

ACCT 430 – Financial Accounting Waiver Requirements

Overview

ACCT 430 (Financial Accounting) is Kellogg's core financial accounting course. Students may receive a **full waiver** of ACCT 430 through **application** or **examination**, depending on their academic and professional background.

Waiver Options

Option 1: Waiver by Application

Students may qualify for a full ACCT 430 waiver by application **only if one of the following criteria is met:**

- Hold a **current CPA license** (or a recognized foreign equivalent), *or*
- Have completed an **Accounting major** at an accredited university, verified by transcript, *or*
- Have completed **five (5) or more accounting courses** at an accredited university, verified by transcript, with a course specific GPA of a 3.0 or better.

Required Documentation:

- A copy of the current CPA certificate (if applicable)
- Official transcript(s) verifying academic coursework

Students who do **not** meet the above criteria can pursue a waiver via examination.

Option 2: Waiver by Examination

Most students fulfill the accounting requirement by completing **ACCT 430**. However, students may waive ACCT 430 by successfully completing the examination process described below.

Step 1: Online Accounting Placement Exam (ACCT 451 Placement)

- **Format:** Online, open-book
- **Duration:** 100 minutes (completed in one sitting)
- **Platform:** Canvas
- **Availability:** Can be taken at any time

Students who pass this exam may:

- Enroll directly in **ACCT 451 (Financial Reporting and Analysis)** in place of ACCT 430, and
- Become eligible to sit for the **ACCT 430 Full Waiver Exam**, which is offered quarterly.

To obtain the ACCT 451 placement exam enrollment link, students should contact:
Kellogg EWMBA Academic Advising  kellogg-ewadvisor@kellogg.northwestern.edu

Topics Covered in the Placement Exam:

- Balance sheet and income statement mechanics
- Accrual accounting principles (revenue and expense recognition)
- Debit and credit mechanics
- Statement of cash flows
- Working capital (receivables and inventory)
- Fixed assets and depreciation
- Basic accounting for investments (including goodwill)
- Introductory taxation concepts (including deferred taxes)

Step 2: ACCT 430 Full Waiver Exam

- **Eligibility:** Only students who pass the online placement exam are able to take this exam.
- **Format:** Online, closed-book (calculators permitted)
- **Duration:** 2 hours
- **Registration:** Through the standard quarterly waiver process (details shared via eNews)

Topics Covered on the ACCT 430 Full Waiver Exam

Financial Statements & Accrual Accounting

- Financial statements and linkages (Chapters 1–3)
- Accrual accounting mechanics (deferrals and accruals)

Revenue & Receivables (Chapter 6)

- Revenue recognition criteria (ASC 606)
- Warranties
- Allowance for doubtful accounts

Inventory (Chapter 7)

- Product vs. period costs
- Cost flow assumptions
- LIFO reserve

Long-Lived Assets (Chapter 8)

- Asset acquisition costs
- Depreciation
- Intangible assets

Statement of Cash Flows (Chapter 4)

- Operating, investing, and financing activities

Investments & M&A (Chapter 12)

- Trading securities
- Equity method investments
- Introductory mergers and acquisitions accounting

Long-Term Liabilities (Chapter 9)

- Accounting for bonds

Leases (Chapter 10)

- Operating leases
- Finance leases

Income Taxes (Chapter 10)

- Book-tax differences
- Deferred tax assets
- Valuation allowance

Financial Statement Analysis (Chapter 5)

Reference Text

Chapters referenced are from:

Financial Accounting, 6th Edition

Dykman, Hanlon, Magee, and Pfeiffer

Cambridge Business Publishers
