GEORGETOWN UNIVERSITY / McDONOUGH SCHOOL of BUSINESS

ACCT 6500: Corporate Financial Reporting
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Every major business decision – from pricing to hiring to strategy – leaves a financial footprint. This means that every firm's financial statements tell the story of its choices and strategies – but only if you know where to look. This course helps you know where to look and to understand how those decisions are measured, communicated, and interpreted through firms' financial statements. Whether you plan to advise corporate clients, allocate capital, or manage teams, fluency in corporate financial reporting will make you a more informed leader.

What is corporate financial reporting?

Corporate financial reporting translates a firm's economic activity into ***structured*** information about its ***financial performance*** and ***financial condition***.

- *Financial performance* during a period is reflected within an income statement and a statement of cash flows.
- *Financial condition* at a point in time is reflected within a balance sheet.
- Financial information is *structured* because publicly traded firms apply the same standards (US GAAP) when generating their financial information for presentation to external stakeholders. Financial metrics are best assessed relative to benchmarks, and benchmarking requires firms to account for economic activity in comparable ways.

What will you learn in this course?

This course serves as a foundation for professional opportunities that involve the consideration of how corporate operational and strategic decision-making appear in firms' financial statements, as well as how financial statements can be used to evaluate the successes and challenges of firms' operational and strategic decision-making. The course is intended to help position students for successful careers in fields that involve analytical thinking and strategic interpretation of financial information – in other words, all careers! The course is especially useful to students focused on careers in consulting, financial services, and managing teams working on projects with profit and loss implications.

This course builds upon your understanding of how corporate financial information is ***produced*** (a topic covered in your core accounting course), so that we can focus on (1) how financial information is ***presented*** to external stakeholders within financial statements and their accompanying notes, and (2) how you can ***use*** this information to understand and evaluate a firm's operational and strategic decision-making. What you learn in this course should help you better understand the strategic decisions, and influence the financial performance, of your future employer and clients. What you learn will also help you better understand the strategic decisions of your employer's competitors, suppliers, and customers.

After completing this course, you will be able to:

- Analyze and interpret corporate financial statements with confidence;
- Evaluate the financial effects of firms' operating and strategic decisions; and
- Communicate actionable insights from financial data clearly and persuasively.

What will you do in this course?

Each session is designed with the following in mind:

(1) *Establish the conceptual framework.*
- How do accounting standards translate the economic transaction/event into structured financial information?

(2) Apply the framework at "Firm A."
- How would a hypothetical firm account for this transaction/event? What professional judgment is required to fully reflect all aspects of an economic transaction/event?
- This moves us from abstraction to applied insight.

(3) Illustrate the framework at a publicly traded firm.
- How can we use publicly traded firms' financial disclosures to see the story of a firm's operational and strategic decision-making?
- The real world is more complicated than "Firm A," so we will first dig into the details and then step back to remember the big picture.
- We will walk through portions of recent income statements, balance sheets, and financial statement notes of dozens of publicly traded companies that follow US GAAP.