San Jose State University  
College of Business – Accounting and Finance  
Biology 202TA- Accounting and Financial Aspects of Biotech  
Professional Master’s Studies in Biotechnology  
Fall Semester 2015

Course and Contact Information
Instructor: Richard D. (Rick) Steingart  
Office Location: Business Tower – BT 554  
Telephone: (408) 924-3470 (email preferred)  
Email: richard.steingart@sjsu.edu  
Office Hours: Thursday 5 – 6 P.M. or by appointment in Duncan Hall  
Class Days/Time: Thursday 6 – 9:30 P.M.  
Classroom: Duncan Hall 249

Course Description
This course provides background in financial accounting and financial statement analysis, applied to the biotech industry.
For financial accounting this course introduces the accounting process and the creation and analysis of published financial statement (Balance Sheet, Income Statement, Statement of Retained Earnings, Statement of Cash Flows) information for decision making by parties external to the business (e.g., investors, analysts, government agencies).
For financial statement analysis and reporting students are required to do an analysis and report on the actual results of a publicly owned biotech or pharmaceutical company referencing the company SEC 10K including the financial statements, notes to the statements, and published management discussion and analysis.

College of Business Program Learning Goals
Goal One: Business Knowledge
Understand basic business principles and demonstrate discipline-specific competencies as applied to local and global environments.

Goal Two: Communication
Communicate ideas clearly, logically, and persuasively in oral and written format, using technology appropriately.

Goal Three: Ethical Awareness
Recognize, analyze, and articulate solutions to ethical issues that arise in business.

Goal Four: Leadership, Teams and Diversity
Comprehend the challenges and opportunities of leading and working in diverse teams and environments.

Goal Five: Critical Thinking
Comprehend, analyze, and critically evaluate complex and unstructured qualitative and quantitative business problems, using appropriate tools and technology.

Goal Six: Innovation
Recognize, analyze, and articulate strategies for promoting creativity and innovation.
Course Learning Outcomes (CLO)

The primary goal of this course is to introduce students to how to approach the analysis of biotech/biopharmaceutical company financial statements using the management analysis and discussion section of the company 10K report.

Upon successful completion of this course, students will be able to:

- Understand the financial statement impact of typical corporate business transactions.
- Prepare a basic Income Statement (IS), Statement of Retained Earnings, and Balance Sheet
- Understand a Statement of Cash Flow
- Understand the meaning & examples of Generally Accepted Accounting Principles (GAAP)
- Understand GAAP accounting alternatives for Receivables, Inventory, and Fixed Assets
- Understand GAAP principles in accounting for Intangibles and Research & Development
- Understand financial reporting of liabilities and stockholders’ equity (including treasury stock).
- Perform a horizontal analysis of financial statements (focus on Income Statement/Balance Sheet)
- Understand how to use the company 10K report to analyze financial performance.

Required Texts/Readings

Class Reader:
The class notes/reader will be available for purchase at the start of the first class and cost $20.

Required Texts:
Understanding Financial Statements, 8th Edition; Fraser & Ormiston; Pearson Prentice Hall
Use Google, Yahoo, or Amazon searches to find sources to buy these books used.
Expect up to a one or two week delay for delivery.
Prices can vary from $10 to over $100 for used to new versions.
Do not buy the international edition, problems may not be the same problems as in the US edition.

Other equipment / material requirements
Students must bring a four function calculator to every class to do class exercises.
For any multiple choice exams; students must use Scantron Form 882-E (to be discussed)

Course Requirements and Assignments
SJSU classes are designed such that in order to be successful, it is expected that students will spend a minimum of forty-five hours for each unit of credit (normally three hours per unit per week), including preparing for class, participating in course activities, completing assignments, and so on. More details about student workload can be found in University Policy S12-3 at http://www.sjsu.edu/senate/docs/S12-3.pdf.
Grading Policy - Examinations and Grading

<table>
<thead>
<tr>
<th>Quiz</th>
<th>10%</th>
<th>Elements of Financial Statements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Midterm</td>
<td>30%</td>
<td>Accounting Cycle</td>
</tr>
<tr>
<td>Final</td>
<td>30%</td>
<td>Financial Statement Analysis (FSA) &amp; Concepts</td>
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<tr>
<td>Report</td>
<td>30%</td>
<td>Publicly traded biotech company analysis</td>
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<tr>
<td>Total</td>
<td>100%</td>
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Note: Quizzes, Midterm and Final exam grades may be curved at instructor discretion. Additional drop box problems may be given for extra credit at instructor discretion. Weightings of quiz results will be done at instructor discretion.

Grading – Per San Jose State University Grading Schedule
Grading is based on the following schedule.

<table>
<thead>
<tr>
<th>%</th>
<th>Grade</th>
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<th>Grade</th>
<th>%</th>
<th>Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>87-89</td>
<td>B+</td>
<td>77-79</td>
<td>C+</td>
<td>67-69</td>
<td>D+</td>
<td></td>
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<tr>
<td>93-100</td>
<td>A</td>
<td>83-86</td>
<td>B</td>
<td>73-76</td>
<td>C</td>
<td>63-66</td>
<td>D</td>
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<tr>
<td>90-92</td>
<td>A-</td>
<td>80-82</td>
<td>B-</td>
<td>70-72</td>
<td>C-</td>
<td>60-62</td>
<td>D-</td>
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<tr>
<td>0-59</td>
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<td></td>
<td></td>
<td></td>
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</tbody>
</table>

Financial Statement Analysis Project
Students will be assigned a publicly traded pharmaceutical or biotech company and obtain a copy of their annual and 10K reports. Students will then analyze the financial performance of the company. Students may be grouped into teams to do the analysis and submit an analysis report as a team.

Instructor Website
The instructor website will post the Green Sheet with the course syllabus.

Canvas
The school has adopted the Canvas software package for instructor and student use. Canvas will post homework solutions, exam results, class student ID #s and other items. Canvas will also have student exam results, report/project results, and final grades. Please log onto Canvas as soon as possible. You can contact IT Support Services by phone at 924-2377 or by email at helpdesk@sjsu.edu
**Homework**

Most homework topics are covered in class before assigned as homework. Homework should be completed as assigned. Solutions are made available to assist students in understanding the homework and to minimize class time reviewing homework. Just reviewing the homework solutions made available without actually doing the assignment will generally negatively impact performance on exams and subsequently impact your success in this class.

If you have done the homework with the aid of the text, handouts, or solutions consider doing the same example again at a later time (in the day or next day) but without any aids. Repeat until you can solve problems independently. This will ensure you have understood and internalized the concepts.

**Classroom Protocol**

Students will be expected to arrive to class on time. Class will start promptly.

Classroom attendance will be taken every class.

Cell phones and laptops will be turned off, except for work requirements.

**Exams**

All exams will be closed book and closed notes. If applicable, formulas will be provided.

There will be no external aids used for the exams (e.g., cell phones, translation dictionaries).

Exams will be returned for the student’s review and then must be recollected. During the review no markings allowed on exams. A ZERO grade will be given if quiz/exam is not returned. Any questions on exam grading must be submitted the same day the exam is reviewed. Academic integrity violations of any kind on quizzes & exams will not be tolerated.

**University Policies**

**Dropping and Adding**

Students are responsible for understanding the policies and procedures about add/drop, grade forgiveness, etc. Refer to the current semester’s Catalog Policies section at http://info.sjsu.edu/static/catalog/policies.html. Add/drop deadlines can be found on the current academic year calendars document on the Academic Calendars webpage at http://www.sjsu.edu/provost/services/academic_calendars/. The Late Drop Policy is available at http://www.sjsu.edu/aars/policies/latedrops/policy/. Students should be aware of the current deadlines and penalties for dropping classes.

Information about the latest changes and news is available at the Advising Hub at http://www.sjsu.edu/advising/.
Consent for Recording of Class and Public Sharing of Instructor Material

University Policy S12-7, http://www.sjsu.edu/senate/docs/S12-7.pdf, requires students to obtain instructor’s permission to record the course and the following items to be included in the syllabus:

- “Common courtesy and professional behavior dictate that you notify someone when you are recording him/her. You must obtain the instructor’s permission to make audio or video recordings in this class. Such permission allows the recordings to be used for your private, study purposes only. The recordings are the intellectual property of the instructor; you have not been given any rights to reproduce or distribute the material.”
  - It is suggested that the greensheet include the instructor’s process for granting permission, whether in writing or orally and whether for the whole semester or on a class by class basis.
  - In classes where active participation of students or guests may be on the recording, permission of those students or guests should be obtained as well.
- “Course material developed by the instructor is the intellectual property of the instructor and cannot be shared publicly without his/her approval. You may not publicly share or upload instructor generated material for this course such as exam questions, lecture notes, or homework solutions without instructor consent.”

Academic integrity

Your commitment, as a student, to learning is evidenced by your enrollment at San Jose State University. The University Academic Integrity Policy S07-2 at http://www.sjsu.edu/senate/docs/S07-2.pdf requires you to be honest in all your academic course work. Faculty members are required to report all infractions to the office of Student Conduct and Ethical Development. The Student Conduct and Ethical Development website is available at http://www.sjsu.edu/studentconduct/.

Campus Policy in Compliance with the American Disabilities Act

If you need course adaptations or accommodations because of a disability, or if you need to make special arrangements in case the building must be evacuated, please make an appointment with me as soon as possible, or see me during office hours. Presidential Directive 97-03 at http://www.sjsu.edu/president/docs/directives/PD_1997-03.pdf requires that students with disabilities requesting accommodations must register with the Accessible Education Center (AEC) at http://www.sjsu.edu/aec to establish a record of their disability.
### 3. Accounting and Financial Aspects of Medical Product Development – Syllabus

<table>
<thead>
<tr>
<th>Date</th>
<th>Topics discussed in class</th>
<th>Home Work (HW) Assignment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thurs #</td>
<td>V0</td>
<td>Class</td>
</tr>
<tr>
<td>Pre-read</td>
<td>UFS Chapter 1 Financial Statements: An Overview</td>
<td>UFS 1 P51-52</td>
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<tr>
<td>9/24</td>
<td>Introduction and course administration</td>
<td>HW 1.3, 11</td>
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<tr>
<td>10/1</td>
<td>Accounting Transactions and Concepts Quiz</td>
<td>CC 1.2, 3.4</td>
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<td>10/8</td>
<td>Midterm 1 - Accounting Cycle</td>
<td>CC 4, BFPAP 210</td>
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<tr>
<td>10/15</td>
<td>Balance Sheet - Current Assets (Inventory)</td>
<td>CC 1.2, 3.4</td>
</tr>
<tr>
<td>10/22</td>
<td>Income Statement and Statement of Retained Earnings</td>
<td>CC 1.2, 3.4</td>
</tr>
<tr>
<td>10/29</td>
<td>Final Exam - Financial Statement (Horizontal) Analysis - IS, BS</td>
<td>CC 1.2, 3.4</td>
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<tr>
<td>11/18</td>
<td>Financial Statement Analysis Project - Soft copy due</td>
<td>Drop Box Submission by Team</td>
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<tr>
<td>11/19</td>
<td>Financial Statement Analysis Project - Hard Copy due</td>
<td>Hard Copy Binders due to Sabine</td>
</tr>
<tr>
<td>12/3</td>
<td>Projects Returned to Sabine (for review only)</td>
<td></td>
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</tbody>
</table>

**Text**: UFS Understanding Financial Statements 8th Edition (order on-line)

**Authors**: Fraser and Ornston

**ISBN**: 0-13-187856-5

**Syllabus may be changed with reasonable notice**