NEW YORK UNIVERSITY
Stern School of Business
ACCT-GB.3304, Sections M1 & M2:
MODELING FINANCIAL STATEMENTS
Spring 2026

PROFESSOR INFORMATION:

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COURSE DESCRIPTION

Developing financial statement models is a critical skill that combines accounting knowledge with other business disciplines including finance, economics and tax. Financial statement models, by their very nature, are imperfect representations of how an entity's assets and liabilities may change over time for a given set of assumptions. And it is those changes that often result in revenues and expenses. While imperfect, flexible and dynamic financial statement models enable *skilled* users to *efficiently* and *effectively* consider an array of "what-if" scenarios and myriad variables that may affect business decisions. For those students that put in the effort required to design efficient and effective models, the course should provide a significant competitive edge during interviews, summer internships and future employment.

Practical Skills. This course is designed to aid students in developing *practical* financial statement modeling skills by applying accounting, finance, economic and tax knowledge acquired in other courses. Modeling skills are commonly needed in investment banking, private equity, buy-side and sell-side research, asset management and corporate finance. In addition to students learning basic modeling concepts, the course is designed to demonstrate those concepts by developing a comprehensive company-specific model that functions properly and aids in decision-useful analyses.

Accounting Standards. Financial accounting and reporting standards vary from country to country, and often within a country. This course will focus on U.S. GAAP as required for SEC registrants (aka "public" or "reporting" companies). However, the modeling skills developed in this course are equally applicable to companies following the various versions of IFRS in countries that require or permit its use in financial reporting.

Not Covered. This course is not about Excel's many "cool tools" (e.g., developing macros with Visual Basic for Applications), nor about its many embedded "formulas." In fact, there's an argument to be made that the most efficient and effective models can best be designed using simple mathematical operations (e.g., addition, subtraction, division, multiplication), applied to a minimal number of precedent cells.

COURSE OBJECTIVE & OVERVIEW

The course objective is to equip students with the skills to design and build integrated financial statement models from scratch, and to present and defend resulting analyses and conclusions. By the end of the course, a student should have the ability to understand, analyze and model pro forma financial statements for several real-world situations (e.g., developing earnings forecasts, making investment decisions, assessing "buybacks," mergers, acquisitions and disposals). An overview of the course's four phases—intended to mimic the iterative, real-world process of building models—is summarized below.

Phase 1. This four-week phase involves organizing a team, picking a company and beginning initial research and data gathering. As part of its research and data gathering the team will complete a questionnaire responding to a series of questions about the selected company. In-class discussions will center on modeling basics, along with the U.S. GAAP underpinning specific financial statement line items and disclosures; see class-by-class timeline below.

Phase 1—First Draft

Week/Date		Class-by-Class Material Covered			Project 10-K Deliverables	
Week	T & Th	In-Class Focus	FASB Conceptual Framework & FASB Accounting Standards Codification aka US GAAP (Topic XXX)	Advance Preparation	Individual	Team
1.1	27-Jan	Course Overview & Information	Conceptual Framework for Financial Reporting (September 2024)	Conceptual Framework, Chapter 4, Elements of Financial Statements		
1.2	29-Jan	What is a Model?; Mini-Model Illustration; Art of Modeling; Project 10-K Overview	"	Conceptual Framework, Chapter 1, The Objective of General Purpose Financial Reporting		Form ~20 teams & provide names to TA
2.1	3-Feb	Solutions for First Model; Model Lifecycles & Governance; Revenue: Data	600s, Revenue	ASC 606, Revenue from Contracts with Customers		Select company & submit to TA (first to submit)
2.2	5-Feb	Revenue: Rate/Volume Analysis	"	"		
3.1	10-Feb	Single & Multi-Asset Balance Sheets + Funding	400s, Liabilities (and related expenses)	ASC 450-20, Loss Contingencies		Identify roles of each team member and submit to TA
3.2	12-Feb	Segement Reporting	280, Segment Reporting	ASC 280, Segment Reporting		
4.1	17-Feb	Midterm I: Project 10-K (Phase 1)			Submit 360 Phase I evaluations of team members	Submit completed questionnaire for company + "first draft" of model

This phase will conclude with a mid-term exam that entails building and submitting a “first draft” of a company-specific model. This draft provides the basic structure of the model, concentrating on historical information at both the consolidated and reporting segment levels. Deliverables will be assessed and feedback provided to the team. It will be assessed and feedback provided to the team. Each team member will also individually submit a “360 evaluation” assessing the relative contributions of each team member.

Phase 2. This four-week phase involves building the forward-looking portion of the model, using knowledge gained from in-class discussions and illustrations. The resulting second draft builds off the basic structure established in Phase 1 and extends it by projecting the historical consolidated and segment-level information into future periods. This phase requires a series of judgments, estimates and assumptions, as well as creativity in identifying logical relationships and expressing them in efficient, effective formulas.

Phase 2—Second Draft

Week/Date		Class-by-Class Material Covered			Project 10-K Deliverables	
Week	**T & Th**	**In-Class Focus**	**FASB Conceptual Framework & FASB Accounting Standards Codification aka US GAAP (Topic XXX)**	**Advance Preparation**	**Individual**	**Team**
4.2	19-Feb	Modeling Buybacks and Earnings Management	500s, Equity (including investments by and distributions to owners)	ASC 505-30, Treasury Stock		
5.1	24-Feb	Modeling OCI & AOCI, Infrequent & Non-Recurring	"	ASC 225-20, Unusual or Infrequently Occurring Items		
5.2	26-Feb	Data Gathering: Business Combinations	800s, Broad Transactions	ASC 805, Business Combinations		
6.1	3-Mar	Examples of Things to Avoid				Select presentation date (first to submit)
6.2	5-Mar	Modeling Mix and Maturity	400s, Liabilities (and related expenses)	ASC 470-10-50, Disclosure of Long-Term Obligations		
7.1	10-Mar	Disclosures & Any Loose Ends	All Topics/Sub-Topics, Section 50, Disclosures	Conceptual Framework, Chapter 8, Notes to Financial Statements		
7.2	12-Mar	**Midterm II: Project 10-K (Phase 2)**			Submit 360 Phase II evaluations of team members	Submit "second draft" of model

This phase concludes with the second mid-term exam, which entails making five-year projections and submitting a “second draft” of the model that will be assessed and feedback provided to the team. Each team member will again individually submit a “360 evaluation” assessing the relative contributions of each team member.

Phase 3. After Spring Break, the team will have an opportunity to put the finishing touches on their model, using knowledge gained from in-class discussions and illustrations.

No financial model is perfect because there are cost/benefit tradeoffs that must be made. The team, therefore, also will prepare a presentation deck that supports the various decisions (e.g., judgments, assumptions, estimates, relationships) it has made in developing the model.

Phase 3—Finishing Touches

Week/Date		Class-by-Class Material Covered			Project 10-K Deliverables	
7.5		Spring Break				
8.1	24-Mar	Investing Process				ALL GROUPS: Submit final model & presentation deck before midnight
8.2	26-Mar	Valuation				
9.1	31-Mar	Wrap Up: Last Minute Reminders			Submit 360 Overall evaluations of team members	

Both the final version of the model and the supporting presentation will be submitted and assessed. Each team member will again individually submit a "360 evaluation" assessing the relative contributions of each team member.

Phase 4. The final weeks of the semester consist of each team presenting a defense of its model, while other students prepare concise one-page, written assessments of the presentation.

Phase 4—Presentations and Evaluations

Week/Date		Class-by-Class Material Covered			Project 10-K Deliverables	
9.2	2-Apr	Final: Project 10-K (Group Presentations)			Submit one-page written evaluation of each presentation	20 Group Presentations; 20-25 mins per group; 2 per class
10.1	7-Apr		"		"	"
10.2	9-Apr		"		"	"
11.1	14-Apr		"		"	"
11.2	16-Apr		"		"	"
12.1	21-Apr		"		"	"
12.2	23-Apr		"		"	"
13.1	28-Apr		"		"	"
13.2	30-Apr		"		"	"
14.1	5-May		"		"	"

Both the presentation and their one-page assessments of other teams will be considered in determining a student's overall grade.

TEXTBOOK AND MATERIALS

There is no prescribed textbook for this course. Learning objectives will be illustrated through a series of class discussions and illustrations.

You may access course materials, including class exercises and their solutions on Brightspace. And, because this course is based on U.S. GAAP financial accounting and reporting standards, you should be familiar with how to access the FASB's *Accounting Standards Codification*, as well as its *Conceptual Framework for Financial Reporting*; both are available for no charge at https://fasb.org/standards.

Other needed materials, such as a specific company's various SEC filings (e.g., 10-Qs and 10-Ks) are typically available through the company's website (e.g., under the "investor relations" tab) or through the SEC's Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system https://www.sec.gov/search-filings.

GRADING

No grading system is perfect. However, each course grading component (see table below) is intended to provide a fair and equitable assessment of an individual student's understanding of the course content from different perspectives. History shows that the most successful students attend all classes and complete all assignments. And it's that demonstrated commitment to learning that tends to contribute to good performance on exams and projects.

Course Grading Components	Combined	Team	Individual
Midterm Exam I (Phase I of Project 10-K)	10%	10%	
Midterm Exam II (Phase II of Project 10-K)	10%	10%	
Preparation & Participation (including TPS, attendance, constructive contributions to class discussions)	20%		20%
Preparation & Participation ("360 evaluations")	10%		10%
Practical Application (Project 10K model—team submission)	30%	30%	
Practical Application (Project 10K presentation—individual contribution)	10%		10%
Practical Application (Project 10K—individual evaluations of other teams)	10%		10%
Total	**100%**	**50%**	**50%**

Note: Extra-credit projects will NOT be considered so put 100% effort into the assigned work.

Outlined in the table are the course grading components with respective weights—for team and individual performances—assigned to each component. Any changes to those weights will be communicated to the class. Each grading component of the overall course grade is discussed below.

Midterms Exams: There will be two midterm exams based on the specific Project 10-K company each team selects. The purpose of the midterm exams is to assess each team's to-date progress in developing an overall model and to provide timely, constructive feedback regarding ways to improve the model.

Make-ups are not permitted unless approved in advance for extraordinary circumstances.

Preparation: *Preparation* is a critical element for, and the first step toward, success in this course. Advance preparation material should be read in advance of the class meeting covering the related material, so class time can be spent developing a deeper understanding of that material. Assigned readings also reinforce a student's knowledge and understanding of selected U.S. GAAP topics, in particular those students planning to sit for the CPA exam.

Experience shows that students who do not read assigned materials in advance of class struggle during class. That's because professor comments and observations will focus on the more challenging concepts presented in the material and will aim to present the "big picture" of how the concepts build upon each other and relate to each other.

Participation (In-Class): *Participation during class* is often the most challenging for students. That's because learning to ask the right question in the right way, using the right terms, can be difficult given the complexities of weaving together the multiple disciplines covered in the course. An effort will be made to create a hospitable and inclusive environment where students feel comfortable expressing their ideas. (Maybe "less uncomfortable" is more accurate because public speaking is seldom stress free.) There is an expectation that each registered student will make the same effort.

Students are expected to use their name placard in each class. A sign-in sheet also will be used to track attendance and to aid the professor in quickly associating names with faces.

Attendance provides each student with an opportunity to demonstrate command of the subject matter and to get help when it's needed. All classes will start on time so plan accordingly. Experience shows that a student's success depends on a consistent on-time presence, as well as active participation, in class. Therefore, every effort should be made to arrive ahead of the scheduled start time and remain for the entire class period. If a student anticipates arriving late (or missing class for exceptional reasons), an email sent in advance to the professor (with a copy to the TA) is appreciated.

Before speaking publicly on a specific topic, it's helpful to talk the matter through with others in a more private setting. So, class time will include collaborative working sessions (with your three-person team) for problem-solving and interactive discussion. This includes "think-pair-share" (TPS) sessions intended to broaden the perspectives of all students and practice publicly communicating often complex business issues. One source of TPS topics will be recent news articles (there's almost always some breaking news!) that ties the academic material back to real-world current events.

An overall score for this component is necessarily subjective, but will be based on consistent attendance, quality and thoughtfulness of questions asked by the student, responses to in-class questions posed by the professor and engagement during class discussions. If a student has concerns, they should express them directly to the professor. The professor reserves the right to adjust a student's final grade based on an expected level of participation and professionalism in class.

Participation ("360 Evaluations"): Students are responsible for forming and managing their own Project 10-K teams. Please note in doing so that the best teams tend to be those that have members with complementary skills and that respect and work well with others.

Project teams have their pros and cons. High on the pros list it the opportunity to learn from small-group discussions and to challenge each other. Among the cons is the risk that some team members do not pull their weight. Experience shows that an effective defense against this risk is to have each team member provide their periodic "360 assessment" of each member's proportionate contributions including their own.

Practical Application (Project 10-K): The financial reporting ecosystem can be described as a supply chain that includes three distinct components: *production*, *distribution* and *consumption*. A substantial portion of material covered in other accounting courses focuses on the *production* of financial information. This project, as well as the entire course, is intended to expand each student's understanding about its *consumption* by requiring specific information be located and extracted from an annual Form 10-K, efficiently and effectively modeled and then be effectively communicated in both oral and written form.

The knowledge gained in the early classes builds the foundation for subsequent material. In other words: Spending more time early in the semester building a solid foundation saves time later. **Cramming doesn't work—despite this warning, too many individual students and teams painfully learn that lesson too late in the semester.**

Overall Course Grade: NYU Stern strives to create courses that challenge students intellectually and that meet the Stern standards of academic excellence. The professor reserves the right to adjust a student's final grade based on that student's level of preparation, participation, practice and practical application demonstrated throughout the semester. Using a 100-point grading scale, overall letter grades will correspond as follows:

Letter Grade	Point Scale
A	93.0 to 100
A-	90.0 to 92.$\overline{99}$
B+	87.0 to 89.$\overline{99}$
B	83.0 to 86.$\overline{99}$
B-	80.0 to 82.$\overline{99}$
C+	77.0 to 79.$\overline{99}$
C	73.0 to 76.$\overline{99}$
C-	70.0 to 72.$\overline{99}$
D+	67.0 to 69.$\overline{99}$
D	60.0 to 66.$\overline{99}$
F	59.$\overline{99}$ and below

COURSE QUESTIONS AND COMMUNICATIONS

Students with questions of a private nature, please email the professor. When emailing, include your full name and class time/section in the email.

ACADEMIC INTEGRITY

We take pride in our well-rounded education and approach our academics with honesty and integrity. Indeed, integrity is critical to all that we do here at NYU Stern. As members of our community, all students agree to abide by the NYU Academic Integrity Policies as well as the NYU Stern Student Code of Conduct, which includes a commitment to:

- Exercise integrity in all aspects of one's academic work including, but not limited to, the preparation and completion of exams, papers and all other course requirements by not engaging in any method or means that provides an unfair advantage.
- Clearly acknowledge the work and efforts of others when submitting written work as one’s own. Ideas, data, direct quotations (which should be designated with quotation marks), paraphrasing, creative expression, or any other incorporation of the work of others should be fully referenced.
- Refrain from behaving in ways that knowingly support, assist, or in any way attempt to enable another person to engage in any violation of the Code of Conduct. Our support also includes reporting any observed violations of this Code of Conduct or other School and University policies that are deemed to adversely affect the NYU Stern community.

STERN CODE OF CONDUCT

The Stern Code of Conduct and Judiciary Process applies to all students enrolled in Stern courses.

> For graduate students, information can be found here: https://www.stern.nyu.edu/uc/codeofconduct.
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> For undergraduates, information can be found here: https://www.stern.nyu.edu/portal-partners/current-students/undergraduate/community/community-expectations.

To help ensure the integrity of our learning community, prose assignments you submit to NYU Brightspace will be submitted to Turnitin. Turnitin will compare your submission to a database of prior submissions to Turnitin, current and archived Web pages, periodicals, journals, and publications. Additionally, your document will become part of the Turnitin database.

STUDENT ACCESSIBILITY

If a student needs academic accommodation for this course, please obtain and provide a letter from the Moses Center for Student Accessibility (212-998-4980, mosescsa@nyu.edu) verifying your registration and outlining the recommended accommodations. If a student needs to take an exam at the Moses Center for Student Accessibility, they must submit a completed Exam Accommodations Form to the Center at least one week prior to the scheduled exam time to be guaranteed space availability. For more information, visit the CSA website: https://www.nyu.edu/students/communities-and-groups/student-accessibility.html.

STUDENT WELLNESS

Our aim is for students to be as successful academically as they can, and to help them overcome any impediments to that. Any student who may be struggling and believes this may affect their performance in this course is urged to contact the Moses Center for Student Accessibility (see also the Student Accessibility section of this syllabus) at 212-998-4980 to discuss academic accommodations. If mental health assistance is needed, call the NYU's 24/7 Wellness Exchange hotline 212-443-9999. Furthermore, please approach me if you feel comfortable doing so. This will enable me to provide relevant resources or referrals. There are also drop in hours and appointments. Find out more at http://www.nyu.edu/students/health-and-wellness/counseling-services.html.

Graduate students can also reach out to the Academic Advising team at academicaffairs@stern.nyu.edu if you would like to receive more information or further support.