



EMBA Saturday B5001 - Financial Accounting Summer 2025

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Course Description

The purpose of this course is to provide a comprehensive, graduate level, introduction to financial reporting. It is designed to provide globally oriented managerial users of accounting products with the foundations of accounting concepts, the underlying mechanics, and the perspective upon which intelligent use of financial information rests. The fundamental presumption is that financial reports (balance sheet, income statement, the statement of cash flows and more) provide information useful for a variety of purposes.

The course design emphasizes the fact that the information content of financial reports is jointly determined by the accounting methods used to generate the reports and the environment in which the reports are produced and used. Thus, the course integrates the study of accounting methods and the study of the accounting environment. Accounting concerns, in turn, vary with market opportunities, instruments, and the organizational arrangements at hand. Also, we consider the current debates related to climate change and broader environmental and societal concerns. To this end, we briefly discuss recent developments and news articles related to environmental, social, and governance (ESG) issues, exploring how those are connected to respective concepts and insights from financial reporting.

The course is organized into three interrelated modules. First, we provide a brief overview of accounting institutions, the nature of financial reports, and disclosure. This includes an examination of the main financial statements, the nature of accrual measurement, financial statement analysis, revenue recognition and the information perspective that is central to the course. Second, we explore accounting methods in detail, focusing on assets, liabilities, and equity. We explicitly consider accounting issues related to global organizations. Lastly, we briefly explore a variety of settings in which these products are used, emphasizing ethics, data integrity, auditing regulations, financial statements analysis (again), and valuation settings.

Student Learning Outcomes

Knowledge of financial accounting is an essential skill necessary for understanding companies' communication with their various stakeholders (e.g., investors) and for making sound business decisions (e.g., investment decisions). After taking this course, you will be able to:

- Understand the role, objectives, and institutions of financial reporting.
- Know the main financial statements, their relation to each other, and their construction and preparation.
- Identify the most important considerations in the preparation and the interpretation of financial statements, and analyze the financial performance and position of companies.
- Evaluate the credibility of financial statements.
- Grasp current issues of non-financial reporting and sustainability (e.g., ESG).

Text and Materials

The required text is *Financial Accounting for MBAs*, by Easton, Wild, Halsey & McAnally (EWHM), 9th edition, Cambridge Business Publishing, 2025. The course design and conduct presume you have worked through the online [Pre-MBA](#) content (a joint product of [Columbia Business School's](#) Accounting Division and Cambridge Business Publishers). While our class will start without assuming any prior knowledge in Accounting (that is, the topics covered in the online resource will also be covered in class), having familiarity with the terminology and accounting mechanics prior to starting the course proved to be useful in the past, in particular for students who have had limited formal exposure to financial reporting. This resource will be available for you also during the semester.

Throughout the course we will closely follow the financial reporting of *General Mills* (2024). At times, we will also refer to *Nestle* (2024). Financial statements of both companies (as well as prior years' statements) are available on [Canvas](#). Alternatively, you can download the statements, as well as additional information, from the companies' web sites (under investors relations). *General Mills* uses US Accounting Standards, while *Nestle* uses International Accounting Standards (as well as Swiss Standards for its holding company).

As I want to ensure that we cover the material in a way that is most beneficial for the class, I will provide a digit handout (without certain content, e.g., solutions for in-class exercises) for each topic's presentation before class, and the full presentation slides after class. These presentation files as well as required and additional cases and readings will be online on [Canvas](#) by topic or session.

A tentative assignment schedule is attached. In conducting class, I assume you have done (skimmed) the assigned reading, so that you can obtain a broad understanding of the topic. However, I do not intend for you to fully grasp the various issues and intricacies of the topic

until we cover it in class. The assigned (but optional) “prepare problems” are designed to help you, post-lecture, learn the material covered. (Problems and solutions are posted on [Canvas](#).) “Cases” are intended for class discussion; solutions will be posted. I expect you to be prepared to discuss cases in class.

Sharing of course materials with anyone who is not currently enrolled in the course is not allowed (both giving and receiving). It would be considered a violation of [CBS Honor Code](#) (and potentially of copyright).

Review sessions will be held often, mid-week’s evenings, via Zoom (and recorded). You are not required to attend these sessions, but attendance is encouraged for those who have had difficulty following the class material or solving the assigned problems.

Evaluation

Your grade will be assessed based on two examinations, a series of required problem sets and class participation. **(i) Exams** - there will be a mid-term (Saturday, June 21, 2025, 250 points) and a final (Saturday, August 16, 2025, 400 points). A bonus will be given to all students consisting of the higher of 40% of the mid-term exam grade and 25% of the final exam grade. Both exams are defined as [Type C](#) assignments (see definition below), and are computer based. **(ii) Problem Sets** - ten problem sets are required during the semester. You are allowed to work on the problem sets in groups (as well as consult with any other person you would like); however, each individual is to submit his or her own written version of the assignment. That is, the problem sets are defined as [Type B1](#) assignments. The problem set is to be uploaded to [Canvas](#) by the required date, before the beginning of class (no late submissions will be allowed). There is no need to type the assignments. **As a good practice for the exams, I suggest you upload your problem set as a single pdf file.** Your grade on each problem set (0-30 points) will incorporate your effort in attempting the questions. Also, you are to submit the [Ralph’s Release](#) data sheet (due on **Saturday, June 28, 2025**), which also has a value of 30 points. For your course evaluation, you can earn up to 270 points from these assignments (which means that nine assignments with a grade of 30 are sufficient, or, using partial credit, for example, seven assignments with a grade of 30 and three assignments with a grade of 20 are sufficient). Solutions to all homework assignments will be posted on [Canvas](#). Some of these problems will be discussed and used as illustrations during class or during the review sessions; **(iii) Class Participation** (200 points) – including attendance, on-time arrival and professional behavior during class (including but not limited to, not leaving while class is in session, no private conversations, no use of unauthorized electronics), PollEverywhere responses, preparedness, responses to questions asked during class (cold calls or voluntary), questions, comments and sharing of your professional experience and similar demonstrations of positive engagement. See also the [Columbia Core Culture](#) details below.

To summarize, the final grade is based on the following formula:

Mid-term Exam	250 Points
Final Exam	400 Points
Exam Bonus	100 Points
Problem Sets and Ralph	270 Points
Class Participation	200 Points

Students and learning teams might earn additional bonus points upon fulfilling certain requirements and achievements, which will be announced in class (e.g., posting your name card, completing your school directory face card, or sharing your resume).

I reserve the right to *improve* any student's course grade, based on my subjective assessment of the student's class participation and contribution to the learning of the class. On the other hand, consistent demonstration of unprofessional behavior might negatively impact a student's course grade, beyond its impact on class participation. The final grades will be based on the School's mandated grade distribution.

Columbia Core Culture

The purpose of the Columbia Core Culture is to promote a classroom environment of mutual respect, preparation, and engagement. These standards were developed by faculty representing all six divisions of the School who teach in the core and serve as coordinators for each core course. It is expected that all courses follow these standards.

Class preparation & participation: A meaningful component of the final grade is attached to preparation and participation. The classroom is a place of expression and discussion. Communications are respectful. Be courteous to others and do not interrupt when another person is speaking. Everyone's contributions are important and the diversity of experience among members of the class enhances learning. All students are treated equitably within the classroom.

Attendance tracked as part of class participation: Attendance is tracked and will affect a student's participation grade.

On-time arrivals and departures: Faculty start and end class on time; students arrive early and are ready to engage at the start of class. Lateness will affect a student's participation grade.

Cold calling: Students should be prepared for questions to be asked of them without raising their hands.

Use of name cards: Students bring their name cards to class and faculty use the name cards to call students by their names.

Use of polling in the classroom: Answering electronic poll questions is part of a student's participation grade; students should bring and use devices as directed by faculty in order to participate in polls. Students are not allowed to respond to in-class polling from a non-classroom location; doing so is considered a violation of the *CBS Honor Code*.

Assigned seating: Students sit in assigned seats. Instructors have discretion as to whether seats are assigned by them or chosen by students.

Use of electronic devices: Electronic devices are used only for educational purposes during class time. Unless instructed by faculty, the use of cellphones, laptops, tablet computers (other than the CBS-provided tablet) or other devices are generally not permitted during in-person classes. Students are generally permitted to use CBS-provided tablets to respond to in-class polling, access course materials and take notes in class. Faculty may also permit laptop computers to be used for in-class work that requires computer software (e.g., analysis of data in Excel).

Breaks or leaving the room during class: Students remain in the classroom during the entire session unless given a break by the instructor. Class sessions lasting 90 minutes typically do not have a break, while those lasting three hours typically have a 15-minute break near the session mid-point.

Attendance Policy

Students are required to attend each class. Students should reach out to the **EMBA Office** by using the Core Absence Form on this course's *Canvas* page regarding excused absences (e.g., for religious observances; personal, medical, and family emergencies; military service; court appearances such as jury duty). Unexcused absences will affect your course grade as follows:

- Students that miss more than 33% of the classes (unexcused absences) will at most receive a P for their course grade.
- Students that miss more than 50% of the classes (unexcused absences) will receive an F for their course grade.

In addition to the effect on your final course grade, absences may also affect your exam grades as follows:

- Students that miss an exam for an excused reason but are unable to take the exam within the stated make-up period will receive a grade of zero as their exam grade.
- Students that miss the exam without notifying the EMBA Office (unexcused), will receive a grade of F as their course grade.

Individual and Group Work Definitions

All of your assignment submissions are subject to the *CBS Honor Code*. Violations of the CBS Honor Code may lead to failing the assignment, failing the course, suspension, and/or dismissal. In order to avoid ambiguity that may lead to unintentional violations of the Honor Code, assignment description types have been standardized and specified below.

Type	Designation	Grade	Preparation of submission	Discussion of Submission*	Discussion of Concepts**
A	Group Work	Same grade for all group members	By the group	Permitted to discuss (within group)	Permitted
B ¹	Individual w/ Discussions of Concepts and Submission	Individual grade	Individual preparation	Permitted to discuss; sharing solutions or submission files is not allowed	Permitted
B ²	Individual w/ Discussions of Concepts Only	Individual grade	Individual preparation	Not permitted to share/discuss solutions or submission	Permitted
C	Individual	Individual grade	Individual preparation	Not permitted to share/discuss solutions or submission	Not permitted***

* Submission means any work and/or output pertaining to the specific assignment. If an assignment submission contains a calculation or decision related to a specific set of data and setting, discussing the details how to make this calculation or decision with regard the data/setting is to discuss the submission. Providing another student with a draft of the calculation or decision is sharing the submission.

** Concepts mean any ideas, examples, readings, or other related materials from the class/course. Conceptual discussion should not be based on a specific set of data or setting related to a calculation or decision required in the assignment, but could be based on other related examples, preferably those from class/course materials.

*** As no conceptual discussion is permitted, Type C is akin to a take-home exam.

Inclusion, Accommodations, And Support for Students

At *Columbia Business School*, we believe that diversity strengthens any community or business model and brings it greater success. *Columbia Business School* is committed to providing all students with the equal opportunity to thrive in the classroom by providing a learning, living, and working environment free from discrimination, harassment, and bias on the basis of gender, sexual orientation, race, ethnicity, socioeconomic status, or ability.

Columbia Business School will make reasonable accommodations for persons with documented disabilities. Students are encouraged to contact the Columbia University's Office of Disability Services for information about registration. Students seeking accommodation in the classroom may obtain information on the services offered by Columbia University's Office of Disability

Services online at www.health.columbia.edu/docs/services/ods/index.html or by contacting (212) 854-2388.

Columbia Business School is committed to maintaining a safe environment for students, staff and faculty. Because of this commitment and because of federal and state regulations, we must advise you that if you tell any of your instructors about sexual harassment or gender-based misconduct involving a member of the campus community, your instructor is required to report this information to a Title IX Coordinator. They will treat this information as private, but will need to follow up with you and possibly look into the matter. Counseling and Psychological Services, the Office of the University Chaplain, and the Ombuds Office for Gender-Based Misconduct are confidential resources available for students, staff and faculty. “Gender-based misconduct” includes sexual assault, stalking, sexual harassment, dating violence, domestic violence, sexual exploitation, and gender-based harassment. For more information, see <http://sexualrespect.columbia.edu/gender-based-misconduct-policy-students>

Before concluding, a word of encouragement. This course requires constant attention and consistent effort. Batch processing will almost surely be inefficient, frustrating and unproductive. I urge you to keep up with the assignment schedule.

I am committed to making every possible effort to support, assist and help every student (who tries) to achieve the course’s learning objectives, and more.

I hope you enjoy the course. Please feel free to give me feedback along the way. I am happy to try to incorporate useful ideas and (feasible) constructive suggestions.

ASSIGNMENTS

- Pre-course:**
- Work through the online [Pre-MBA](#) content (a joint product of [Columbia Business School](#)'s Accounting Division and Cambridge Business Publishers).
 - Acquire basic understanding of “time value of money” concepts.
 - Skim the 2024 Financial Statements of [General Mills](#) (and, optional, [Nestle](#)).

1. Fri, May 9: [Introduction and Overview and The Balance Sheet](#)

Read: [Easton, Wild, Halsey & McAnally, Module 1](#) (= EWHM M1)

Skim: [General Mills](#) 2024 (and, optional, [Nestle](#) 2024) Financial Statements

Prepare: EWHM: M1-25, M1-26, M1-28, M1-29, E1-35, P1-42 (a-c), P1-45

2. Sat, May 10: [The Income Statement](#)

Read: EWHM M2 and M3

Case: [Shemer](#)

Prepare: EWHM: M2-19, M2-20, M2-23, E2-28, E2-29, E2-36, E3-20, E3-28, E3-29, P3-35, P3-36

Problem Set #1 due on Saturday, May 17, 2025

3&4. Sat, May 17: [Basic Procedures, The Statement of Cash Flows, and Insights \(About and From the Financial Statements\)](#)

Read: EWHM M11

Prepare: EWHM: P2-41, MA3-37, MA3-38, E11-32, E11-34, P11-41, P11-42, P11-45; [Ralph's Life](#); [ABC Company](#)

Problem Set #2 due on Saturday, May 31, 2025

Problem Set #2 due on Saturday, May 31, 2025

5. Sat, May 31: Introduction to Financial Statements Analysis and Revenue Recognition

Read: EWHM M4 and M5 (1-16)

Prepare: EWHM: P1-46, P1-47, P1-48, M4-23, M4-25, E4-29, E4-33; P4-50, M6-25; GIJoe

In order to make the above prepare questions from Module 1 meaningful, you need additional data (**why?**). In particular, for P1-46 – pre-tax operating income for Logitech was \$774,012 in 2022 (=FY3), \$1,148,125 in 2021 (=FY2) and \$276,495 in 2020 (=FY1). For P1-47 there is no need for additional data (**why?**). For P1-48 – the pre-tax operating income of 3M was \$6,539 in 2022 (=FY4), \$7,369 in 2021 (=FY3), \$7,161 in 2020 (=FY2), and \$6,714 in 2019 (=FY1). In the future, I assume you can find such missing data on your own.

Problem Set #3 due on Saturday, June 7, 2025

6. Sat, June 7: Revenue Recognition

Case: Frequent Flyer

Prepare: EWHM: M5-13, M5-15, M5-23, M5-24, E5-28, E5-33, E5-35, E5-41, P5-53, P5-54, P5-56; JK Bakery; Tesla (RevRec); Firm Z; Shulamit Lapid

Problem Set #4 due on Saturday, June 14, 2025 (Late submission by June 20 is allowed)

7. Sat, June 14: Current Assets – Accounts Receivable

Read: EWHM M5 (pages 16-36)

Case: PriceLine.Com

Prepare: EWHM: E5-43, E5-45, E5-46, E5-47, P5-55, P5-57; Yehudit; Ram Oren

Saturday, June 21, 2025: MID-TERM EXAMINATION

Problem Set #5 due on Saturday, June 28, 2025

Ralph Release information due on Saturday, June 28, 2025

Problem Set #5 due on Saturday, June 28, 2025

Ralph Release information due on Saturday, June 28, 2025

8. Sat, June 28: Current Assets – Inventory and Cost Accounting (I)

Read: EWHM M6 (1-17)

Prepare: EWHM: E5-42, E6-31, E6-33, E6-34, E6-36, P6-45, P6-46; Pumpkin Bags; Tesla (ABC); Electro-Catheter

Problem Set #6 due on Saturday, July 12, 2025

9. Sat, July 12: Long-lived Assets (PP&E) and Liabilities - Bonds

Read: EWHM M6 (17-35) and M7

Case: Coca Cola

Prepare: EWHM: E6-32, E6-38, P6-47, P6-48, E7-39, E7-41, E7-44, P7-47; V Company; Batya Goor; Mara

Problem Set #7 due on Saturday, July 19, 2025

10. Sat, July 19: Liabilities – Leases and Post-retirement Liabilities and Tax Recognition

Read: EWHM M10

Prepare: EWHM: M10-21, E10-26, E10-28, P10-32; Maher; Safwan; Banin; Dominiak; PEte's Growing Deferred Taxes

Problem Set #8 due on Saturday, July 26, 2025

Problem Set #8 due on Saturday, July 26, 2025

11. Sat, July 26: Owners' Equity and Investments in Corporate Securities and Accounting for Global Organizations

Read: EWHM M8 and M9

Prepare: EWHM: M8-29, E8-34, E8-39, M9-19, E9-34, P9-40, P9-41; Rochester; Orphan's Goodwill

Problem Set #9 due on Saturday, August 2, 2025

12. Sat, Aug 2: Financial Statement Analysis and Valuation Settings, and Summary, Catch-up and Review

Skim: EWHM M12, M13

Prepare: EWHM: P4-40, E12-23, E12-24, P12-33, P11-48; Slab

Problem Set #10 due on Friday, August 15, 2025

Saturday, August 16, 2025: FINAL EXAMINATION