



51A Middle Street Newburyport MA 01950  
Phone: 800-588-7039 Fax: 877-902-4284  
[contact@bhfe.com](mailto:contact@bhfe.com) [www.bhfe.com](http://www.bhfe.com)

## Course Information

---

**Course Title:** *Accounting for Earnings per Share* #364218

**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: 1** (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

**Course Description**

Earnings per share information must be included in the financial statements of a public company. *Accounting for Earnings per Share* walks you through the process of calculating this information. It does so by describing the requirements for calculating and presenting basic earnings per share and diluted earnings per share. It also addresses the calculation methods used to derive earnings per share, including the treasury stock method, reverse treasury stock method, and two-class method. In short, this course is a handy ongoing reference for anyone who has to calculate earnings per share information on a regular basis.

**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:3/12018.

Author: Steven M. Bragg, CPA.

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

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

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.

**Have a question?** Call us at 800-588-7039 or email us at [contact@bhfe.com](mailto:contact@bhfe.com).

## Learning Objectives

---

- Differentiate between the contents of the basic and diluted earnings per share calculations, and recognize the principle underlying these calculations.
- Identify the types of dilutive securities.
- Recognize the different ownership interests of a master limited partnership.
- Note the legal authorization for requiring a publicly-held entity to make additional disclosures regarding non-GAAP information.
-

## 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:

2018 by AccountingTools, Inc. All rights reserved.

Published by AccountingTools, Inc., Centennial, Colorado.

No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, except as permitted under Section 107 or 108 of the 1976 United States Copyright Act, without the prior written permission of the Publisher. Requests to the Publisher for permission should be addressed to Steven M. Bragg, 6727 E. Fremont Place, Centennial, CO 80112.

**Limit of Liability/Disclaimer of Warranty:** While the publisher and author have used their best efforts in preparing this book, they make no representations or warranties with respect to the accuracy or completeness of the contents of this book and specifically disclaim any implied warranties of merchantability or fitness for a particular purpose. No warranty may be created or extended by written sales materials. The advice and strategies contained herein may not be suitable for your situation. You should consult with a professional where appropriate. Neither the publisher nor author shall be liable for any loss of profit or any other commercial damages, including but not limited to special, incidental, consequential, or other damages.

# Table of Contents

---

<b>Earnings per Share</b> .....	<b>1</b>
<i>Basic Earnings per Share</i> .....	<i>1</i>
<i>Diluted Earnings per Share</i> .....	<i>3</i>
<i>Treasury Stock and Reverse Treasury Stock Methods</i> .....	<i>7</i>
Treasury Stock Method.....	7
Reverse Treasury Stock Method.....	8
<i>Two-Class Method</i> .....	<i>8</i>
<i>Master Limited Partnerships</i> .....	<i>10</i>
<i>Presentation and Disclosure of Earnings per Share</i> .....	<i>11</i>
Presentation Issues.....	11
Disclosure Issues.....	12
<i>Non-GAAP Disclosures</i> .....	<i>13</i>
<b>Answers to Chapter Questions</b> .....	<b>16</b>
<b>Glossary</b> .....	<b>17</b>
<b>Index</b> .....	<b>18</b>