

# Accounting 1: Financial Statements

Creating Integrated Financial Statements

## 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 finance professional. Participants will have the opportunity to build a set of financial statements that incorporate simple and complex accounting concepts.

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



### Prerequisites

None.



### Timing

This course requires 8 hours.

## 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
- ✓ Understand the links between each of the financial statements