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Course Information

Course Title: *Accounting for Investments* #362716

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: 3 (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: 002146

Ohio State Board of Accountancy: M0021

Texas State Board of Accountancy: 009349

Program Delivery Method: QAS Self-Study (interactive)

Subject Codes/Field of Study

NASBA (CPA): Accounting

Course Level, Prerequisites, and Advance Preparation Requirements

Program Level: NASBA (CPA): Overview.

This program is appropriate for professionals at all organizational levels.

Prerequisites: Basic familiarity with accounting principles

Advance Preparation: None

Course Description

Accounting for Investments describes how the accounting varies for each type of investment classification, notes the treatment of impaired assets, how to deal with realized and unrealized gains and losses, and the treatment of other accounting concepts. The course also describes the controls, forms, and procedures needed to effectively manage investments.

Course Content

Publication/Revision date: 1/6/2016.

Author: Steven M. Bragg, CPA.

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

Instructions for taking this course

A passing grade of at least 70% is required on the final exam for this course. The exam may be retaken if not passed on the first attempt (no charge).

Complete the course by following the learning objectives listed below and studying the review questions after each major section (or chapter) in the text. Once 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.
- Go to "My Account" and view your course.
- Select "Take Exam" for this course and follow instructions.

Have a question? Call us at 800-588-7039 or email us at contact@bhfe.com.

Learning Objectives:

- Identify the characteristics of the various types of investments, and the rules under which the investment classifications can be used. Also note the activities that will trigger the recognition of unrealized gains and losses.
- Note the impact of various investee actions on an investor's equity method recordation of its investment in the investee.
- Recognize the rules under which a nonprofit can record a purchased investment.
- State the policies used to govern the administration of investments, and identify the dangers posed by measuring certain investment outcomes.

About the Author

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:

Accountants' Guidebook	Financial Analysis
Accounting Changes and Error Corrections	Financial Forecasting and Modeling
Accounting Controls Guidebook	Fixed Asset Accounting
Accounting for Derivatives and Hedges	Foreign Currency Accounting
Accounting for Earnings per Share	GAAP Guidebook
Accounting for Inventory	Hospitality Accounting
Accounting for Investments	Human Resources Guidebook
Accounting for Managers	IFRS Guidebook
Accounting for Stock-Based Compensation	Interpretation of Financial Statements
Accounting Procedures Guidebook	Inventory Management
Bookkeeping Guidebook	Investor Relations Guidebook
Budgeting	Lean Accounting Guidebook
Business Combinations and Consolidations	Mergers & Acquisitions
Business Insurance Fundamentals	New Controller Guidebook
Business Ratios	Nonprofit Accounting
Capital Budgeting	Payables Management
CFO Guidebook	Payroll Management
Closing the Books	Project Accounting
Constraint Management	Public Company Accounting
Corporate Cash Management	Purchasing Guidebook
Corporate Finance	Real Estate Accounting
Cost Accounting Fundamentals	Revenue Recognition
Cost Management Guidebook	The Soft Close
Credit & Collection Guidebook	The Year-End Close
Developing and Managing Teams	Treasurer's Guidebook
Enterprise Risk Management	Working Capital Management
Fair Value Accounting	

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Preface

Many organizations have an excess amount of cash for which they do not have an immediate need, so they invest it in a variety of debt and equity securities, or other forms of investment. How are they supposed to account for these investments, and how should the investment process be managed? In *Accounting for Investments*, we define the types of investment classifications, how the accounting varies for each one, and how to deal with a number of investment transactions – purchases, impairments, changes in value, and sales. The course also addresses the situations in which the equity method must be used, and demonstrates how the method functions. Further, the course covers investments from a control perspective, with an entire chapter describing a number of investment controls, as well as an investment procedure and several investment policies. In addition to the general discussion of investment accounting, there is a more specific examination of the accounting for investments in a nonprofit environment.

The reader can find the answers to many questions about accounting for investments in the following chapters, including:

- What are the types of debt and equity investments?
- How do I deal with an unrealized gain or loss?
- How do I assign costs to investments in a lump-sum purchase?
- What is the investor's accounting for stock dividends?
- Under what circumstances is an investment impaired?
- How does the accounting for investments differ for nonprofit organizations?
- What is an example of an investment policy that defines the types of allowable investments?

This course is updated regularly to reflect changes in the accounting standards.

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