

## **ACCOUNTG 340: FINANCIAL ACCOUNTING**

### **Administrative Exemption**

Students who have passed the Certified Public Accounting (CPA) exam will be granted an unconditional administrative exemption from ACCOUNTG 340. You must send a copy of your CPA certificate or other documentation to:

Fuqua Registrar  
Student Services Office  
Duke University  
The Fuqua School of Business  
Box 90125  
Durham, NC 27708-0125

Submission deadline is July 12, 2010

If you have not passed the CPA exam, you have the following three alternatives for satisfying the financial accounting core course requirement:

(1) Enroll in ACCOUNTG 340, Financial Accounting.

(2) Enroll in ACCOUNTG 342, Corporate Financial Reporting by contacting the Fuqua Registrar via email at registrar-info@fuqua.duke.edu. ACCOUNTG 342 is an (advanced level) elective course that covers accounting topics that are beyond the scope of an introductory course, but that are important to enable a more comprehensive understanding of firms' financial statements. Students who have had undergraduate courses in accounting may find this course more suitable to their needs.

(3) Pursue an exemption from ACCOUNTG 340 by taking an exemption exam.

### **Exemption by Exam**

Any student may take the exemption exam. Good candidates for passing this exam typically will have had more than one course in financial accounting. The exam is open book, open notes and use of a calculator is permitted. Fundamental issues associated with accounting for assets, liabilities, and shareholders' equity are emphasized on the exam. You should understand the effects of economic events and alternative accounting methods on financial statements, and be able to interpret those statements.

The exam will cover the following topic areas:

#### Basic Financial Statements

1. Measuring financial position: the balance sheet
  - Asset and liability valuation
  - The historical cost principle
2. Measuring income: the income statement
  - Revenue and expense recognition
  - The matching principle
  - The realization principle
3. Measuring cash flows: the statement of cash flow
  - Operating activities - indirect and direct methods
  - Financing activities
  - Investing activities

#### Accounting for Assets

1. Accounts receivable and the allowance for doubtful accounts
2. Marketable securities and long-term investments in securities
3. Inventory
  - Cost flow assumptions (e.g., LIFO, FIFO) and their implications
  - Valuation principles

4. Tangible and intangible long-term assets
  - Valuation principles
  - Depreciation/amortization methods and their implications
5. Business Combinations – Purchase Method of Accounting

#### Accounting for Liabilities

1. Accounts payable and accrued expenses
2. Notes payable
3. Bonds payable
  - Issued at par, at a premium, and at a discount
  - Issuance, subsequent interest payments and valuation, and retirement
4. Deferred income taxes

#### Accounting for Shareholders' Equity

1. Common and preferred stock
2. Treasury stock
3. Stock options and warrants
4. Retained earnings

#### Suggested textbooks for exam review:

- Financial Accounting: An Introduction to Concepts, Methods and Uses (Stickney, Weil, Schipper and Francis 13th Edition), South-Western.
- Libby, Libby and Short, Financial Accounting with MBA Supplement (Fifth Edition), McGraw-Hill Irwin.
- Horngren, C., Sundem, G. and J. Elliott, Introduction to Financial Accounting (Ninth Edition), Prentice Hall.

## **DECISION 311: PROBABILITY & STATISTICS**

### Exemption by Exam

All exemptions for DECISION 311 are by exam only and will be awarded by an ad hoc committee of faculty members appointed by the decision science area coordinator. The committee is responsible for the writing and grading of the exemption exam. There are no administrative exemptions.

First, the exam will be open book, open notes (feel free to use whatever materials you think will be helpful) and will cover the following topics:

- Basic probability, random variables, summary statistics (simple events, compound events, conditional probability, probability trees, Bayes' rule; binomial, normal, uniform distributions; functions of random variables; measures of location and dispersion: mean, median, geometric mean, range, std. deviation, variance)
- Basic statistics (sampling, sampling distributions, central limit theorem, point estimates, confidence intervals)
- Linear regression (correlation, simple and multiple regression, interpreting regression parameters and computer output, regression modeling and forecasting)

In addition to taking the written examination, you could, but are not required to, provide the committee with a brief written statement identifying prior relevant course work in statistics and related areas, familiarity with statistical software, and any other evidence you feel would be of use to the committee. Please include grades, year taken, school, texts, and course descriptions when possible. Send this information to:

Fuqua Registrar  
Student Services Office  
Duke University  
The Fuqua School of Business  
Box 90125  
Durham, NC 27708-0125

Submission deadline is July 12, 2010. **Note: If you missed the deadline, please hand in any additional documentation at the time of the exemption exam.**

The committee may award:

- An unconditional exemption
- A conditional exemption, specifying a particular course or courses the student should take instead of DECISION 311
- No exemption, requiring the student to take DECISION 311

This decision will be communicated to the Fuqua Registrar before the beginning of the term.

Suggested textbooks for exam review:

- A Course in Business Statistics (Fourth Edition) by Groebner, Shannon, Fry, and Smith (Prentice Hall).
- Managerial Statistics - A Case-Based Approach by Klubanoff, Sandroni, Moselle and Saraniti (Thomson).

## **MGRECON 300: MANAGERIAL ECONOMICS**

MGRECON 300 is a course in managerial economics that is at the level of a quantitatively based intermediate microeconomics course. It is the policy of the economics faculty to exempt a student from MGRECON 300 if the student can demonstrate mastery of the material.

Faculty may award:

- An unconditional exemption
- A conditional exemption, requiring you to take a specified elective course instead of MGRECON 300
- No exemption, requiring you to take MGRECON 300.

### **Administrative Exemption**

First, determine if your undergraduate course work meets the following three conditions:

1. Your undergraduate major was in economics, mathematics, statistics, operations research, engineering or physics.
2. You received a grade of "B" or better in intermediate or advanced Microeconomics (also called intermediate or advanced Price Theory). Note: an introductory course does not meet this condition.
3. You received a grade of "B" or better in a micro-based elective course in economics. Examples of such electives are Industrial Organization, Theory of the firm, Labor Economics, International Trade, and Public Finance.

To avoid confusion, please note that all three conditions must apply. In addition to condition 1, you need to have taken at least two courses, one that meets criterion 2, and an elective that meets criterion 3.

Second, submit a brief letter that identifies the specific items on your undergraduate transcript that demonstrate all three conditions for an administrative exemption have been satisfied. Send the letter to:

Fuqua Registrar  
Student Services Office  
Duke University  
The Fuqua School of Business  
Box 90125  
Durham, NC 27708-0125

Submission deadline is July 12, 2010. **Note: If you missed the submission deadline, but still wish to request an administrative exemption from Mgrecon 300, please bring the required documentation to the Fuqua Registrars' Office as soon as possible. We are located in the basement (under the Fox center stairs) in the Student Services suite.**

Please provide copies of your transcripts from the institutions where you have completed specific courses that you want the faculty to consider. Note: If a course name or some other aspect of your transcript is vague with respect to the criteria specified above, call the Office of the Registrar at your undergraduate institution and ask them to send you a copy of the course description from the school catalog for the year you took the course, and include this copy with your submitted material.

Third, your letter and transcript will be reviewed to determine if your course work provides an effective substitute for MGRECON 300. In cases where there is some uncertainty regarding the criteria specified above, the economics faculty reserve the right not to grant an administrative exemption.

### Exemption by Exam

You may take the exemption exam for MGRECON 300 at any of the scheduled times. The exam is provided as an alternative to the administrative exemption and will allow students who demonstrate that they know the material to exempt MGRECON 300. Any student may take the exemption exam. The exam, like the course, is at the intermediate micro level and contains a moderate amount of mathematics. Material on the exam includes, but are not necessarily limited to:

- Consumer Behavior
- Demand Theory
- Production Theory
- Theory of Cost
- Perfect Competition
- Monopoly
- Oligopoly
- Elements of Game Theory
- Market Intervention -- Antitrust and Regulation

### Textbooks for exam review:

- In recent years, the text for MGRECON 300 has been Microeconomics, by Pindyck and Rubinfeld (Prentice Hall). See chapters 1-4 and 6-13, along with problems and solutions at the end of each chapter.
- Other textbooks that provide similar coverage are Managerial Economics, by Pappas and Hirschey (Dryden) and Microeconomic Theory by Nicholson (Dryden).

*Note: Feel free to review material for the exam, but there is no point in "studying" for the exam. The whole idea of an exemption is that you have a working knowledge of the material, and not that you set out to learn new material for a test.*

## **FINANCE 350: GLOBAL FINANCIAL MANAGEMENT**

### **Administrative Exemption**

If you have passed the Chartered Financial Analyst (CFA) Level III exam, you will be granted an unconditional administrative exemption from FINANCE 350. To receive this exemption, you must send evidence documenting that you have passed the CFA Level III examination to:

Fuqua Registrar  
Student Services Office  
Duke University  
The Fuqua School of Business  
Box 90125  
Durham, NC 27708-0125

Submission deadline is July 12, 2010. **Note: If you missed the submission deadline, but qualify for an administrative exemption from Finance 350, please bring the required documentation to the Fuqua Registrars' Office as soon as possible. We are located in the basement (under the Fox center stairs) in the Student Services suite.**

### **Exemption by Exam**

No books are allowed, but students are allowed to bring to the exam one 8.5x11 sheet of paper with writing on both sides. The time allotment for the exam is three hours.

Exam Topics:

In order to pass the exemption exam for FINANCE 350 Financial Management, you should have a thorough working knowledge of the following topics:

1. Compound interest and present value mechanics.
  - Applications include simple bond valuation and stock valuation models.
2. Capital budgeting techniques.
  - Applications include asset acquisition, optimal replacement policy.
3. Long-term financing decisions.
  - Weighted average cost of capital.
4. Utility theory.
  - Mean-variance portfolio theory.
  - Capital asset pricing models.
  - Applications include portfolio selection, asset allocation and cost of capital estimation.
5. Understanding of the operation of bond, stock, options and futures markets, and the meaning of market efficiency and arbitrage.
  - Ability to set up hedging portfolios using futures and/or options.
6. Basic understanding of the valuation of the financial instruments trading in the bond, stock, options, and futures markets.

Faculty may award:

- An unconditional exemption
- No exemption, requiring you to take FINANCE 350.

Suggested texts for exam review:

- Jonathan Berk, and Peter Demarzo, *Corporate Finance*, Addison Wesley.
- Relevant material is posted on the following URL: <https://courses.fuqua.duke.edu/2009/fall2/finance350-brav/>

## **MARKETNG 360: MARKETING MANAGEMENT**

### **Administrative Exemption**

You may receive an administrative exemption based on previous course work.

1. If you have taken three or more marketing classes at an AACSB-accredited school, and
2. You have a GPA of 3.4 for some combination of three of those courses, and
3. These courses have had a substantial Harvard Business School case analysis component, and
4. Some of the cases have evidenced a significant analytical (i.e., spreadsheets) component to their resolution.

In addition you may be offered a conditional exemption if

1. You have taken at least two courses in marketing at an AACSB-accredited school, and
2. You have a GPA of 3.4 in some combination of those two courses.
3. These courses have had a substantial Harvard Business School case analysis component, and
4. Some of these cases have evidenced a significant analytical (i.e., spreadsheets) component to their resolution.

When applying for a marketing core exemption, please elaborate on your case experience.

If you believe you may qualify for an administrative or conditional exemption, please send a letter to:

Fuqua Registrar  
Student Services Office  
Duke University  
The Fuqua School of Business  
Box 90125  
Durham, NC 27708-0125

Submission deadline is July 12, 2010.

Please provide copies of your transcripts from universities where you completed specific courses that you want the faculty to consider. If the course content is not clearly defined by the course title, please include a brief description of the course, the course requirements, and the textbook used. Please highlight these courses on the transcript(s) you provide.

### **Exemption by Exam**

Any student may take the exemption exam.

Note: A word of caution is in order for those who plan to take marketing electives after exempting MARKETNG 360. Marketing electives rely heavily on case analysis, discussion, and written reports. If you are not comfortable with sophisticated case analysis, you should think hard about whether you want to exempt MARKETNG 360. At a minimum, you must commit to learning on your own how to analyze cases so that you will not be at a disadvantage in your marketing electives.

Suggested texts for exam review:

- Kotler, P. (2002), Marketing Management: Analysis, Planning, Implementation, and Control, Eleventh Edition, Englewood Cliffs, NJ: Prentice Hall.

## **OPERATNS 370: OPERATIONS MANAGEMENT**

### **Administrative Exemption**

Administrative exemptions are granted on a case-by-case basis. These exemptions are awarded by an ad hoc committee of faculty members appointed by the Operations Management Area Coordinator. The requirements for administrative exemptions are quite stringent, and include substantial work experience in operations management and/or previous course work in production/operations management.

Exemption criteria: The minimum requirement for an administrative exemption from OPERATNS 370 is that you meet one of the following criteria:

- You have obtained a Master's degree in operations management or industrial engineering with a final GPA of at least 3.0
- You have a Bachelor's degree in operations management or industrial engineering with a final GPA of at least 3.0 and have at least three years of operations management work experience.

If you feel you meet either of these criteria, please send a written statement with supporting materials to the following address:

Fuqua Registrar  
Student Services Office  
Duke University  
The Fuqua School of Business  
Box 90125  
Durham, NC 27708-0125

### **Submission deadline is November 1, 2010.**

The statement should include: a transcript (in English) indicating the degree received, a list of all operations management courses taken along with course descriptions and grades received, a description of operations management work experience (if applicable), a brief statement of the main reasons why you feel you would not benefit from taking OPERATNS 370, and any other evidence you choose to include.

### **Exemption by Exam**

**Note:** *You may take the exemption exam for Operations 370 at any of the scheduled exam times in August. However, there will be an additional exemption exam offered for this course only on December 9, 2009.\**

\*Date subject to change.

Anyone may take the exemption exam. If you have significant previous course work in operations management and/or work experience in operations management (but you do not qualify for an administrative exemption) you are encouraged to take the exam. The exam is closed-book. To do well on the exam you should have an understanding of the qualitative managerial issues and the ability to perform quantitative analysis related to the following topics.

- Capacity management and production planning
- Process Analysis Queuing
- Process improvement Total quality management and statistical process control Reengineering
- Process selection
- Independent demand inventory systems
- Material requirements planning
- Just-in-time production systems
- Manufacturing strategy
- Service operations

Suggested textbooks to use in studying for the exam are:

- R. Anupindi, S. Chopra, S. Deshmukh, J. Van Mieghem, and E. Zemel, *Managing Business Process Flows*, 2nd Edition, Prentice Hall, 2005.

- J.O. McClain, L.J. Thomas, and J.B. Mazzola, Operations Management: Production of Goods and Services, 3rd Edition, Englewood Cliffs, NJ, Prentice-Hall, 1992.
- R.B. Chase, F.R. Jacobs, and N.J. Aquilano, Operations Management for Competitive Advantage, 10th Edition, Irwin McGraw-Hill, 2003.

## **STRATEGY 331: FOUNDATIONS OF STRATEGY**

### **Administrative Exemption**

You may apply for an administrative exemption to Foundations of Strategy based on previous course work. As the course name suggests, Foundations is an introduction to the core issues and frameworks that aid students in understanding effective business strategies. The course makes extensive use of Harvard Business School cases and is heavily discussion based. Due to the unique content and delivery of the Foundations course, we discourage exemption unless a student has graduate-level strategy training. To be eligible for an exemption, a student must satisfy the following conditions:

- Previous completion of two or more graduate level strategy classes at an AACSB-accredited school (Undergraduate courses do not qualify.)
- A GPA of 3.4 on a 4.0 scale for some combination of two of those courses.

If you believe you may qualify for an administrative exemption, please send a letter to:

Fuqua Registrar  
Student Services Office  
Duke University  
The Fuqua School of Business  
Box 90125  
Durham, NC 27708-0125

Submission deadline is July 12, 2010.

Please provide copies of your transcripts from universities where you completed specific courses that you want the faculty to consider. If the course content is not clearly defined by the course title, please include a brief description of the course, the course requirements, and the textbook used. Please highlight these courses on the transcript(s) you provide.

### **Exemption by Exam**

There is no exemption exam for Foundations of Strategy.