

Variable Interest Entities - The New Rules

Course Description

This course presents the consolidation of variable interest entity rules found in ASC 810, Consolidation (previously found in FASB Interpretation No.46R, *Consolidation of Variable Entities-An Interpretation of ARB No. 51*, as amended by FASB No. 167, *Amendments to FASB Interpretation No. 46R (FIN 46R)*), in a comprehensive format. Following the review of the old rules for consolidation of special purpose entities (SPEs) and the background on consolidations are the general rules of FIN 46R. These include the application of FIN 46R and the special exemptions from FIN 46R. The basic rules of FIN 46R, which include three requirements, are covered in complete detail throughout the remaining course material.

Completion Deadline & Exam: This course, including the examination, must be completed within one year of the date of purchase. In addition, unless otherwise indicated, no correct or incorrect feedback for any exam question will be provided.

Course Level: Overview. This program is appropriate for professionals at all organizational levels.

CPE Credits: 12 (CPA)

Category: Accounting

Prerequisite: None.

Advanced Preparation: None

Course Learning Objectives

Section 1:

1. Recognize consolidated vs. combined statements
2. Identify a variable interest entity
3. Recognize how the consolidation rules apply to a controlling financial interest
4. Identify some of the special exemptions found in FIN 46R
5. Identify the elements of a business

Section 2:

1. Identify the general rule of FIN 46R for consolidation
2. Recognize the three requirements to consolidate under FIN 46R

3. Identify some the conditions and situations for an entity to be considered a VIE
4. Recognize the qualitative and quantitative methods to demonstrate sufficiency of equity

Section 3:

1. Identify a variable interest
2. Identify examples of a variable interest

Section 4:

1. Recognize the rules for determining a primary beneficiary
2. Identify some of the related parties that are subject to FIN 46R's related party rule
3. Identify the designated primary beneficiary under the tie breaker rule

Section 5:

1. Identify how to perform the initial measurement to consolidate a VIE
2. Recall how a VIE's stockholder's equity should be presented on a consolidated balance sheet
3. Identify how to deconsolidate under FIN46R
4. Identify the ways in which to avoid consolidation under FIN46R.