include copyright protected works. The Copyright Act and copyright law protect every original literary, dramatic, musical and artistic work, **including lectures** by University instructors.

The recording of lectures, tutorials, or other methods of instruction may occur during a course. Recording may be done by either the instructor for the purpose of authorized distribution, or by a student for the purpose of personal study. Students should be aware that their voice and/or image may be recorded by others during the class. Please speak with the instructor if this is a concern for you.

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## ***EXTREME CIRCUMSTANCES***

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The University reserves the right to change the dates and deadlines for any or all courses in extreme circumstances (e.g., severe weather, labour disruptions, etc.). Changes will be communicated

through regular McMaster communication channels, such as McMaster Daily News, A2L and/or McMaster email.

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### ***RESEARCH USING HUMAN SUBJECTS***

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All researchers conducting research that involves human participants, their records or their biological material are required to receive approval from one of McMaster's Research Ethics Boards before (a) they can recruit participants and (b) collect or access their data. Failure to comply with relevant policies is a research misconduct matter. Contact these boards for further information about your requirements and the application process.

McMaster Research Ethics Board (General board): <https://reo.mcmaster.ca/>

Hamilton Integrated Research Ethics Board (Medical board): <http://www.hireb.ca/>

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### ***ACKNOWLEDGEMENT OF COURSE POLICIES***

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Your enrolment in Finance MFIN600 will be considered to be an implicit acknowledgement of the course policies outlined above, or of any other that may be announced during lecture and/or on A2L. **It is your responsibility to read this course outline, to familiarize yourself with the course policies and to act accordingly.**

Lack of awareness of the course policies **cannot be invoked** at any point during this course for failure to meet them. It is your responsibility to ask for clarification on any policies that you do not understand.

**COURSE SCHEDULE**

**Financial Reporting & Modeling  
MFIN600  
Fall 2021 Course Schedule**

WEEK	DATE	ASSIGNMENT
1	Week of Sep 13	<p>Discuss: Class Outline, Schedule, Participation, Courseware, Discuss: Group selection requirements and work</p> <p>Prior to Lecture: Listen to the voice-over PPT on Avenue for Chp 1: Financial Statements and Business Decision Chp 2: Investing &amp; Financing Decisions and the Statement of Financial Position</p> <p>Lecture Discussion: Reviewing selected company business models</p>
2	Week of Sep 20	<p>Prior to Lecture: Listen to the voice-over PPT on Avenue for Chp 3: Operating Decision and the Accounting System</p> <p>Lecture Discussion: Reviewing the Statements of earnings for selected companies</p>
3	Week of Sep 27	<p>Prior to Lecture: Listen to the voice-over PPT on Avenue for Chp 4: Adjustments, Financial Statements and the Quality of Earnings</p> <p>Lecture Discussion: Analyzing and assessing quality of earnings for for selected companies</p>
4	Week of Oct 4	<p>Prior to Lecture: Listen to the voice-over PPT on Avenue for Chp 6: Reporting and Interpreting Sales Revenue, Receivables and Cash</p> <p>Lecture Discussion: Analyzing and assessing sales, receivables &amp; cash for selected companies</p>
5	Week of Oct 11	<p>Prior to Lecture: Listen to the voice-over PPT on Avenue for Chp 7: Reporting and Interpreting Cost of Sales (Cost of Goods Sold) &amp; Inventory</p> <p>Lecture Discussion: Analyzing and assessing cost of sales and inventory for selected companies</p>
6	Week of Oct 18	<p>Prior to Lecture: Listen to the voice-over PPT on Avenue for Chp 8: Reporting and Interpreting Property, Plant &amp; Equipment; Natural Resources; and Intangibles</p> <p><b>Group Project – One-page summary due</b></p>

WEEK	DATE	ASSIGNMENT
7	Week of Oct 25	Lecture Discussion: Analyzing and assessing PP&E and intangibles for selected companies  <b>Case Assignment Due</b>
8	Week of Nov 1	Prior to Lecture: Listen to the voice-over PPT on Avenue for Chp 9: Reporting and Interpreting Current Liabilities  Lecture Discussion: Analyzing and assessing current liabilities for selected companies
9	Week of Nov 8	Prior to Lecture: Listen to the voice-over PPT on Avenue for Chp 10: Reporting and Interpreting Non-Current Liabilities  Lecture Discussion: Analyzing and assessing non-current liabilities for selected companies
10	Week of Nov 15	Prior to Lecture: Listen to the voice-over PPT on Avenue for Chp 11: Reporting and Interpreting Shareholders' Equity  Lecture Discussion: Analyzing and assessing shareholders' equity for selected companies
11	Week of Nov 22	Prior to Lecture: Listen to the voice-over PPT on Avenue for Chp 5: Reporting and Interpreting Cash Flows  Lecture Discussion: Analyzing and assessing cash flows for selected companies
12	Week of Nov 29	Prior to Lecture: Listen to the voice-over PPT on Avenue for Chp 12: Communicating Accounting Information and Analyzing Financial Statements  Lecture Discussion: Analyzing and assessing financial statements and ratios for selected companies
12	Week of Nov 29	<b>Mid-Term Exam: Virtual Details: TBA</b>
13	Week of Dec 6	<b>Group report &amp; presentation due in virtual lecture class</b>