

# How Financial Statements are Manipulated

## Course Description

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This course defines earnings management and then introduces and illustrates the two basic forms: real earnings management and accruals earnings management. It illustrates each form, provides a number of examples, discusses whether they are appropriate and then creates a framework for accruals earnings management that identifies and relates the four general areas (materiality, disclosure, classification and measurement) where it is practiced. The video concludes with a thorough discussion of why earnings management is practiced, and common strategies used by companies. Throughout the video real-world financial statements and footnotes are analyzed. Companies featured include General Electric, Merck, Harley Davidson, Tesla, AT&T, Volkswagen, Walt Disney and others.

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

**Course Level:** Overview

**CPE Credits:** 2 (CPA)

**Category:** Accounting

**Prerequisite:** None

**Advanced Preparation:** None

## Course Learning Objectives

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After studying this course, you will be able to:

1. Recognize why earnings management is practiced.
2. Differentiate between real earnings management and accruals earnings management.
3. Identify the four general areas where accruals earnings management is practiced and examples of each.
4. Identify the popular strategies used by companies to practice earnings management.