George Mason University  
Graduate Course Approval/Inventory Form

Please complete this form and attach a copy of the syllabus for new courses. Forward it as an email attachment to the Secretary of the Graduate Council. A printed copy of the form with signatures should be brought to the Graduate Council Meeting. Complete the Coordinator Form on page 2, if changes in this course will affect other units.

Please indicate:  
___x___ NEW  
____ MODIFY  
____ DELETE

Local Unit:  School of Management  
Graduate Council Approval Date:

Course Abbreviation:  MSBM  
Course Number:  613

Full Course Title:  Financial Reporting and Decision Making in Bioscience Management  
Abbreviated Course Title (24 characters max.):  
Credit hours:  3  
Program of Record:  BU

Repeatable for Credit?  
___ D=Yes, not within same term  
___ T=Yes, within the same term  
_x_ N=Cannot be repeated for credit

Activity Code (please indicate):  
___x___ Lecture (LEC)  
___ Lab (LAB)  
___ Recitation (RCT)  
___ Studio (STU)  
___ Internship (INT)  
___ Independent Study (IND)  
___ Seminar (SEM)

Catalog Credit Format  3 : 3 : 0  
Course Level:  GF(500-600)  
_x_ GA(700+)

Maximum Enrollment:  20  
For NEW courses, first term to be offered:  04F

Prerequisites or corequisites:  Admission to Bioscience Management Program or permission of instructor

Catalog Description (35 words or less)  Please use catalog format and attach a copy of the syllabus for new courses.:  
MSBM 613 Financial Reporting and Decision Making in Bioscience Management (3:3:0) Prerequisites: Admission to the Bioscience Management Program. Foundation course focusing on the economics and analysis of business transactions and related financial reporting issues. Topics include an introduction to the accounting framework used in financial reporting, analysis of economic events and their impact on financial reports, analysis of the impact of accounting method choices on financial reports, and financial statement analysis.

For MODIFIED or DELETED courses as appropriate:  
Last term offered:  
Previous Course Abbreviation:  
Previous number:

Description of modification:

APPROVAL SIGNATURES:  
Submitted by:  
email:  
Department/Program:  
Date:  
College Committee:  
Date:  
Graduate Council Representative:  
Date:  
George Mason University
Course Coordination Form

Approval from other units:

Please list those units outside of your own who may be affected by this new, modified, or deleted course. Each of these units must approve this change prior to its being submitted to the Graduate Council for approval.

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<th>Unit:</th>
<th>Head of Unit’s Signature:</th>
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Graduate Council approval:  ______________________________________________ Date: ____________

Graduate Council representative: __________________________________________ Date: ____________

Provost Office representative: ________________________________ Date: ____________
Bioscience Management Program – Bravo Cohort  
MSBM 613 – Financial Reporting and Decision-Making  
Spring 2005

Instructor: Dr. Sarah E. Nutter  
Office: 103 Enterprise Hall  
Telephone: (703) 993-1860  
Fax: (703) 993-1809  
Email: snutter@gmu.edu  
WebCT: webct38.gmu.edu

Text and Materials:  

Harvard Business School Cases and Articles  
PolyMedica Corporation (A)  
Depreciation at Delta and Singapore (A)  
Depreciation at Delta and Singapore (B)  
Sharpening the Intangibles Edge  
How Much Cash Does Your Company Need?  
Accounting for Employee Stock Options

Course Objectives:  
The overall purpose of this course is to provide managers with an overview of the purpose and importance of accounting within the organization. In this course we will focus on the economics and analysis of business transactions and the related financial reporting issues. Specifically, we will focus on the following objectives:

- To achieve a basic familiarity with the accounting framework and process.  
- To develop the ability to analyze economic events and determine the impact of the events on the financial reports.  
- To develop the capability to interpret, analyze and evaluate external financial reports.  
- To evaluate the impact of accounting method choices on financial reports.  
- To examine and evaluate current financial accounting and reporting practices.  
- To understand the usefulness and limitations of financial reports.

Strategies for Success:  
This course covers a great deal of material that builds progressively throughout the course. As a result, the best strategy for doing well in the course is to stay caught up and quickly get help from your classmates or me if you need it. In addition, the assignments and self-study problems are an integral component of the course. Completion of the assignments and self-study problems is a key component to internalizing the course material.

Honor Code: This course is conducted in accordance with the GMU Honor Code. For more information, please see:  http://mason.gmu.edu/~montecin/plagiarism.htm . Violations of the honor code include cheating
(e.g., using someone else’s work, using materials obtained, directly or indirectly, from students or others who have seen it before, discussing individual assignments), plagiarism (e.g., presenting someone else’s idea or work as your own), lying, and stealing.

**Evaluation and Grading Standards:**
Grades are assigned on the basis of your mastery of the material. Thus, it is possible that everyone will receive As, Bs, or Cs. In the past the grade distribution has taken on the following approximate form:

- **A** 35-55%
- **B** 45-55%
- **C** 0-20%

Your grade will be based on several individual and group assignments including a research project. Grades are assigned on the basis of the number of points earned. Per the Honor Code: *The individual components of the course are to be done independently; you are not to discuss them with anyone but me.*

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<tr>
<th>Component</th>
<th>Due Date</th>
<th>Points</th>
<th>Percent</th>
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<tr>
<td>Ivy software on-line exam</td>
<td>9-Feb</td>
<td>40</td>
<td>8%</td>
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<tr>
<td>Individual problem set</td>
<td>11-Mar</td>
<td>100</td>
<td>19%</td>
</tr>
<tr>
<td>Individual comprehensive exam</td>
<td>18-May</td>
<td>150</td>
<td>28%</td>
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<tr>
<td>Individual database contributions on designated topics</td>
<td>4 items @ 10 points - due throughout</td>
<td>40</td>
<td>8%</td>
</tr>
<tr>
<td>Group summaries of individual database contributions and articles</td>
<td>2 summaries @ 20 points</td>
<td>40</td>
<td>8%</td>
</tr>
<tr>
<td>Group cases</td>
<td>3 cases @ 20 points - due throughout</td>
<td>60</td>
<td>11%</td>
</tr>
<tr>
<td>Group research project</td>
<td>18-May</td>
<td>100</td>
<td>19%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>530</td>
<td>100%</td>
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</table>

Each member of your group will complete a confidential group participation evaluation at the end of the semester. These evaluations will be reviewed by the instructor and may affect an individual group member’s project grade and other group work.
Ivy Software:
The Ivy accounting software is designed to help you develop a solid understanding of the accounting framework (e.g., encoding an economic event into a journal entry and preparing balance sheets and income statements), basic financial statement analysis tools, and time value of money concepts. In this assignment you will work through self-paced learning materials to master the concepts and then take an on-line exam.

To take the exam, choose “on-line test” on the drop-down menu on the CDROM. Follow the instructions, which will guide you through installing the “authorware” software required to complete the on-line test and direct you to the website: www.ivysoftware.com. Select “products” and then “login to take a test.” Select “George Mason Bio Science” from the drop-down menu and follow the on-screen directions. Your password is: 37462. The exam will consist of 40 multiple choice questions selected randomly from their question database. (Note: The “authorware” software is browser-specific i.e., Netscape vs. IE.) You must complete this exam by COB February 9.

Individual Problem Set:
The individual problem set will be based upon class material and designed to encourage internalization of class concepts. The problem set will be distributed electronically during the semester and due via email by March 11.

Individual Comprehensive Exam:
The final exam, which will be given in class on May 18, will be comprehensive, covering material on the entire course. It will consist of essay and problem questions that test your ability to apply the knowledge you have gained throughout the semester.

Group Cases:
Group cases are assigned to investigate accounting issues in the context of real business settings. Each group will respond to a series of case questions relative to a particular case in written form. The group case response is due to me via email on the date noted on the syllabus. We will debrief the case during a live session.

Individual Database Contributions:
Applying the knowledge you are learning to the business problems at work as well as those described in the press enhances your understanding of the course material. Accounting issues surround us and the decisions individuals within firms make regarding their accounting choices impact the image we have of the firm and its business strategy. As recent history has taught us, accounting matters.

The four database assignments are focused on integrating current accounting issues and class material.

- For two (#1 and #3) of the database contributions (“Games People Play” and “Accounting Rule Changes and Regulatory Structure”), your assignment is to contribute an example of how the concepts we discuss in class are reflected in newspaper, magazine, or other articles. Your description and analysis should not exceed one page and should include: 1) A brief description of the critical facts, 2) The key accounting issues, 3) Your analysis, and 4) Citation information (author, title, publication, date, and pages). You will not receive credit for contributions that simply summarize or quote extensively from the source material. As appropriate, your analysis should include an evaluation of the choices that the firm made relative to the accounting issues and the implication of those choices on the firm’s current and future financial reports and its future overall performance.

- The second (#2) database contribution, which is based on P4-38 and P5-31, illustrates the notion that industry matters – the underlying economics of companies are affected by the industry in which they operate. For this contribution, you are to email me your proposed solution to the problems by March 1. I will summarize your responses and post a solution.
For the final (#4) database contribution, “Hot Accounting Issues in the Biotech Industry,” you are given the opportunity to identify accounting issues that are of particular interest to you or your company. Your description and analysis should not exceed two pages and should include: 1) A brief description of the critical facts, 2) The key accounting issues, and 3) Your analysis of the issue and its impact on the Biotech Industry. As appropriate, your analysis should include an evaluation of the choices that a particular firm made relative to the accounting issues and the implication of those choices on the firm’s current and future financial reports and its future overall performance.

Instructions:

For database contributions #1, #3, and #4 -- Please post an electronic copy of your contribution, including the original article where appropriate, to the appropriate topic on the WebCT bulletin board under discussions by the due date noted for each assignment. Each group will be assigned to summarize one of the sets of postings for a particular topic and will receive a group grade for their effort. The group assessment is due one week following the due date of the individual contribution and should be posted to the related topic area of the WebCT bulletin board.

For database contribution #2 – Please email me your proposed solution by the date noted on the syllabus. I will summarize and post the solution and summary to the WebCT bulletin board.

Group Summaries of Database Contributions and HBR Articles:
Each group (A, B, and C) is responsible for summarizing one of the sets of database contributions and one of the HBR articles. Due dates are noted on the syllabus. Please post the database contribution summary to the appropriate topic on the WebCT bulletin board and the article summary to the HBR article summary topic of the WebCT bulletin board.

Group Research Project:
One component of your group work is an accounting research project based upon analysis of a real-world company. Comparison should be made with both a benchmark company, such as the industry leader or a comparable firm, as well as an industry average. You will need 3 annual reports (of 10-Ks) for your primary company. Your analysis should identify areas in which the company is performing well (strengths) and advise management of any problem areas (weaknesses). Include in your analysis an assessment of how the firm’s strengths and weaknesses affect its creditworthiness and investment potential. The time period for the analysis should include the most recent three years. Groups should select their companies by January 27 and may want to select companies of local interest. The project report should be typed (double-spaced) and be no longer than 10 pages, excluding tables and appendices. Include as an appendix the latest year’s financial statements for your primary company. Each group will present the research project on May 18. A suggested outline is included below.

Group Research Project - Suggested Outline

I. Executive Summary
II. Company Performance and Managerial Effectiveness  
   A. Through-time (trend) analysis of the firm’s financial performance (use the DuPont Framework as a starting point for this analysis)  
   B. Discuss the effect of accounting choices on the financial statements  
   C. Cross-sectional analysis and comparison of the firm with benchmarks: industry competitor and industry benchmark

III. Future Prospects:  
   A. Integrative assessment of current company performance, focusing on sustainability of principal sources of competitive advantage, investment potential, and credit-worthiness  
   B. Integrative overall outlook for future performance

IV. Appendix

V. Footnotes

VI. Bibliography
Tentative Course Schedule – Spring 2005

Residency Session (January 14; 1:00 – 5:00 p.m.)

**Topic:** Accounting Framework and Accounting Methods: Cash vs. Accrual

**Reading:** Stickney and Weil, Chapters 1 – 3, 5

**Assignment:**
- Self-study: 1-14, 1-18, 1-27, 1-28, 1-29, 2-8, 2-14, 2-20, 2-21, 2-23, 3-31, 3-32, 5-16, 5-19, 5-26

Residency Session (January 15; 1:00 – 5:00 p.m.)

**Topic:** Financial Statement Analysis and Time Value of Money

**Reading:** Stickney and Weil, Chapters 1 – 3, 5, Appendix-Compound Interest

Asynchronous Session (January 16 – January 26)

**Assignments:**
- Individual Non-graded Homework: AMGEN: An Introduction to Financial Statement Analysis (*due January 27*)
- Group B – Summary of HBR Article: “How Much Cash Does Your Company Need?” (*due January 26*)

Synchronous Session (January 27; 5:30-8:00 p.m. SUB II SOM 4 Lab)

**Topic:** Statement of Cash Flows

**Reading:** Stickney and Weil, Chapter 4

**Discussion:** AMGEN: An Introduction to Financial Statement Analysis
HBR Article: “How Much Cash Does Your Company Need?”

**Assignment:**
- Self-study: 4-17, 4-19, 4-27, 4-35
Asynchronous Session (January 28 – February 23)

Assignments:
- Ivy Software (due February 9)
- Individual Database Item #1: “The Games People Play” – Accounting Irregularities in the Marketplace (due February 14)
- Group A – Summary of Individual Database Item #1 Contributions (due February 21)
- Group Case #1: PolyMedica (A) (due February 22)
- Group C – Summary of HBR Article: “Sharpening the Intangibles Edge” (due February 23)

Synchronous Session (February 24; 5:30-8:00 p.m. SUB II SOM 4 Lab)

Topic: Assets
Reading: Stickney and Weil, Chapters 6, 7 and 8
Discussion: PolyMedica (A)
Summary of Individual Database Item #1
HBR Article “Sharpening the Intangibles Edge”
Assignment:
- Self-study: 6-16, 6-25, 6-37, 7-24, 7-29, 7-49, 8-14, 8-19, 8-32, 8-34

Asynchronous Session (February 25 – March 23)

Assignments:
- Individual Database Item #2: “Industry Matters” P4-38, P5-31 (due March 1)
- Individual Problem Set (due March 11)
- Group Case #2: Depreciation at Delta and Singapore (A) (due March 22)

Synchronous Session (March 24; 5:30-8:00 p.m. SUB II SOM 4 Lab)

Topic: Liabilities and Time Value of Money
Reading: Stickney and Weil, Chapters 9, 10 and Appendix-Compound Interest
Discussion: Depreciation at Delta and Singapore (A)
Individual Database Item #2
Assignment:
- Self-study: 9-2, 9-21, 9-22, 9-26, 9-39, 9-41, 10-26

Asynchronous Session (March 25 – April 20)

Assignments:
Synchronous Session (April 21; 5:30-8:00 p.m. SUB II SOM 4 Lab)

Topic: Equity Issues and Summary

Reading: Stickney and Weil, Chapters 11, 12, and 14

Discussion: Depreciation at Delta and Singapore (B)
             HBR Article: Accounting for Employee Stock Options

Assignment:
• Self-study: 11-16, 11-21, 11-27, 11-51, 12-22, 12-32, 12-38, 14-16

Asynchronous Session (April 22 – May 17)

Assignments:
• Individual Database Item #4: Hot Topics in Accounting in the Biotech Industry (due April 29)
• Group B - Summary of Individual Database Item #4 Contributions (due May 6)
• Group Research Project (due May 18)

Residency Session (May 18; 8:00 – noon)

Topic: Final Exam

Residency Session (May 18; 1:00 – 5:00)

Topic: Group Presentations
**GROUP EVALUATION**

**Instructions:** As specified in the syllabus, a group participation evaluation is to be completed by each group member. The evaluation should be completed **independently** in the following manner:

1. Identify your group number and list your group members (including yourself) in the first column.

2. Rate the participation of your group members by awarding each member some number of points between 0 and 100. For example, if you feel that all members of your group participated equally and there were four members in your group, you would give 100 points to each group member. The points should be given to your team members based upon a consideration of the following: (1) willingness and participation in carrying out assigned tasks, (2) ability of the individual to meet deadlines, (3) cooperation with other team members, (4) quality of the individual’s work, and (5) overall contribution to the projects.

3. Sign the evaluation at the bottom and return it to the instructor no later than May 18. This evaluation will be reviewed by the instructor and may affect an individual group member’s project and case grades. You may use the back of this form to provide any written comments related to your group evaluation (all information disclosed will be kept confidential).

**Group Members and Evaluation:**

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Student Signature

Comments: