

Introduction to Financial Statements

Course Description

This course is comprised of 12 videos, demonstrating the process of preparing a complete set of financial statements, including discussions of the basic accounting equation, journal entries, ledgers, and contra accounts (e.g., accumulated depreciation and treasury stock). The last two videos address the differences between accruals and cash flows, and the items that reconcile net income on the income statement with net cash from operating activities in the operating section of the statement of cash flows.

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

Course Level: Overview

CPE Credits: 3.5 (CPA)

Category: Accounting

Prerequisite: None

Advanced Preparation: None

Course Learning Objectives

After studying this course, you will be able to:

1. Recognize the basic accounting equation and how it relates to the financial statements.
2. Recognize the basic accounting equation and transactions that lead to a simple balance sheet.
3. Identify the basic accounting equation and transactions that lead to a complete set of financial statements.
4. Recognize the structure and role of journal entries and ledgers.
5. Recognize journal entries and ledger accounts used to prepare a simple balance sheet.
6. Identify journal entries and ledgers accounts used to prepare a complete set of financial statements.
7. Recognize how closing entries transition the financial statements from one period to the next.
8. Identify contra accounts and the role they play on the financial statements.
9. Recognize treasury stock and where it can be found on the financial statements.
10. Recognize how the sale of non-inventory assets affects the financial statements.
11. Identify the difference between the accrual-basis and cash basis of accounting.
12. Identify using several examples how net income on the income statement can be reconciled with net cash from operating activities on the statement of cash flows.