

# Course Outline

## RSM329 H1S

Accounting for Finance Professionals  
Fall 2020

### Course Sections/Times

- Wednesdays 9-11am (L0101)
- Wednesdays 11am-1pm (L0201)
- Wednesdays 7pm-9pm (L5101)

Mandatory tutorials are also held online on Thursdays 9-10am (TUT0101), 10-11am (TUT0201), and 6-7pm (TUT5101) online

Course Delivery: This course will be offered online, with a mix of synchronous and asynchronous delivery. Each synchronous session will be held during the regularly scheduled course time slot. Length and specific timing of each synchronous class will be provided on the course Quercus page.

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## Course Scope and Mission

Finance professionals often rely on accounting information obtained from financial statements. After all, understanding financial statements is crucial for evaluating and forecasting financial performance of any organization.

This importance is often highlighted by successful finance professionals. In an interview on CNBC's Power Lunch, Warren Buffet (Chairman and CEO of Berkshire Hathaway) gave the following advice to a student focused on finance and economics:

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"The one thing I'd recommend is that you **take all the accounting courses that you can find**. You know, accounting is the language of business, and there's nothing like getting it early and getting it into your system. So, **whenever you get a chance to take an accounting course – jump on it**. It will make it so much easier for years and years to come in reading financial statements – to get comfortable with it. Because it is a language all of its own and getting comfortable in a foreign language takes a little experience, a little study, early on, but **it pays off big later on**." (Warren Buffet)

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The Chartered Financial Analyst (CFA) Program also recognizes the crucial importance of financial reporting and analysis. CFA Program curriculum assigns a very significant weighting to this topic: 15% at the Level 1 exam and 10-15% at Level 2. Many students who have taken this course have found it very useful preparation for the financial reporting and analysis portion of the Chartered Financial Analyst (CFA) exam.

In this course, we will “learn by doing” – analyzing the most recent (and quite complex) financial statements of arguably some of the most important companies in the world today. We will be focusing on two key sectors: technology, as well as healthcare & life sciences. In addition to the reasons noted below, each of the sectors will help us understand the uses and, more importantly, the limitations of financial reporting and analysis. The main reasons for the focus on these 2 sectors are as follows:

- 1) **Technology** companies are transforming our economy and our daily lives. Perhaps more practically, Toronto is quickly developing into a major tech hub. In fact, Toronto was the “fastest-growing tech-jobs market in 2017”. In 2018, Bloomberg reported that “Toronto’s tech scene is so hot the city created more jobs than the San Francisco Bay area, Seattle and Washington, D.C., combined last year, while leapfrogging New York in a ranking of ‘talent markets’<sup>1</sup>. Toronto was recently ranked as “one of top three cities in North America for tech talent”, with technology companies accounting for “more than a third of the demand for office space in downtown Toronto”<sup>2</sup>. Looking forward, Forbes noted that “If the city continues to double down on the investments already made, and if the tech community continues to foster its unique skill sets, Toronto will most certainly continue to hold its place as a global tech and innovation leader.<sup>3</sup>” With major tech companies now clearly as some of the most valuable companies, we will discuss companies such as Alphabet (Google), Amazon, Apple, Facebook, Microsoft, Netflix, and Samsung.
- 2) **Healthcare and life sciences** represent perhaps the largest sector in the world, with global healthcare spending expected to surpass USD \$10 trillion by 2020 (up from \$7.7 trillion in 2017)<sup>4</sup>. Aging population and the rise of chronic illnesses are already putting significant strains on major economies. The importance of this sector and the opportunities for innovation (and, therefore, need for financing) make this a critical area of focus for us, especially in the context of a COVID-19 recovery.

Ultimately, this course builds on the basic foundations provided in RSM219H1 – Introduction to Financial Accounting. It is an intermediate-level course that will help you competently read, analyze, interpret, and evaluate financial statement information. We take a global perspective and focus on both International Financial Reporting Standards (IFRS) and Generally Accepted Accounting Principles in the United States (US GAAP). By the end of the course, you will:

- understand the role of financial reporting and its relationship to finance, economics, strategy, marketing, and other business disciplines;
- be able to apply fundamental concepts and principles of financial reporting to analyze and interpret complex business transactions, events, and decisions;
- be able to interpret, analyze, and evaluate complex financial statements, including specific financial reporting issues relating to revenues, operating assets, liabilities, and taxes; and
- be able to use the financial statement analysis toolkit to anticipate adjustments that are relevant to the process of forecasting and valuation (valuation using financial statement analysis is the focus of a highly-recommended course RSM429H1 – Financial Statement Analysis and Valuation).

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<sup>1</sup> See Bloomberg’s 2018 article here <https://www.bloomberg.com/news/articles/2018-07-24/toronto-beats-bay-area-in-new-tech-jobs-and-new-york-in-talent>

<sup>2</sup> See <https://www.thestar.com/business/technology/2019/07/16/toronto-now-ranked-one-of-top-three-tech-cities-in-north-america.html>.

<sup>3</sup> See Forbes 2020 article here <https://www.forbes.com/sites/forbestechcouncil/2020/02/19/why-canadas-largest-city-has-become-a-heavy-hitting-global-tech-hub/>

<sup>4</sup> For a recent 2019 Global Health Care Outlook report, see <https://www2.deloitte.com/global/en/pages/life-sciences-and-healthcare/articles/global-health-care-sector-outlook.html>

## Course Prerequisites

**Course Prerequisite:** RSM219H1

**Exclusion:** RSM212H1 (If taken Winter 2018, 2019)

## Statement on Equity, Diversity and Inclusion

The University of Toronto is committed to equity, human rights and respect for diversity. All members of the learning environment in this course should strive to create an atmosphere of mutual respect where all members of our community can express themselves, engage with each other, and respect one another's differences. U of T does not condone discrimination or harassment against any persons or communities.

## Required Technology

For Fall 2020, this course will be conducted entirely online. To participate fully and to complete the course successfully, you must ensure you have a computer with a working webcam, microphone and reliable access to an internet connection. For further details, please visit this link: [Recommended Technology Requirements for Remote/Online Learning](#)

## Required Readings

- Thomas R. Robinson, et al. (2020). *International Financial Statement Analysis, Fourth Edition (CFA Institute Investment Series)*. John Wiley & Sons, 2020.
- Wiley CFA content for University of Toronto - Accounting for Financial Professionals - Fall '20 (purchase instructions will be provided on Quercus)



## Evaluation and Grades

Grades are a measure of the performance of a student in individual courses. Each student shall be judged on the basis of how well they have command of the course materials.

### **Work**

Personal introduction	3%
Weekly quizzes	32%
Comprehensive analysis report #1	30%
Comprehensive analysis report #2	35%

### **Due Date**

Friday, Sep. 18 <sup>th</sup>
Ongoing, best 8 out of 10
Friday, October 30 <sup>th</sup>
Wednesday, December 9 <sup>th</sup> (Final Assessment)

## Course Format and Expectations

### Personal Introduction (3%, due Friday, September 18<sup>th</sup> at 11:59pm EST)

You will prepare a personal introduction and share it with the class on Quercus discussion board. Additional information will be posted on Quercus by Friday, September 11<sup>th</sup>.

### Weekly Quizzes (32%, ongoing)

Weekly quizzes will be available at the start of each Tuesday and available until the end of the day at 11:59pm EST. First quiz will be posted at the start of Tuesday, September 22<sup>nd</sup>. Each quiz may test material covered up to that point, as well as simple concepts from the upcoming class (e.g. first quiz posted on September 22<sup>nd</sup> will cover material from the September 16<sup>th</sup> class, as well as basic concepts from the September 23<sup>rd</sup> class). Once you start the quiz, you will have 60 minutes to submit your answers. Only best 8 quizzes will be counted in the final mark. Please note that late quiz submissions will not be accepted as answers will be released immediately after the quiz submission deadline.

### Comprehensive Analysis Report #1

In this report, you will analyze multiple companies and apply the concepts learned in class. The assignment, and the submission template, will be posted by October 16<sup>th</sup>.

### Comprehensive Analysis Report #2

In this final assessment, you will analyze multiple companies and apply the concepts learned in class. The assignment, and the submission template, will be posted by November 20<sup>th</sup>.

### Turnitin.com:

Normally students will be required to submit their course essays to [Turnitin.com](http://www.turnitin.com) for a review of textual similarity and detection of possible plagiarism. In doing so, students will allow their essays to be included as source documents in the Turnitin.com reference database, where they will be used solely for the purpose of detecting plagiarism. The terms that apply to the University's use of the Turnitin.com service are described on the Turnitin.com website.

### Written Assignments:

Please note that **clear, concise and correct writing** will be considered in the evaluation of all assignments and submissions. You may lose points for writing that impedes communication: poor organization, weak paragraph development, excessive wordiness, hard-to-follow sentence structure, spelling mistakes and grammatical errors. Students who require additional support and/or tutoring with respect to their writing skills are encouraged to visit the Academic Success Centre (<http://www.studentlife.utoronto.ca/asc>) or one of the College Writing Centres ([writing.utoronto.ca/writing-centres](http://writing.utoronto.ca/writing-centres)). These Centres are teaching facilities – not editing services – where trained staff can assist students in developing their academic writing skills. There is no charge for the instruction and support.

## Electronic Course Materials

This course will be using the following electronic course materials:

- Wiley CFA content for University of Toronto - Accounting for Financial Professionals - Fall '20 (purchase instructions will be provided on Quercus)

These materials will cost a total of USD \$36.75. The use of these materials complies with all University of Toronto policies which govern fees for course materials.

## Credit/No-Credit Option in Rotman Commerce

You may request to Credit/No-Credit (CR/NCR) an RSM course in the following cases only:

- The course will not be used for any specialist or focus, including the 8.0 RSM FCE requirement.
- The course does not have a group work component.

If you wish to request CR/NCR for an RSM course, you must contact a Rotman Commerce academic advisor by the drop deadline for the current term. **The deadline for this term is November 9, 2020.**

Final approval is on a case-by-case basis with the permission of the Director, Rotman Commerce.

## Weekly Schedule

#	WEEK	TOPIC & READINGS
1	Sep. 16	Introduction to financial reporting and analysis <input type="checkbox"/> Financial statement analysis: an introduction (Ch. 1) <input type="checkbox"/> Financial reporting standards (Ch. 2) <input type="checkbox"/> Understanding balance sheets (Ch. 4)
<b>PERSONAL INTRODUCTION: due Friday, September 18<sup>th</sup> at 11:59pm EST</b>		
2	Sep. 23	Understanding income statements – Part 1 (Ch. 3)
3	Sep. 30	Understanding income statements – Part 2 (Ch. 3)
4	Oct. 7	Understanding cash flow statements (Ch. 5)
5	Oct. 14	Financial analysis techniques (Ch. 6)
6	Oct. 21	Inventories (Ch. 7)
7	Oct. 28	Long-lived assets – Part 1 (Ch. 8)
<b>COMPREHENSIVE ANALYSIS REPORT #1</b> <b>Applies concepts from classes 1-6 and is due Friday, October 30<sup>th</sup> at 11:59pm EST</b>		
8	Nov. 4	Long-lived assets – Part 2 (Ch. 8)
<b>Fall Reading Week (NO CLASSES Nov. 9 – Nov. 13)</b> <b>Last day to drop the course: Monday, Nov. 9, 2020</b>		
9	Nov. 18	Non-current (long-term) liabilities (Ch. 10)
10	Nov. 25	Income taxes (Ch. 9)
11	Dec. 2	Financial reporting quality (Ch. 11)
12	Dec. 9	Comprehensive review and additional topics
<b>COMPREHENSIVE ANALYSIS REPORT #2 (FINAL ASSESSMENT)</b> <b>Applies concepts from classes 1-11 and is due Wednesday, December 9<sup>th</sup> at 11:59pm EST</b>		

**Please note that the last day you can drop this course without academic penalty is November 9, 2020.**

# Policies and Procedures

## Missed Tests and Assignments

Students who miss a test or assignment for reasons entirely beyond their control (e.g. illness) may request special consideration.

In such cases, students must:

1. Notify the instructor AND the Rotman Commerce Program Office **on the date** of the missed course deliverable, e.g. missed test, final assessments, assignment or class (in the case of participation marks).
2. Complete a [Request for Special Consideration Form](#) and submit it along with supporting documentation this may include either your Self-Declaration of Absence on ACORN, or [Verification of Student Illness or Injury form](#) to the Rotman Commerce Office within **2 business days** of the originally scheduled course deliverable.

Students who do not provide appropriate or sufficient supporting documentation will be given a grade of 0 (zero) for the missed course deliverable.

**Note that documentation must clearly establish that you were ill or had other circumstances that prevented you from attending on the date in question. After-the-fact reports are not sufficient.**

**Missed weekly quiz** marks will be allocated to remaining quizzes. **Missed Comprehensive Analysis Report #1** marks will be allocated to the Comprehensive Analysis Report #2. In the event of a missed Comprehensive Analysis Report #2, an alternative deliverable will be assigned at the discretion of the instructor.

## Late Assignments

Late assignments will not be accepted and will receive a mark of zero as all assignments will be debriefed immediately after their deadline. Students who, for reasons beyond their control, are unable to submit an assignment by its deadline must obtain approval from the instructor for an extension. Supporting documentation will be required as per the policy on missed tests and assignments.

## Accessibility Needs

The University of Toronto is committed to accessibility. If you require accommodations for a temporary or ongoing disability or health concern, or have any accessibility concerns about the course, the classroom or course materials, please contact Accessibility Services as soon as possible at [accessibility.services@utoronto.ca](mailto:accessibility.services@utoronto.ca) or [studentlife.utoronto.ca/as](http://studentlife.utoronto.ca/as).

For courses with deliverables that require you to work in teams, please note the following. If you are a student registered with Accessibility Services, and extensions are one of your academic accommodations, requests for extensions impact everyone in the group. As a result, requests for late submissions of any component of teamwork will require compelling reasons, advance notice, and must work for everyone in the team. You are encouraged to discuss with your course instructor, Accessibility Advisor, and other team members what you need in order to successfully complete your coursework. Additionally, the Rotman Commerce Centre for Professional Skills offers Teamwork Mentors (see section above) who can help you and your team discuss how to support you effectively and how to develop a work plan that meets the needs and constraints of all team members.

## Volunteer Notetaking

If you're interested in helping to make our classroom more accessible, volunteer to be a notetaker!

Accessibility Services needs dependable volunteer notetakers to assist students living with a disability to achieve academic success. All you have to do is attend classes regularly and submit your notes consistently.

1. Register online as a Volunteer Note-Taker at:

<https://clockwork.studentlife.utoronto.ca/custom/misc/home.aspx>

2. Follow the link that says "Volunteer Notetakers"

3. Select your course and upload a sample of your notes

4. Once you have been selected as a notetaker, you'll get an email notifying you to upload your Notes.

If you have any questions or require assistance, please email [as.notetaking@utoronto.ca](mailto:as.notetaking@utoronto.ca) or call 416-978-6186.

Volunteers may receive co-curricular credit or a certificate of appreciation.

## Academic Integrity

Academic Integrity is a fundamental value essential to the pursuit of learning and scholarship at the University of Toronto. Participating honestly, respectfully, responsibly and fairly in this academic community ensures that the U of T degree that you earn will continue to be valued and respected as a true signifier of a student's individual work and academic achievement. As a result, the University treats cases of academic misconduct very seriously.

[The University of Toronto's Code of Behaviour on Academic Matters](#) outlines the behaviours that constitute academic misconduct, the process for addressing academic offences and the penalties that may be imposed. You are expected to be familiar with the contents of this document. Potential offences include, but are not limited to:

In papers and assignments:

- Using someone else's ideas or words without appropriate acknowledgement.
- Submitting your own work in more than one course without the permission of the instructor.
- Making up sources or facts.
- Obtaining or providing unauthorized assistance on any assignment (this includes collaborating with others on assignments that are supposed to be completed individually).

On test and exams:

- Using or possessing any unauthorized aid, including a cell phone.
- Looking at someone else's answers
- Misrepresenting your identity.
- Submitting an altered test for re-grading.

Misrepresentation:



- Falsifying institutional documents or grades.
- Falsifying or altering any documentation required by the University, including (but not limited to) medical notes.

All suspected cases of academic dishonesty will be investigated by the following procedures outlined in the *Code of Behaviour on Academic Matters*. If you have any question about what is or is not permitted in the course, please do not hesitate to contact the course instructor. If you have any questions about appropriate research and citation methods, you are expected to seek out additional information from the instructor or other U of T resources such as College Writing Centres or the Academic Success Centre.

## Email

At times, the course instructor may decide to communicate important course information by email. As such, all U of T students are required to have a valid UTmail+ email address. You are responsible for ensuring that your UTmail+ email address is set up and properly entered on ACORN. For more information visit [help.ic.utoronto.ca/category/3/utmail.html](http://help.ic.utoronto.ca/category/3/utmail.html).

Forwarding your utoronto.ca email to a Gmail or other type of email account is not advisable. In some cases, messages from utoronto.ca addresses sent to Gmail accounts are filtered as junk mail, which means that important messages from your course instructor may end up in your spam or junk mail folder.

## Quercus and the Course Page

The online course page for this course is accessed through Quercus. To access the course page, go to [q.utoronto.ca](http://q.utoronto.ca) and log in using your UTORid and password. Once you have logged in, you will be at the Quercus Dashboard. On this page you will see all of the courses you are presently enrolled in. If you don't see the course listed here but you are properly registered for the course in ACORN, wait 48 hours.

## Recording Lectures

Lectures and course materials prepared by the instructor are considered by the University to be an instructor's intellectual property covered by the Canadian Copyright Act. Students wishing to record a lecture or other course material in any way are required to ask the instructor's explicit permission, and may not do so unless permission is granted. Students who have been previously granted permission to record lectures as an accommodation for a disability are exempted. This includes tape recording, filming, photographing PowerPoint slides, Quercus materials, etc.

If permission for recording is granted by the instructor (or via Accessibility Services), it is intended for the individual student's own study purposes and does not include permission to "publish" them in any way. It is forbidden for a student to publish an instructor's notes to a website or sell them in any other form without formal permission.

## FIPPA Language

### **Option 1: Notice of video recording and sharing (Download and re-use prohibited)**

This course, including your participation, will be recorded on video and will be available to students in the course for viewing remotely and after each session.

Course videos and materials belong to your instructor, the University, and/or other sources depending on the specific facts of each situation, and are protected by copyright. Do not

download, copy, or share any course or student materials or videos without the explicit permission of the instructor.

For questions about recording and use of videos in which you appear please contact your instructor.