



**NYU**

**ROBERT F. WAGNER GRADUATE  
SCHOOL OF PUBLIC SERVICE**

# **PADM-GP 2142**

## **Financial Management II**

### **Fall 2023**

#### **Instructor Information**

- Thad Calabrese
- Email: [thad.calabrese@nyu.edu](mailto:thad.calabrese@nyu.edu)
- Office Address: Puck 3050 (3<sup>rd</sup> Floor)
- Office Hours: Thursdays, 2–4 pm, or by appointment
  - Office hours are over Zoom unless otherwise requested
  - Sign up [here](#)

#### **Course Information**

- Class Meeting Time: Tuesday 4:55 pm–6:35 pm
- Class Location: 60 Fifth Avenue, Room C10

#### **Course Prerequisites**

[CORE-GP 1021: Financial Management]

#### **Course Description**

This course builds on the material from the core Financial Management class to further develop skills in managerial and financial accounting. The course covers the recording process (journal entries, T-accounts, adjusting entries, and closing entries), financial statement modeling, capital budgeting, and financial statement analysis. In addition, students will learn more about for-profit accounting and corporate structure, as well as how financial management differs across the government, not-for-profit, and for-profit sectors.

#### **Course and Learning Objectives**

1. Practice recording financial transactions.
2. Learn about corporate structure and how for-profit accounting differs from government and not-for-profit accounting.
3. Develop skills in financial statement modeling.

4. Apply accounting knowledge to the analysis of financial statements.

## Learning Assessment Table

Corresponding Course Learning Objective	Corresponding Assignments
#1	Problem Sets, Midterm
#2	Problem Sets, Final Paper
#3	Problem Sets, Midterm
#4	Problem Sets, Final Paper

## Course Materials

The textbook for the first half of this course is: Williams et. al, **Financial Accounting**, 18th Edition (2021), McGraw Hill Education, ISBN:9781260247947. Please note that this course is participating in the Follett Access program. This is an NYU Bookstore initiative that delivers required course materials digitally at the lowest possible price. Under this program you will have digital access to the textbook for the length of the semester through the Brytewave platform. The cost of the book is \$41.25, which will be added as a “book charge” to your bursar bill. If you would prefer to opt out, you should log in to the student portal (<https://includedcp.follett.com/2015>), access your bookshelf, and remove yourself from the program. (Your username is your school email address). The deadline for opting out is September 20<sup>th</sup>. You may contact the bookstore with questions at [wsq.text@nyu.edu](mailto:wsq.text@nyu.edu) or 212-998-4656. If you wish to purchase the hard copy instead, it is available at the NYU Bookstore and on Amazon.com. It is fine to use an earlier edition of the textbook, though I would suggest not obtaining one that is more than 4 years old.

In addition to the textbook, we will also be reading several cases. The **course casepack** is not available at the NYU Bookstore. It costs \$12.75 and can be ordered through the following link: <https://hbsp.harvard.edu/import/1073415>.

Additional readings will be posted on Brightspace.

## Course Requirements

There will be three components used in determining your final grade for the course:

### Problems Sets, 20%

There are a total of 6 problem sets, each of which is worth 3-4% of your grade. Problem sets are due at the beginning of each class and should be submitted via Brightspace. If you do not submit the assignment prior to the start of class, you will receive no credit. I encourage you to work on the assignments in small groups, however each student must write and submit his or

her own assignment. Two or more students turning in identical homework assignments constitutes cheating and will be reported to the administration and subject to disciplinary action.

### Midterm, 30%

The midterm will take place during the regularly scheduled class time in week 7. Please note the date of the exam; if you have a conflict, please come speak to me at the beginning of the semester.

### Final Project, 50% (see handout for details)

- Project Proposal, ungraded – for feedback only
- Pro Forma Financial Statements (Spreadsheets), 10%
- Final Paper, 40%

## Overview of the Semester

<u>Week</u>	<u>Class</u>	<u>Date</u>	<u>Topics</u>	<u>Assignments</u>
1	1	September 5	Accounting Basics	
2	2	September 12	Capturing Economic Events	Prob Set 1 Due
3	3	September 19	Adjusting Entries	Prob Set 2 Due
4	4	September 26	Inventories & Liabilities	Prob Set 3 Due
5	5	October 3	Corporate Structure & Stockholder's Equity	Prob Set 4 Due
6		October 10	No Class – University Follows Monday	
7	6	October 17	Cash Flow Statement & Financial Statement Analysis	Prob Set 5 Due
8	7	October 24	Midterm	
9	8	October 31	Risk and Capital Budgeting	
10	9	November 7	Modeling Financial Statements	Prob Set 6 Due
11	10	November 14	For-Profit Financial Management	Project Proposal Due
12	11	November 21	Not-for-Profit Financial Management	
13	12	November 28	Government Financial Management I	Pro Forma Spreadsheets Due
14	13	December 5	Government Financial Management II	
15	14	December 12	Government Financial Management III	
16		December 19		Final Project Due

## Letter Grades

Letter grades for the entire course will be assigned as follows:

<b>Letter Grade</b>	<b>Points</b>
<b>A</b>	4.0 points
<b>A-</b>	3.7 points
<b>B+</b>	3.3 points
<b>B</b>	3.0 points
<b>B-</b>	2.7 points
<b>C+</b>	2.3 points
<b>C</b>	2.0 points
<b>C-</b>	1.7 points
<b>F</b>	0.0 points

Student grades will be assigned according to the following criteria:

- (A) Excellent: Exceptional work for a graduate student. Work at this level is unusually thorough, well-reasoned, creative, methodologically sophisticated, and well written. Work is of exceptional, professional quality.
- (A-) Very good: Very strong work for a graduate student. Work at this level shows signs of creativity, is thorough and well-reasoned, indicates strong understanding of appropriate methodological or analytical approaches, and meets professional standards.
- (B+) Good: Sound work for a graduate student; well-reasoned and thorough, methodologically sound. This is the graduate student grade that indicates the student has fully accomplished the basic objectives of the course.
- (B) Adequate: Competent work for a graduate student even though some weaknesses are evident. Demonstrates competency in the key course objectives but shows some indication that understanding of some important issues is less than complete. Methodological or analytical approaches used are adequate but student has not been thorough or has shown other weaknesses or limitations.

- (B-) Borderline: Weak work for a graduate student; meets the minimal expectations for a graduate student in the course. Understanding of salient issues is somewhat incomplete. Methodological or analytical work performed in the course is minimally adequate. Overall performance, if consistent in graduate courses, would not suffice to sustain graduate status in “good standing.”
- (C/-/+) Deficient: Inadequate work for a graduate student; does not meet the minimal expectations for a graduate student in the course. Work is inadequately developed or flawed by numerous errors and misunderstanding of important issues. Methodological or analytical work performed is weak and fails to demonstrate knowledge or technical competence expected of graduate students.
- (F) Fail: Work fails to meet even minimal expectations for course credit for a graduate student. Performance has been consistently weak in methodology and understanding, with serious limits in many areas. Weaknesses or limits are pervasive.

## **Detailed Course Overview**

### Class 1: Accounting Basics

Topics Covered:

- Course Overview
- Financial Statements

Read before class:

- Textbook: Chapters 1 and 2

### Class 2: Capturing Economic Events

Topics Covered:

- Nonprofit Accounting
- The Accounting Cycle
- Trial Balance

Read before class:

- Textbook: Chapter 3

Assignments Due:

- Problem Set 1

## Class 3: Adjusting Entries

Topics Covered:

- Accruals and Deferrals

Read before class:

- Textbook: Chapters 4 and 5

Assignments Due:

- Problem Set 2

## Class 4: Inventories and Liabilities

Topics Covered:

- Sales and Inventory
- Liability Transactions

Read before class:

- Textbook: Chapters 6, 8, and 10

Assignments Due:

- Problem Set 3

## Class 5: Corporate Structure and Stockholder's Equity

Topics Covered:

- Corporate Form of Organization
- Stockholder's Equity

Read before class:

- Textbook Chapters 11 and 12

Assignments Due:

- Problem Set 4

## Class 6: Statement of Cash Flows and Financial Statement Analysis

Topics Covered:

- Statement of Cash Flows
- Ratio Analysis

Read before class:

- Textbook Chapters 13 and 14

Assignments Due:

- Problem Set 5

## Class 7: Midterm

## Class 8: Capital Budgeting and Risk

Topics Covered:

- Discounted Cash Flow Analysis
- Capital Budgeting Under Uncertainty

Read before class:

- Brealey, Myers, and Allen, Chapters 6 and 9 (Posted on Brightspace)

## Class 9: Modeling Financial Statements

Topics Covered:

- Pro Forma Financial Statements

Read before class:

- Bettner Chapter 5 (Posted on Brightspace)

Assignments Due:

- Problem Set 6

## Class 10: For-Profit Financial Management

Topics Covered:

- Debt vs. Equity

Read before class:

- Case: Flash Memory, Inc.

Assignments Due:

- Project proposal

## Class 11: Not-for-Profit Financial Management

Topics Covered:

- Not-for-Profit Business Models

Read before class:

- Case: Nonprofit Business Models and Financial Statement Relationships (A)

## Class 12: Government Financial Management I

Topics Covered:

- Tax Policy

Read before class:

- Tax Policy Center, Briefing Book, pp. 1-18 (up to “How does the budget process work?”), 603-633 (from “What are the sources of revenue for state governments?” up to “How do state estate and inheritances taxes work?”)

Assignments Due:

- Spreadsheets with Pro Forma Financial Statements and assumptions

## Class 13: Government Financial Management II

Topics Covered:

- Budget Process

Read before class:

- Urban Institute, Sustainable Budgeting in the States
- CBPP, Policy Basics: Introduction to the Federal Budget Process

## Class 14: Government Financial Management III

Topics Covered:

- Government Legacy Costs
- Muni Bond Market

Read before class:

- Case: Bankruptcy in the City of Detroit

## Class 15: Final Project Due

### **Academic Integrity**

Academic integrity is a vital component of Wagner and NYU. All students enrolled in this class are required to read and abide by [Wagner's Academic Code](#). All Wagner students have already read and signed the [Wagner Academic Oath](#). Plagiarism of any form will not be tolerated and students in this class are expected to report violations to me. If any student in this class is unsure about what is expected of you and how to abide by the academic code, you should consult with me.

### **Henry and Lucy Moses Center for Students with Disabilities at NYU**

Academic accommodations are available for students with disabilities. Please visit the [Moses Center for Students with Disabilities \(CSD\) website](#) and click on the Reasonable Accommodations and How to Register tab or call or email CSD at (212-998-4980 or [mosescsd@nyu.edu](mailto:mosescsd@nyu.edu)) for information. Students who are requesting academic accommodations are strongly advised to reach out to the Moses Center as early as possible in the semester for assistance.

### **NYU's Calendar Policy on Religious Holidays**

[NYU's Calendar Policy on Religious Holidays](#) states that members of any religious group may, without penalty, absent themselves from classes when required in compliance with their religious obligations. Please notify me in advance of religious holidays that might coincide with exams to schedule mutually acceptable alternatives.