

Rutgers School of Business
Online MAcc Financial Statement Analysis (FSA)
Accounting 53:010:566:90
Spring, 2026



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Course Description & Objectives:

Intended for students pursuing accounting careers, this course explores the fundamental concepts of analyzing financial statements. Considering the significance of accounting information to decision making within capital markets, the course focuses on the application of financial analysis techniques for assessing company performance, evaluating financial risks, forecasting, valuation, managing finances, and making investment and lending decisions in real-world scenarios. Additionally, the course emphasizes crucial analysis areas for accountants including evaluating the impact of accounting policies and guidance on financial reporting, assessing the quality of reported financial statement information, and understanding cash flows. The course will equip students with the skills to effectively analyze and interpret financial statement data to provide insightful guidance for various decision-making roles.

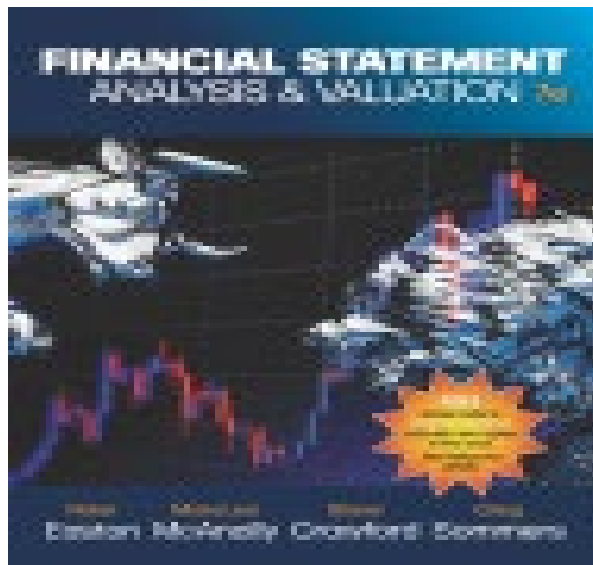
Required Materials:

To enhance your learning experience and provide discounted access to the right course material, your course is part of an inclusive access model called First Day®. You can easily access the digital materials for your course right from Canvas.

Rutgers will bill you at the discounted price as a course charge for this course.

You have the option to opt-out of this program in the LMS. However, please be advised it is NOT recommended that you Opt-Out, as these materials are required to complete the course. If you choose to opt out, you will be responsible for purchasing your course materials at the normal retail.

“Financial Statement Analysis and Valuation”, by Easton, McAnally, Crawford & Sommers, Cambridge Business Publishers (7th ed.) ISBN: 978-1-61853-625-9



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ISBN: ISBN: 978-1-61853-625-9

***NOTE: The first two modules of this Textbook are available online for FREE**

Please Click the following link to access Module 1 and Module 2 of this Textbook while you purchase your own book: (please cut and past the following link to window address bar)

<https://mybusinesscourse.com/book/fsav7e> (click Preview)

Regular Reading of The Wall Street Journal

My Business Course(MBC):

You will also need access to www.MyBusinessCourse.com (MBC) where you can watch demos & eLectures and where you will complete all of your HW assignments. MBC is integrated with Canvas (please download student.handout.Macc.Spring.2026 from the top of Module Area of your Canvas. Please reach out to the MBC support team below for any questions on MBC.(They are quick and reliable). Once you complete the homework assignment on MBC, it is your responsibility to verify that your homework grades have been correctly transported to the Canvas gradebook.

myBusinessCourse Support
Cambridge Business Publishers
630-686-2158
mbcsupport@cambridgepub.com

Preparation:

- Review and honor all Rutgers Macc policies listed in the classroom and syllabus.
- Invest approximately 12 hours throughout the week for the course. (For traditional onsite classes, the industry standard is 3 to 4 hours per credit per week)
- Complete readings and research in advance of each week.
- Consistently demonstrate professionalism in your interactions with peers and faculty.
- Produce high quality, original work that properly cites the words and ideas of others.
- Uphold the integrity of your Rutgers Master degree by not plagiarizing or cheating.
- Accept feedback and suggestions with an open mind, taking time to reflect, and then using what you have learned to further improve your performance in future assignments.
- Notify your instructor immediately if you confront a personal emergency that puts you at risk of submitting a late assignment.
- Honor the principle that “everything written or said within the classroom stays within the classroom.”
- Stay current on classroom news and postings by visiting the classroom regularly, at least once a week. It is your responsibility to keep yourself current with all the announcements.
- Participate in the assigned class discussions, whenever you can, to get maximum credit for class participation. These discussions are designed to be a collaborative learning experience for all involved.
- For the general discussion forum, you are also strongly encouraged to share any relevant class-related topics pertaining to the current business environment. You may also benefit from and assist other students via thoughtful interaction.
- **Direct Interaction:** Although Canvas provides good learning tools, oftentimes, a direct one-to-one professional interaction to resolve difficult issues is usually the most effective. For example, you may have a certain technical/mathematical problem that is frustratingly difficult to solve that you think is difficult to resolve in an open forum or elsewhere. In this case, please feel free to send me an e-mail and a contact number so that I can call you directly to resolve it.
- **Not checking your Rutgers email is not an excuse for missing any communications.**

Homework Assignments through (MBC):

Complete any of the online homework assignments for each session. *You will need access to www.MyBusinessCourse.com (MBC) where you can watch demos & eLectures and where you will complete all of your assignments. Once you completed assignment in MBC, make sure your score is properly transported to Canvas Grade folder after each module.) *There will no deadline extension.**

Class Materials:

All class materials can be obtained via Canvas. Note that the PowerPoint class materials for a particular week will be posted by noon on Monday, usually one week ahead of schedule (except for the first week or two.) You are strongly encouraged to access this course via Canvas several times a week. You can imagine that the class seamlessly “runs” through from Day 1 (Monday) to Day 7 (Sunday).

Class Communication:

As this is an nonsynchronous class, the class attendance is not compulsory, a viable and reliable form of communication is vitally important. Note that all class communication will be via your Rutgers e-mail and discussion forums and other tools in Canvas. You are expected to check your Rutgers e-mail at least (equally spaced) two or three times every week. All class announcements can also be accessed via the 'Announcement' page in Canvas.

Professor Communication:

Note that during the week, from Monday until Friday, I will try to reply to all e-mails within 24 hours. Please do not expect an immediate response. (If you do not hear from me within 48 hours, please re-send your email as I may have overlooked or accidentally deleted your e-mail.) Although I check my e-mails a few times daily, I may not be able to completely answer all e-mails immediately upon receiving them. Note that I may also be travelling out of town on many weekends and may not be able to respond to weekend e-mails until Monday. It is recommended that you do not give out personal email or twitter accounts. For phone calls, the best practice is to call the student vs. giving out your phone number. If you have a question of a quantitative nature that requires long, complex explanations please email me.

Etiquette expectations from on-line students:

The following protocols on the codes of behavior reflect professional business norms on manners, courtesy, and respect. (*In general, you should treat others as you would like others to treat yourself. Be mindful that what is acceptable in a text or chatroom with friends may not be appropriate in a classroom or in an online conversation with an instructor.*)

Even though many of you are already aware of these protocols, they are explicitly stated here so that everyone is cognizant of the same protocols. These protocols should be followed by all students taking this course to help ensure the online experiences for everyone involved are pleasant. They are as follows:

- When sending an e-mail, you can get better attention by using the following guidelines:
 - use descriptive subject lines, (I am sure you have received a lot of Spam e-mails and I have occasionally and accidentally deleted student e-mails that I thought was Spam.)
 - please be as brief as possible by going straight to the point, and if possible, limit the use of attachments.

Never send offensive and insulting messages* (this is a violation of the Student Code of Conduct). If you disagree, say so and state your reasons. Social media is a very powerful tool for communication. However, it can be badly misused if it is not used correctly or professionally. For example, you may have personal and legitimate concerns about this course. However, other students, who do not have similar feelings, can be negatively influenced by your concerns. This will unnecessarily and negatively affect their overall experience of the course. Therefore, to minimize such an occurrence, please feel free to directly contact the instructor/tutor first to resolve any concerns that you may have to help ensure that everyone's online experience of this course is beneficial.

- Always guard against inciting others when it comes to content, opinions, etc. That is, avoid blaming or accusing others of wrongdoing.
- Do not start a volley of back-and-forth e-mails, with copies distributed to every student in the class.
- Copy the minimum number of people. That is, send e-mails to only the people you think should receive and will benefit from it.
- Treat all e-mails and postings as permanent forms of written record and do not expect any of your e-mail communications to be private, unless stated otherwise. Instead, assume that all e-mail communications are public.

- Do not publicize your own or others’ personal information (such as email, phone numbers, last names, etc.)

Important Administrative Dates (subject to change, check: <http://registrar.camden.rutgers.edu/>):

- **Tuesday, Jan. 20, 2026** – First day of Spring 2026 semester
- **Thursday January 30, 2026**– Last day to drop a class without a “W” (this can be done through WebReg) : tentative date
- **Wednesday, April 7, 2026,** – Last day to withdraw from one or all classes with a “W”. (This can be done through WebReg) For more information, see the registrar’s website
- **Spring Break: Saturday, March. 14, 2026 – Sunday, March 22, 2026**
- **Wednesday, Monday, May 4, 2026** – Last day of classes
- **Final Exam period: Thursday May 8, 2026 – Wednesday, May 14, 2026** - Final Exam Period

Discussion Board Activity:

There will be specific discussion board activities for each module in this course.

Discussions may involve any combination of prepared materials, journal articles, textbook readings, problems, videos, or other resources. During the week of discussion activity, students are expected to create at least one Discussion Thread by Day 5 (Friday) of each week that a discussion topic is assigned and then by Day 7 (Sunday) have responded to at least one other posted thread by other students in the class. All postings including responses are to be substantive and further the discussion of the topic of interest. Discussion posting is a kind of attendance check for me. As long as you satisfy the requirements you will get the credits. **There will be no deadline extension as it is also a kind of attendance check.**

Postings on the discussion board must reflect student’s reading and comprehension of the assigned readings and/or related discussion activity. Discussion postings must reflect the ability to synthesize concepts presented through writing at a college level. The minimum length of a post is 150 words not including references listed. You are also required to respond to at least one of your classmates’ posting in no less than 50 words. If you use any AI products to produce your discussion posting, you will be assessed with 0 for that posting. (please refer to AI and LLMs section for further details)

Grading:

The assignment of final grades, the course requirements will be weighed approximately as follows:

Obtaining zero credit in any of Exams, term project will result in a failure in the course.

Syllabus test	2%
Homework.....	15%
First exam.....	20%
Second exam.	20%
Term paper	33%
Discussion	10%

Grade Ranges:

- A : Highest grade (90% and above)
- B+: Work of distinction (85% to 89.9%)
- B: Work of distinction (80% to 84.9%)

- C+: Average work (75% to 79.9%)
C: Average work (70 % to 74.9%)
F: Failure without credit (Below 69.9%)

You are free to discuss any part of the course materials with your classmates. However, you are **not allowed** to discuss (i.e., receive no assistance or give any assistance on) any part of the exams or Case with anyone, except with the professor. If any **cheating** is found, I will seek the **most severe sanctions available** (i.e., at the minimum, you will receive an “F” grade for the course).

Exam Policy:

The format and policy for each Exam are as follows:

- 1). All Exams will be posted by **noon on the Wednesday** of the week of the exam and must be completed by **midnight Sunday of the same week**.
 - a) **The Syllabus Test will be posted by noon on Tuesday, January 21, 2026, and must be completed by midnight Feb. 8, 2026**
 - b) **Exam 1 will be posted by noon on Wednesday, Feb. 11, 2026, and must be completed by midnight Sunday, Feb. 15, 2026.**
 - c) **Exam 2 will be posted by noon on Wednesday, April 1, 2026, and must be completed by April 5, 2026 (Sunday) midnight.**
 - d) **Final term project is due May 11**

Any student who **did not** take the Exam during this time window will receive a **zero grade** for that exam.

- 2). You can take the exam only **once**. Once started, the Exam must be completed. That is, do **not** log out until you have finished the exam. Any unanswered question will automatically receive a zero grade for that question. Make sure you click the ‘Submit’ button after you have completed Exams.
- 3). You are allowed **up to three hours** to complete the exam. Hence, you **must start** taking the exam by **9 p.m.** on Sunday so that you can use up to 3 hours and complete it by the midnight deadline.
- 4). Any student who **missed the exam**, without prior approval of the instructor or a compelling reason, will receive a **zero grade** for that exam.

Exam Make-Up Policy: Since you are given a reasonable amount of time to work on the exams, make-up is **rarely** given. If you cannot take an exam by the scheduled deadline for a university-approved reason, you must give the professor written notice at least one week in advance so that other arrangements can be made. If the situation does not allow for advance notification (for example, emergency hospitalization), please contact the professor as soon as possible after a missed exam. The faculty reserves the right to request written documentation to support your absence (such as a doctor’s note or military orders).

Artificial Intelligence Use:

AI and LLMs are powerful tools that can enhance learning and research. This policy outlines the acceptable and unacceptable uses of AI and LLMs in this course.

Acceptable uses of AI and LLMs:

- You may use AI and LLMs to learn about topics and practice applying techniques covered in this course. For example, you may use AI and LLMs to generate data, graphs, formulas, or examples that help you understand the concepts and methods taught in this course.
- You may use AI and LLMs to supplement your own research and analysis, if you clearly acknowledge the sources and methods used and explain how you verified and evaluated the results.

Unacceptable uses of AI and LLMs:

- You may not use AI and LLMs to draft written assignments. All written work must be your own original work, based on your own research and analysis, and written in your own words. Using AI and LLMs to generate or paraphrase text is considered plagiarism and will result in a zero grade and possible disciplinary action.
- You may not use AI and LLMs during quizzes and exams for this course. All quizzes and exams must be completed by yourself, without any external assistance or resources. Using AI and LLMs to answer questions or solve problems is considered cheating and will result in a zero grade and possible disciplinary action.

By enrolling in this course, you agree to abide by this policy and the academic integrity standards of this institution.

Best practices for AI interactions

When interacting with AI, remember the following:

- **You are accountable for your own work.** Consider every piece of advice or explanation given by AI critically and evaluate that advice independently.
- **AI is not a person, but it can act like one.** It's very easy to read human intent into AI responses, but AI is not a real person responding to you. It is capable of a lot, but it doesn't know you or your context. It can also get stuck in a loop, repeating similar content over and over.
- **AI is unpredictable.** AI has trained on billions of documents on the web, and it tries to fulfil or respond to your prompt reasonably based on what it has read. But you can't know ahead of time what it's going to say. The very same prompt can get a radically different response from the AI each time you use it. That means that your classmates may get different responses, as will trying the prompt more than once yourself.
- **You are in charge.** If the AI gets stuck in a loop and you're ready to move on, then direct the AI to do what you'd like.

- **Only share what you are comfortable sharing.** Do not feel compelled to share anything personal, even if the AI asks. Anything you share may be used as training data for the AI.
- **Try another LLM.** If the prompt doesn't work in one LLM, try another. Remember that an AI's output isn't consistent and will vary. Take notes and share what worked for you.

To communicate more effectively with AI:

- **Seek clarity.** If something isn't clear, don't hesitate to ask the AI to expand its explanation or give you different examples. If you are confused by the AI's output, ask it to use different wording. You can keep asking until you get what you need. Interact with it naturally, asking questions and pushing back on its answers.
- **Provide context.** The AI can provide better help if it knows where you're having trouble. The more context you give it, the more likely it is to be useful to you. It often helps to give the AI a role: "You are a friendly teacher who explains economics concepts to college students in introductory courses," for example.
- **Don't assume the AI is tracking the conversation.** LLMs have limited memory; if it seems to be losing track, remind it of what you need and keep asking it questions.

Online Schedule of class activities for FSA: MAcc, Spring, 2026

Week beginning	Reading	Topic	Homework Assignment due	remarks
Jan 20	Module 1	Framework for Analysis and Valuation		
Jan. 26	Module 2	Review of Business Activities and Financial Statements	Module 1: P1-43 P1-45	
		Syllabus test: Posted: by Noon, Jan 21, Due: Midnight Feb. 8,		
Feb. 2	Module 3	Profitability Analysis and Interpretation	Module 2: P2-49, P2-51	
Feb 9	Module 4	Credit Risk Analysis and Interpretation	Module 3: P3-47	
Feb. 16		Midterm I To be posted: by Noon, Feb. 11, Due: Midnight, Feb. 15. 2026		Modules 1, 2
Feb. 23	Module 5	Revenue Recognition and Operating Income	Module 4: E4-24 E4-28	
Mar. 2	Module 6	Asset Recognition and Operating Assets	Module 5: E5-44, P5-55	
Mar. 9	Module 7	Liability Recognition and Non-Owner Financing	Module 6: E6-40, P6-51	
		Spring Break: From Mar. 14 through March 22		
Mar. 16	Module 8	Equity Recognition and Owner Financing	Module 7: E7-38, 7-43	
Mar. 23	Dell case		Discussion posting	Teamwork agreement due
Mar. 30	Module 9	Incorporate Entities	Module 8: P8-45, P8-48	
		Midterm II To be posted: by noon, Apr. 1, Wed. Due: Midnight, Apr. 5,		Modules 4,5,6 & 7 & Dell case
Apr 6	Module 10	Analyses of Leases, Pensions, and Taxes.	Module 9: P9-33, P9-34	
Apr. 13	Module 11	Forecasting financial statements	Module 10: P10-43	
May 11		Due date for Term project.		

**Financial Statement Analysis: ACCT 566, MAcc
Rutgers School of Business at Camden
Fall 2026**

Purpose of the Project

The purpose of this term project is to apply financial analysis and valuation concepts, tools, and techniques to an issue or situation of particular interest to you. In addition to preparing a written report in a Word file, each student should be prepared to present the project in a PowerPoint file and submit both for review. The PowerPoint file should be prepared in the same format you would use for an in-person presentation. Since we are in an online learning environment, you may wish to use voice threads or other visual tools to improve the effectiveness of your presentation. There will be no individual projects.

This project gives you the opportunity to study, in depth, the implications of a specific accounting issue or controversy, a financial transaction (such as a management buyout, merger, or acquisition), a particular circumstance (such as financial distress), or a single firm or industry. It also allows you to develop your research, report-writing, and presentation skills. Your project should demonstrate detailed analysis of financial statement data, including footnotes.

Your report will be stronger if you apply the concepts, tools, and techniques of analysis developed in the course (such as accounting issues and accounting choices, financial analysis, forecasting, and valuation techniques). The project should also include some form of benchmarking—that is, a comparison to similar firms or situations.

The written portion of your project should be **no more than 15 pages** (double-spaced, font size no smaller than 12-point, and one-inch margins), *including* tables, graphs, appendices, and references. Include any supporting financial statements and articles as separate attachments (these do not count toward the 15-page limit). The PowerPoint file should contain approximately 10 slides summarizing your project.

The goal is to learn how to measure company performance by analysing financial statements. Demonstrate that you have read and understood the required readings, links, and attached files—cite them where appropriate.

Assignment

You are the CFO of a major company. Your CEO monitors the competition and asks you to complete the following analyses.

Instructions

Team Structure and Firm Assignment

- Each team of 3 or 4 students will be randomly assigned a pair of U.S. public firms in the same industry. These firms are comparable in size and other operating characteristics.
- You may switch one of the two firms if you prefer to analyse another company, but this requires advance instructor approval.
- Canvas will also randomly select a team leader, who is responsible for submitting the team work agreement file to the Files area of Group website (click on “People” and then “Group” (or team)).

A) Financial Statement Reformulation and Ratio Analysis

1. Reformulation

Reformulate the financial statements for both firms to compute the following measures:

- **NOPAT (Net Operating Profit After Tax)**
- **NOA (Net Operating Assets)**
- **RNOA (Return on Net Operating Assets)**
- **Operating return and nonoperating return**
- **Financial leverage, NNO (Net Nonoperating Obligations), NNE and other measures from Modules 3 and 4**

In addition to the reformulated statements and the calculations above, you must also identify and justify the **10 most important financial ratios** you chose to analyze. Select ratios that are relevant to the industry and meaningful for evaluating performance. A sample Excel file will be provided early in the semester as a **format reference only**—not as a guide for content or ratio selection.

Create a **comparison chart** for these ratios over **two years** for each company. Explain what each ratio means to management. Using ratio analysis, compare the two major competitors in the same industry. Review Module 3 carefully when selecting your ratios.

All calculations should be shown, and all answers thoroughly explained.

It is useful to compare a company’s financial ratios to industry ratios. Industry ratios can be found on Morningstar.com, Yahoo Finance, and MSN Money.

The example posted in the attached file shows a comparison of ratios on the “Compare” worksheet. However, it does **not** include the required explanations of how the ratios were calculated or what the numbers mean for management. This is only a format example.

The “W” and “C” worksheets are used to calculate average balance sheet numbers. These are helpful when there are large year-to-year changes in the balance sheet. Again, this is for format guidance only.

If you obtain data from the SEC website through “Interactive Data,” you may copy and paste it into Excel. If you use other websites, Excel may or may not be able to calculate ratios. Company websites usually include an Excel version of the annual report.

Create a single Excel file with your calculations and copy and paste relevant pages into your Word and/or PowerPoint files. Submit this Excel file along with your final report. Spend time understanding what you are trying to accomplish, and simplify your format, calculations, and approach. Think about which ratios are important and **why**.

You may obtain financial information and annual reports from MSN Money, Yahoo Finance, or Morningstar. You may need to enter numbers manually in Excel to enable calculations. You can also access SEC Form 10-K through these sites.

B) Industry-Specific Accounting Issues

- Describe any industry-specific accounting problems and practices. Create a table comparing the accounting methods used by your firms in their most recent financial statements. Discuss how these choices affect comparability between firms.
- Compare the most important financial ratios for your firms. Explain how accounting choices influence this comparison. Discuss what the ratios suggest about firm strategies within the industry.
- If you were making stock recommendations, would you recommend **buy, hold, or sell** for any of these firms? Explain why.
- Support your analysis with figures, computations, and reasonable assumptions. Your analysis should explore risks, accounting or market returns, strengths, opportunities, uncertainties, threats, and other factors affecting the company.
- You should support your analytical inferences with figures/computations, making valid or reasonable assumptions as necessary. Your analysis should explore (in depth) the risks, accounting and/or market returns, strengths, opportunities, uncertainties, threats, etc., that face the company.

C) Teamwork Agreement

- A sample team agreement is posted in the term project module on Canvas. The signed agreement is **due March 23, 2025**. The team leader should post the agreement to the Files folder in the Team homepage.

B) Term Paper Grading Rubrics

Equal weight will be given to the following:

1. **Relevance of analyses** (Did you analyse the appropriate aspects of financial reporting?)
2. **Accuracy of computations**
3. **Clarity of writing**
4. **Depth of analyses** (See syllabus for details)

C) Industry-Specific Accounting Issues

Describe any industry-specific accounting problems and practices. Create a table comparing the accounting methods used by your firms in their most recent financial statements. Discuss how these choices affect comparability between firms.

Compare the most important financial ratios for your firms. Explain how accounting choices influence this comparison. Discuss what the ratios suggest about firm strategies within the industry.

If you were making stock recommendations, would you recommend **buy**, **hold**, or **sell** for any of these firms? Explain why.

Support your analysis with figures, computations, and reasonable assumptions. Your analysis should explore risks, accounting or market returns, strengths, opportunities, uncertainties, threats, and other factors affecting the company.

You should support your analytical inferences with figures/computations, making valid or reasonable assumptions as necessary. Your analysis should explore (in depth) the risks, accounting and/or market returns, strengths, opportunities, uncertainties, threats, etc., that face the company.

D).3 files to be submitted by May 11.

The Team leader should upload the following files to final project folder of Assignment area, on behalf of the entire team members (please click on People and then Team on your Canvas Menu to find out team leader)

- a. 15-page Word file: the final report, including tables, graphs and references.
- b. 10-slides PPT file: summary of the project
- c. A single Excel file for ratio computations and industry comparison.

E). Peer Evaluation: email me your peer evaluation by May 11. This is optional.

F). Group numbers and a pair of firms assigned.

Group 1. Technology

- **Apple & Microsoft**

Group 2. E-commerce / Retail

- **Amazon & Walmart**

Group 3. Automotive

- **Tesla & Rivian**

Group 4. Aerospace & Défense

- **Boeing & Lockheed Martin**

Group 5. Telecommunications

- **AT&T & Verizon**

Group 6. Energy / Oil & Gas

- **ExxonMobil & Chevron**

Group 7. Pharmaceuticals / Biotech

- **Pfizer & Merck**

Group 8. Transportation / Logistics

- **FedEx & UPS**

Group 9. Food & Beverage

- **Coca-Cola & PepsiCo**

Group 10. Consumer Goods

- **Procter & Gamble & Unilever**

Group 11. Semiconductors

- **NVIDIA & Qualcomm**

