

Accounting for Lawyers

Understanding Financial Statements

Summary

Accounting is the language of business and anyone working as a legal advisor to corporations should have a solid grasp of accounting concepts and financial statements.

This course provides a comprehensive and intuitive review of accounting principles from the perspective of a user of financial information. Participants will have the opportunity to explore and understand a set of financial statements that incorporate simple and complex accounting concepts. The accounting impacts of a corporate acquisition will also be examined.

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

- ✓ Participants will explore and understand a set of financial statements that incorporate numerous accounting concepts, including:
 - Revenue and costs – discuss issues related to recognition
 - Depreciation & Fixed Assets
 - EBITDA – a popular measure of a company's financial performance
 - Income tax
 - 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

3. Understand the Impact of Mergers & Acquisitions

- ✓ Discuss the key role of synergies
- ✓ Review the significance of accretion and dilution
 - Understand intangibles and amortization
- ✓ Analyze the common financial statement adjustments that occur in acquisitions