

Accounting for Derivatives

Course Description

A derivative is a financial instrument or other contract that derives its value from the movement of prices, interest rates, or exchange rates associated with an underlying item. Uncertainty about the future fair value of assets and liabilities or about future cash flows exposes firms to risk. One way to manage the risk associated with fair value and cash flow fluctuations is through the use of derivatives. This course addresses the accounting and disclosure requirements related to derivative financial instruments (derivatives). Also addressed are selected disclosure requirements for other financial instruments, primarily those related to fair value and concentrations of credit risk.

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: Basic. This program is appropriate for professionals at all organizational levels.

CPE Credits: 2.5 (CPA)

Field of Study: Accounting

Prerequisite: Basic Accounting

Advanced Preparation: None

Course Learning Objectives

After completing this course, you should be able to:

1. Identify the attributes of conventional and derivative financial instruments.
2. Recognize the risks associated with derivatives.
3. Identify the accounting requirements for different derivatives and the related disclosure requirements.