

Accounting for Earnings per Share

Course Description

Earnings per share (EPS) is a popular and useful measure of a company's profit performance. Companies with publicly held common stock or potential common stock must disclose their EPS information. EPS tells you how much profit (or loss) each share of common stock has earned after adjustments for potential dilution from options, warrants, and convertible securities are factored in. This course covers the computation, reporting, presentation, and disclosure requirements associated with EPS as stipulated in ASC 260 Earnings Per Share. It includes excerpts from and references to ASC 260, and interpretive guidance. It also provides examples to illustrate the application. Finally, it includes insights from the Securities and Exchange Commission staff.

Completion Deadline & Exam: This course, including the examination, must be completed within one year of the date of purchase.

Course Level: Intermediate

CPE Credits: 3 (CPA)

Category: Accounting

Prerequisite: None

Advanced Preparation: None

Course Learning Objectives

After completing this course, you should be able to:

1. Identify the difference between two different capital structures—simple and complex
2. Recognize how to compute basic earnings per share in a simple capital structure
3. Recognize how to compute diluted earnings per share in a complex capital structure
4. Identify the presentation and disclosure requirements of EPS data