

Accounting

For Credit Professionals

Summary

Accounting is the language of business and anyone working in a business environment should have a solid grasp of accounting concepts and financial statements.

This course provides an interactive review of accounting principles from the perspective of a corporate banking professional. Participants will build a set of financial statements that incorporate simple and complex accounting concepts. Important financial ratios will also be discussed as well as the importance of cash flow and cash flow measures.

Assignments, handouts and examples will be used throughout the course.



Prerequisites

Participants should have a solid grasp of basic accounting fundamentals and proficiency with Excel prior to taking this course.



Timing

This course requires 1 to 2 days.

Learning Topics

1. Accounting Concepts

- ✓ Discuss key accounting principles such as revenue recognition, the matching principle, double entry accounting and accrual accounting
- ✓ Learn to read the financial reports which are provided for investors
- ✓ Review a company's key financial statements and understand how they relate to each other:
 - Income Statement
 - Cash Flow Statement
 - Balance Sheet

2. Understand Financial Statements

- ✓ Create a set of financial statements that incorporate numerous accounting concepts, including:
 - Revenue and costs – discuss issues related to recognition
 - Depreciation / CAPEX – review various methodologies to allocate the cost of a fixed asset over its useful life
 - EBITDA – a popular measure of a company's financial performance
 - Income tax – discuss common timing differences between accounting and government tax calculations and the creation of deferred tax liabilities
 - Inventory – review different methods of inventory accounting such as FIFO, LIFO and Average Cost
 - Fixed assets
 - Subsidiary accounting – accounting treatment at various ownership levels
 - Debt & equity – the key concepts and terms associated with various forms of capital
 - Overview of lease accounting fundamentals
- ✓ Understand the links between each of the financial statements
- ✓ Acquisition related adjustments to the financial statements and their impacts on cash flow