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## Course Information

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Course Title: *Fixed Asset Accounting* #361020

**Number of continuing education credit hours recommended for this course:**

In accordance with the standards of the National Registry of CPE Sponsors CPE credits have been granted based on a 50-minute hour.

CPA: 12 (All states)

National Registry of CPE Sponsors ID Number: 107615.

Sponsor numbers for states requiring sponsor registration

Florida Division of Certified Public Accountancy: 4761 (Ethics #11467)

Hawaii Board of Accountancy: 14003

New York State Board of Accountancy (ethics): 002146

Pennsylvania Board of Accountancy: PX178025

Ohio State Board of Accountancy: M0021

Texas State Board of Accountancy: 009349

### Course Description

Fixed assets can be one of the largest asset groups within an organization, and requires special accounting that differs from the accounting used for any other assets. The *Fixed Asset Accounting* course comprehensively addresses every GAAP and IFRS accounting rule related to these crucial assets, including interest capitalization, asset retirement obligations, depreciation, impairment, and disposal. The course delves into many other areas of interest to the accountant, including the record keeping, controls, policies and procedures, measurements, asset tracking, and auditing procedures related to fixed assets. In short, *Fixed Asset Accounting* is the go-to source for all accounting issues related to fixed assets.

**Program Delivery Method:** NASBA QAS Self-Study (interactive)

**Subject Codes/Field of Study:** NASBA (CPA): Accounting

### Course Level, Prerequisites, and Advance Preparation Requirements

Program level: Overview

Prerequisites: Basic familiarity with accounting practices.

Advance Preparation: None

## Course Content

Publication/Revision date: 12/15/2019.

Author: Steven M. Bragg, CPA.

Final exam (online): Sixty questions (multiple-choice).

### **Instructions for taking this course**

**Note:** Downloading the PDF of this course will enable Bookmarks for easier navigation (on the left side of the document window, open the bookmarks pane).

In order to receive CPE credit for this course, you must complete the course within one year of the date of purchase. This includes achieving a passing grade of at least 70% on the final exam. Exams may be retaken if not passed on the first attempt (no charge).

Complete the course by following the learning assignments and objectives listed below and studying the review questions after each major section in the text. Once you have completed each learning assignment and you are confident that the learning objectives have been met, answer the final exam questions (online).

### **Instructions for Taking the Final Exam Online**

- Login to your account online at [www.bhfe.com](http://www.bhfe.com).
- Go to "My Account" and view your courses.
- Select "Take Exam" for this course and follow instructions.

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## Learning Objectives

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- Cite the general classifications of fixed assets.
- Identify the concepts used to evaluate fixed assets in the capital budgeting process.
- Specify the accounting rules for the initial recognition of fixed assets.
- Cite the situations under which interest can be capitalized.
- Specify the scenarios under which asset retirement obligations should be used and valuations assigned.
- Identify the methods used to depreciate fixed assets.
- Cite the instances in which the recorded amount of fixed assets may be adjusted at a later date.
- Specify the accounting for an asset impairment.
- Specify the accounting for assets to be derecognized in the accounting records.
- State the types of disclosures related to fixed assets.
- Cite the accounting rules related to the recordation of fixed asset transactions by not-for-profit entities.
- State the account structures and record keeping used for fixed assets.
- Recognize the controls to be used under specific circumstances when fixed assets are involved.
- Specify the reasons for using fixed asset policies, and the circumstances under which certain policies and procedures are needed or not needed.
- Identify the methods used to track fixed assets, and the circumstances under which they are most useful.
- State the measurements that can be applied to fixed assets, and the circumstances under which they should be used.
- Specify the fixed asset audit procedures that an auditor may employ, and the reasons for using them.

## About the Author

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**Steven Bragg, CPA**, has been the chief financial officer or controller of four companies, as well as a consulting manager at Ernst & Young. He received a master's degree in finance from Bentley College, an MBA from Babson College, and a Bachelor's degree in Economics from the University of Maine. He has been a two-time president of the Colorado Mountain Club, and is an avid alpine skier, mountain biker, and certified master diver. Mr. Bragg resides in Centennial, Colorado. He has written the following books and courses:

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# Preface

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*Fixed Asset Accounting* describes every aspect of the accounting for fixed assets under both the GAAP and IFRS accounting frameworks, and illustrates key concepts with numerous examples. There are also dozens of tips throughout the text. The book is designed for both practicing accountants and students, since both can benefit from its detailed descriptions of fixed asset budgeting, acquisition, disposition, and more. *Fixed Asset Accounting* addresses four major fixed asset accounting topics, which are:

- Part I – Accounting for Fixed Assets. Chapters 1 through 9 cover the complete range of accounting activities related to fixed assets, including capital budgeting, asset recognition, interest capitalization, asset retirement obligations, depreciation, impairment, and disposal.
- Part II – Special Accounting for Fixed Assets. Chapter 10 notes the various financial statement disclosures associated with fixed assets, while Chapter 11 delves into special considerations for the not-for-profit entity.
- Part III – Fixed Asset Systems. Given the high cost of fixed assets, you need to surround them with a strong control system, which is addressed in four chapters. Chapter 12 describes fixed asset record keeping, while Chapter 13 delves into a variety of controls over all aspects of fixed asset usage. Chapter 14 itemizes many policies and procedures for fixed asset transactions. Finally, Chapter 15 addresses a number of available fixed asset tracking technologies.
- Part IV – Related Topics. There are several ancillary areas that may be of interest to the fixed asset practitioner. Chapter 16 describes a number of ratios that can be used to monitor fixed assets. Chapter 17 gives an overview of the procedures that auditors typically follow during the fixed asset portion of an audit, and describes the information they will request as part of this audit.

There is also an appendix that contains templates for the journal entries used in most fixed asset transactions, as well as a comprehensive glossary of fixed asset terms.

*Fixed Asset Accounting* gives you a complete grounding in every aspect of the accounting systems needed for fixed assets. As such, it may earn a place on your book shelf as a reference tool for years to come.

Centennial, Colorado  
December, 2019