



Accounting Course Coverage

1. Construction of financial statements (balance sheet, income statement and statement of cash flows) from the raw material of transactions and from the application of accrual principles using debts, credits and T-accounts.
2. Develop ability to be an effective user of financial information.
 - a. Calculate and interpret common financial statement ratios
 - b. Infer underlying transactions from the financials
 - c. Understand the basics of how accounting is used in valuation, contracting and decision making and how these uses affect management's reporting incentives
 - d. Use the accounting framework as a planning tool to identify which courses of action lead to desired financial outcomes
3. For a variety of accounting topics (listed below), have an ability to apply proper (sometimes alternative) accounting methods and to recognize their impact on the analysis of financial statements.
 - a. Revenue recognition timing – product characteristics and appropriate methods (deferral of revenue; percentage-of-completion, etc.)
 - b. Accounts receivable valuation – use of estimates to account for uncollectible accounts and sales returns
 - c. Inventory – application of alternative cost flow assumptions and effect on margin and operating analysis
 - d. Noncurrent operating assets – proper recognition of tangible and intangible property; proper depreciation methods for financial reporting
 - e. Financial assets – application of alternative methods, specifically trading and available-for-sale methods, equity method, and consolidation (balance sheet at acquisition)
 - f. Liabilities – application of proper accrual methods; treatment of contingent and estimated liabilities
 - g. Leases – operating and capital lease accounting; effects on financial statements; incentives for off-balance-sheet financing; constructive capitalization of operating leases
 - h. Shareholders equity – share repurchases; employee stock options

Current textbook:

Dyckman, Magee and Pfeiffer, *Financial Accounting* (Third Edition), Cambridge Business Publishers 2011.

Past textbooks:

Dyckman and Pfeiffer, *Financial Accounting* (Second Edition), Cambridge Business Publishers 2008.

Hornigren, Sundem, Elliott and Philbrick, *Introduction to Financial Accounting* (Ninth Edition), Pearson Prentice-Hall, 2006.