

Implementing the New Revenue Standard ASC 606

Course Description

The objective of this course is to address the new revenue standard in ASC 606, Revenue from Contracts with Customers, and its related updates, and provide guidance to nonpublic (private) entities who implemented the standard in 2019 or 2020 and are addressing post-implementation issues in 2021 and 2022.

Topics include an overview of the new standard and its core principle, an analysis of each of the five steps required in the revenue model, selected issues encompassing principal versus agent considerations, dealing with warranties, bill-and-hold arrangements, and consignment transaction. The course also addresses how to account for contract costs, financial statement presentation of revenue-related accounts, disclosures, and transition methods and guidance.

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

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

CPE Credits: 8 (CPA)

Category: Accounting

Prerequisite: None.

Advanced Preparation: None

Course Learning Objectives

1. Identify an example of recognition of revenue prematurely
2. Identify one of the five steps to apply the new revenue standard
3. Recall a condition that must be met to identify a separate performance obligation
4. Identify methods authorized to estimate variable consideration in a contract
5. Recognize information that can be used to allocate the transaction price to performance obligations
6. Identify two methods that are used to record revenue in Step 5 of the revenue standard
7. Recognize how to account for the transfer of a product with a right to return

8. Recognize the requirement that must be met for a company be considered a principal in a revenue transaction
9. Recall the general rule that determines whether an entity should record revenue gross or net
10. Identify several types of warranties accounted for under the revenue standard
11. Identify different types of intellectual property subject to the licensing rules in the revenue standard
12. Recognize an example of a prepaid stored-value product
13. Recall how an entity should account for breakage related to prepaid stored-value products
14. Recall how certain contract costs are accounted for under the revenue standard
15. Recognize certain disclosures required by the revenue standard for nonpublic entities, and
16. Recall an applicable financial statement (AFS).