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Course Information

Course Title: *The Complete Guide to GAAP 2016* #360316

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: 27 (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

The Complete Guide to GAAP discusses the key elements of Generally Accepted Accounting Principles (GAAP), as well as how to record and disclose accounting information.

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: 10/7/2015.

Author: Steven M. Bragg, CPA.

Final exam (online): One-hundred thirty-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

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Learning Objectives:

- Cite the accounting principles that underlie Generally Accepted Accounting Principles.
- Note the transactions related to discontinued operations, as well as the disclosures required for certain accounting transactions.
- Identify the account classifications used in the balance sheet, as well as the structure of the balance sheet.
- State the transactions included in and excluded from other comprehensive income.
- Note the different formats in which the income statement can be presented.
- Cite the contents of the sections of the statement of cash flows, and the differences in presentation for the different types of statements of cash flows.
- Recognize the disclosures required by the Securities and Exchange Commission
- Identify the situations in which accounting changes are allowed, and note the mechanics of retrospective application of changes.
- State the methods used to derive current cost.
- Note the calculations for basic earnings per share and diluted earnings per share.
- Identify the assumptions that underlie the integral view and discrete view of interim reporting.
- Recognize the situations that can cause reportable risks and uncertainties.
- State the segment test rules used to determine reportable segments.
- Note the accounting treatment for lending arrangements and loan origination fees.
- Identify the accounting for impairment losses on equity and debt securities, as well as the accounting for these investments in the different investment classifications.
- Recognize how the equity method is formulated and updated.
- Cite how the periodic and perpetual inventory methods are used to derive the cost of goods sold, and how the gross profit method and retail method are used to estimate ending inventory.
- Recognize the rules for recognizing and disclosing deferred advertising costs, as well as the accounting for insurance contracts.

- Identify the situations in which goodwill is associated with reporting units, and note the rules for conducting impairment testing.
- Note the valuation method used for acquired fixed assets, as well as the calculations for the various depreciation methods.
- Identify the assessments and surcharges associated with insurance activities.
- State the accounting rules for deferring and recognizing asset retirement obligations.
- Note the circumstances under which the cost of employee and other contractual terminations can be recognized.
- Cite the characteristics of and reporting obligations associated with commitments.
- State the circumstances under which loss contingencies are recognized, and when they are only disclosed.
- Identify the methods used to place valuations on guarantees.
- State the components of debt, as well as the circumstances under which a debt arrangement is considered to be a troubled debt restructuring.
- Note the circumstances under which a spinoff occurs, and when a dividend is in arrears.
- Identify the evaluation criteria for a contract, the components of the transaction price, and when a contract modification triggers treatment as a new contract.
- Recognize the circumstances under which the costs of compensated absences are recognized.
- State the key elements of net periodic pension cost, and the accounting for defined benefit and defined contribution plans.
- Note how costs are derived for exercised and unexercised stock options.
- Identify the proper expense recognition for insurance contracts and business process reengineering.
- State the types of activities classified as research and development, and how research and development costs are to be recognized.
- Recognize which tax rate to apply to a reporting period.
- Identify the types of acquisitions, and the types of intangible assets that can be recognized as part of an acquisition.
- Identify the situations in which a controlling financial interest cannot be determined, as well as the types of eliminations used when conducting a consolidation.
- State the concepts upon which fair value measurements are derived.
- Cite the circumstances in which the fair value option can be applied, and the disclosures related to financial instruments.
- Note the accounting for payments to suppliers in foreign currencies, as well as how to identify a functional currency.
- Identify the situations in which interest capitalization can be used, and when an interest rate should be imputed.
- Identify the depreciation methodology for certain leased assets.
- Note the valuation alternatives in a nonmonetary exchange, and the usage rules for boot.
- Cite the types of entities considered to be related parties, and what information should be disclosed about them.
- State the types of events classified as subsequent events, and note which of these events can alter the financial statements.

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 (Complete Guide)
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
Enterprise Risk Management	Working Capital Management
Fair Value Accounting	

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Table of Contents

Chapter 1 - Introduction	1
What is GAAP?.....	1
How this Book is Organized	3
How to Use this Book	3
Accounting Principles	4
Chapter 2 - Presentation of Financial Statements	7
Overview of the Presentation of Financial Statements.....	7
Presentation Disclosures.....	8
Liquidation Basis of Accounting.....	8
Liquidation Basis Disclosures	9
Going Concern Disclosures	9
Discontinued Operations	10
Discontinued Operations Disclosures.....	12
Chapter 3 - Balance Sheet	15
Overview of the Balance Sheet	15
The Common Size Balance Sheet	18
The Comparative Balance Sheet	19
How to Construct the Balance Sheet	20
Offsetting.....	21
Treatment of Negative Cash.....	22
Balance Sheet Disclosures.....	22
Chapter 4 - Comprehensive Income	26
Overview of Comprehensive Income	26
Comprehensive Income Disclosures	27
Chapter 5 - Income Statement	32
Overview of the Income Statement	32
The Single-Step Income Statement	34
The Multi-Step Income Statement.....	35
The Condensed Income Statement	36
The Contribution Margin Income Statement.....	36
The Multi-Period Income Statement	37
How to Construct the Income Statement.....	38
Income Statement Disclosures	40
Chapter 6 - Statement of Cash Flows	43
Overview of the Statement of Cash Flows	43
The Direct Method	44
The Indirect Method.....	46
How to Prepare the Statement of Cash Flows	47
Disclosures for the Statement of Cash Flows.....	48
Chapter 7 - Notes to Financial Statements	51
Overview of Notes to Financial Statements	51
Chapter 8 - Accounting Changes and Error Corrections	55
Changes in Accounting Principle	55
Changes in Accounting Estimate.....	56
Changes in Reporting Entity	56
Correction of an Error in Previously Issued Financial Statements	57
Corrections Related to Prior Interim Periods	57
The Materiality of an Error	57
Accounting Changes and Error Corrections Disclosures	57
Change in Accounting Principle	57
Change in Accounting Estimate.....	58

Change in Reporting Entity	58
Error Corrections	58
Historical Summaries.....	59
Chapter 9 - Changing Prices.....	62
Overview of Changing Prices.....	62
Inventory and Fixed Assets.....	62
Specialized Assets.....	63
Recoverable Amounts.....	63
Income from Continuing Operations	63
Restatement of Current Cost Information	64
Translation Adjustments	64
Purchasing Power Gains and Losses.....	64
Restatement Steps	64
Changing Prices Disclosures	65
Five-Year Summary.....	65
Other Current Year Disclosures.....	66
Other Disclosures for Mineral Resources Assets.....	66
Chapter 10 - Earnings per Share.....	69
Basic Earnings per Share.....	69
Diluted Earnings per Share.....	70
Treasury Stock and Reverse Treasury Stock Methods	74
Treasury Stock Method.....	74
Reverse Treasury Stock Method	75
Disclosure of Earnings per Share	75
Chapter 11 - Interim Reporting	78
Overview of Interim Reporting	78
General Interim Reporting Rule.....	78
Variations from the Interim Reporting Rule	79
Changes in Accounting Principle in Interim Periods	80
Changes in Accounting Estimate in Interim Periods	80
Error Correction in Interim Periods	81
Adjustments to Prior Interim Periods.....	81
The Integral View.....	82
The Discrete View.....	83
Comparison of the Integral and Discrete Views.....	83
Disclosures for Interim Reporting	83
Chapter 12 - Risks and Uncertainties	87
Overview of Risks and Uncertainties	87
Risks and Uncertainties Disclosures	88
Chapter 13 - Segment Reporting.....	91
Overview of Segment Reporting	91
Segment Disclosure	93
Segment Disclosure	93
Products, Services, and Customer Disclosure.....	95
Geographic Area Disclosure	96
Chapter 14 - Receivables.....	98
Notes Receivable.....	98
Acquisition, Development, and Construction Arrangements	100
Nonrefundable Fees and Other Costs	101
Loans and Debt Securities Acquired with Deteriorated Credit Quality	103
Troubled Debt Restructurings by Creditors.....	105
Classification of Government-Guaranteed Loans	105
Receivables Presentation.....	105
Receivables Disclosures	106

Chapter 15 - Investments – Debt and Equity Securities.....	113
Overview of Investments – Debt and Equity Securities	113
Accounting for Investments	113
Impairment of Investments	114
Restricted Stock	116
Dividend and Interest Income	116
Investment Disclosures.....	116
Chapter 16 - Investments – Equity Method and Joint Ventures.....	120
The Equity Method.....	120
Partnerships, Joint Ventures, and Limited Liability Entities	122
Investment Disclosures.....	122
Chapter 17 - Inventory.....	125
Overview of Inventory	125
The Periodic Inventory System	127
The Perpetual Inventory System	128
Inventory Costing.....	129
The First In, First Out Method	129
The Last In, First Out Method	130
The Weighted Average Method.....	131
Standard Costing.....	132
The Retail Inventory Method.....	134
The Gross Profit Method	135
Overhead Allocation	136
The Lower of Cost or Market Rule	138
Work in Process Accounting.....	140
Accounting for Obsolete Inventory	141
Consignment Accounting.....	142
Goods in Transit.....	142
Inventory Disclosures.....	143
Chapter 18 - Other Assets and Deferred Costs.....	145
Overview of Other Assets and Deferred Costs.....	145
Prepaid Expenses	145
Preproduction Costs for Long-Term Supply Arrangements	146
Capitalized Advertising Costs.....	146
Insurance Contracts that Do Not Transfer Insurance Risk.....	147
Other Assets and Deferred Costs Disclosures	148
Preproduction Costs for Long-Term Supply Arrangements	148
Capitalized Advertising Costs.....	148
Insurance Contracts that Do Not Transfer Insurance Risk.....	149
Chapter 19 - Intangibles – Goodwill and Other.....	152
Goodwill.....	152
Goodwill Amortization.....	156
General Intangibles Other than Goodwill.....	157
Internal-Use Software.....	159
Website Development Costs	160
Intangibles Disclosures.....	161
Chapter 20 - Property, Plant, and Equipment.....	165
Overview of Fixed Assets	165
Initial Fixed Asset Recognition	167
Fixed Assets Acquired through a Business Combination	167
Nonmonetary Exchanges	167
Depreciation and Amortization	171
Straight-Line Method.....	172
Sum-of-the-Years' Digits Method	172
Double-Declining Balance Method	173

Depletion Method	175
Units of Production Method.....	176
Land Depreciation.....	177
Land Improvement Depreciation	177
Depreciation Accounting Entries	177
Fixed Asset Impairment	179
Fixed Asset Disposal.....	181
Assets Held for Sale.....	181
Abandoned Assets.....	185
Idle Assets.....	185
Fixed Asset Disposal Accounting.....	185
Fixed Asset Disclosures	186
General Fixed Asset Disclosures	186
Change in Estimate Disclosures.....	187
Intangible Asset Impairment Disclosures	187
Intangible Asset Disclosures.....	188
Not-for-Profit Fixed Asset Accounting	189
Initial Recognition of Fixed Assets.....	189
Restrictions on Contributed Assets	190
Valuation of Contributed Assets	191
Valuation of Contributed Services.....	191
Valuation of Art, Historical Treasures, and Similar Items.....	192
Depreciation of Fixed Assets	192
Chapter 21 - Liabilities.....	195
Extinguishments of Liabilities.....	195
Joint and Several Liability Arrangements	195
Insurance-Related Assessments.....	196
Liabilities Disclosures	197
Chapter 22 - Asset Retirement and Environmental Obligations.....	200
Overview of Asset Retirement Obligations.....	200
The Initial Measurement of an Asset Retirement Obligation	201
Subsequent Measurement of an Asset Retirement Obligation	202
Settlement of an Asset Retirement Obligation	202
Overview of Environmental Obligations.....	204
Measurement of Environmental Obligations.....	205
Recoveries Related to Environmental Obligations.....	207
Asset Retirement and Environmental Obligations Disclosures	207
Asset Retirement Obligations	207
Environmental Obligations	208
Chapter 23 - Exit or Disposal Cost Obligations	211
Overview of Exit or Disposal Cost Obligations	211
Exit or Disposal Cost Obligation Disclosures	213
Chapter 24 - Commitments.....	215
Overview of Commitments	215
Chapter 25 - Contingencies.....	218
Loss Contingencies	218
Gain Contingencies	219
Contingency Disclosures.....	219
Chapter 26 - Guarantees	222
Overview of Guarantees.....	222
Guarantee Disclosures.....	223
Chapter 27 - Debt	226
General Debt Topics.....	226
Sales of Future Revenues.....	226

Increasing Rate Debt.....	227
Debt with Conversion and Other Options	227
Debt Instruments with Detachable Warrants	227
Convertible Securities.....	227
Beneficial Conversion Features.....	229
Interest Forfeiture	231
Induced Conversions.....	231
Conversion by Exercise of Call Option	231
Convertible Instruments Issued to Nonemployees as Payment.....	231
Contingent Conversion Option	231
Own-Share Lending Arrangements	232
Participating Mortgage Loans	232
Product Financing Arrangements	233
Debt Modifications and Extinguishments	234
Troubled Debt Restructurings by Debtors.....	235
Debt Presentation	236
Callable Debt	236
Classification of Debt that Includes Covenants	236
Debt Issuance Costs	237
Due on Demand Loans.....	237
Increasing-Rate Debt	237
Revolving Debt Agreements.....	237
Short-Term Obligations to be Refinanced	237
Subjective Acceleration Clauses	237
Own-Share Lending Arrangements	238
Participating Mortgage Loans.....	238
Troubled Debt Restructurings by Debtors	238
Debt Disclosures	238
Long-Term Obligations	238
Short-Term Obligations to be Refinanced	239
Own-Share Lending Arrangements	239
Participating Mortgage Loans.....	240
Other Debt Disclosures	240
Troubled Debt Restructurings by Debtors	240
Chapter 28 - Equity	242
Overview of Equity	242
The Sale of Stock	243
Dividend Payments	243
Stock Dividends and Stock Splits.....	244
Stock Dividend	244
Stock Split.....	244
Treasury Stock.....	245
Purchase of Treasury Stock	245
Resale of Treasury Stock	245
Cost Method.....	246
Constructive Retirement Method.....	246
Equity-Based Payments to Non-Employees.....	247
Initial Recognition	247
Spinoffs and Reverse Spinoffs	249
Equity Disclosures.....	249
Rights and Privileges	249
Preferred Stock	250
Contingently Convertible Securities	250
Redeemable Securities	250
Treasury Stock.....	251
Changes in Shareholders' Equity	251

Equity-Based Payments to Non-Employees	251
Spinoffs and Reverse Spinoffs	251
Chapter 29 - Revenue Recognition.....	254
The Nature of a Customer	254
Steps in Revenue Recognition.....	254
Step One: Link Contract to Customer	255
Step Two: Note Performance Obligations.....	257
Step Three: Determine Prices.....	259
Variable Consideration	259
Possibility of Reversal	260
Time Value of Money.....	261
Noncash Consideration	263
Payments to Customers.....	264
Refund Liabilities	265
Step Four: Allocate Prices to Obligations	265
Allocation of Price Discounts	266
Allocation of Variable Consideration	267
Subsequent Price Changes	268
Step Five: Recognize Revenue.....	268
Measurement of Progress Completion.....	270
Output Methods	270
Input Methods.....	271
Change in Estimate	271
Progress Measurement.....	272
Right of Return	272
Consistency	273
Contract Modifications.....	273
Treatment as Separate Contract	273
Treatment as Continuing Contract.....	274
Entitlement to Payment	275
Bill-and-Hold Arrangements	276
Consideration Received from a Supplier.....	277
Customer Acceptance.....	278
Customer Options for Additional Purchases	279
Licensing.....	281
Nonrefundable Upfront Fees	282
Principal versus Agent.....	283
Repurchase Agreements	284
Unexercised Rights of Customers	285
Warranties	286
Contract-Related Costs.....	287
Costs to Obtain a Contract	287
Costs to Fulfill a Contract.....	288
Amortization of Costs.....	288
Impairment of Costs.....	289
Exclusions	289
Revenue Disclosures	289
Chapter 30 - Compensation – General	295
Overview of Compensation.....	295
Compensated Absences	295
Deferred Compensation Arrangements.....	296
Lump-Sum Payments under Union Contracts.....	297
Compensation Disclosures	297
Chapter 31 - Compensation – Retirement Benefits	300
Overview of Retirement Benefits.....	300

Defined Benefit Plans.....	301
Expense Attribution for Delayed Vesting	303
Discount Rates	304
Settlements and Curtailments.....	304
Termination Benefits	305
Combined Pension Plans.....	306
Defined Contribution Plans	306
Presentation of Retirement Benefit Information	306
Retirement Benefit Disclosures	306
Defined Benefit Plan Disclosures for Public Companies.....	306
Defined Benefit Plan Disclosures for Private Companies.....	309
Disclosures for Defined Benefit Plans in Interim Periods	310
Disclosures for Defined Contribution Plans	310
Chapter 32 - Compensation – Stock Compensation	313
Overview of Stock Compensation.....	313
The Volatility Concept.....	317
Fair Value Calculation Alternatives.....	317
Awards Classified as Equity.....	319
Award Measurement Problems.....	319
Contingent Features	319
Award Modifications	319
Income Tax Effects	320
Awards Classified as Liabilities	320
Employee Share Purchase Plans.....	321
Stock-Based Compensation Disclosures	322
Chapter 33 - Other Expenses.....	326
Startup Costs	326
Insurance Costs	327
Retroactive Contracts.....	327
Claims-Made Contracts	327
Multiple-Year Retrospectively Rated Contracts	328
Contributions Made.....	329
Real and Personal Property Taxes.....	329
Advertising Costs	329
Electronic Equipment Waste Obligations.....	330
Business and Technology Reengineering.....	330
Other Expenses Disclosures	331
Insurance Cost Disclosures	331
Real and Personal Property Tax Disclosures	331
Advertising Cost Disclosures.....	331
Chapter 34 - Research and Development	333
Overview of Research and Development	333
Research and Development Disclosures	334
Chapter 35 - Income Taxes	337
Overview of Income Taxes	337
Accounting for Income Taxes.....	339
Tax Positions.....	339
Deferred Tax Expense.....	341
Applicable Tax Rate	341
Interest and Penalties	341
Intraperiod Tax Allocation	342
Taxes Related to Undistributed Earnings	342
Interim Reporting	343
Income Taxes Presentation.....	345
Income Taxes Disclosure	345

Balance Sheet.....	346
Income Statement	346
Other	347
Chapter 36 - Business Combinations	350
Overview of Business Combinations	350
Identifiable Assets and Liabilities, and Noncontrolling Interests	352
Goodwill or Gain from Bargain Purchase	354
Goodwill Calculation	354
Bargain Purchase	354
Reverse Acquisitions	355
Related Issues	357
Acquisition of Assets	357
Transactions between Entities under Control of Same Parent	357
Pushdown Accounting	358
Income Taxes	358
Business Combination Disclosures	359
General Disclosures	359
Identifiable Assets and Liabilities, and any Noncontrolling Interest	361
Goodwill or Gain from Bargain Purchase	361
Reverse Acquisitions	362
Transactions between Entities under Control of Same Parent	362
Income Taxes	363
Chapter 37 - Financial Statement Consolidation	365
Overview of Consolidations	365
Recognition of a Consolidation	366
Consolidation Examples	368
Recognition of Noncontrolling Interest	368
Sale of Shares by Subsidiary	369
Share of Accumulated Other Comprehensive Income	369
Full Consolidation Example	370
Consolidation of Variable Interest Entities	371
Initial Consolidation	372
Subsequent Consolidation	373
Consolidation of Leasing Entities by Private Companies	373
Consolidation of Contractually-Controlled Entities	373
Control of Partnerships	374
Termination of a Consolidation	375
Consolidation Presentation	375
Consolidation Disclosures	377
Chapter 38 - Fair Value Measurement	381
The Fair Value Concept	381
Fair Value Differences from Actual Prices Paid	382
Fair Value Measurement Approaches	383
The Net Asset Value Variation	384
Fair Value Measurements for Liabilities	385
Use of Multiple Measurements	385
Fair Value Disclosures	385
Chapter 39 - Financial Instruments	389
Off-Balance Sheet Credit Risk	389
Fair Value Option	389
Registration Payment Arrangements	390
Financial Instruments Disclosures	391
Fair Value of Financial Instruments	391
Concentrations of Credit Risk of Financial Instruments	392
Market Risk of Financial Instruments	392

Fair Value Option	393
Registration Payment Arrangements	394
Chapter 40 - Foreign Currency Matters.....	396
Foreign Currency Transactions	396
Financial Statement Translation	397
Determination of Functional Currency	397
Translation of Financial Statements.....	399
Use of Average Exchange Rates	400
Hyperinflationary Effects.....	401
Derecognition of a Foreign Entity Investment.....	401
Foreign Currency Disclosures	401
Chapter 41 - Interest	404
Overview of Capitalized Interest.....	404
Assets for Which You Must Capitalize Interest	405
Assets for Which You Do Not Capitalize Interest.....	405
The Interest Capitalization Period	405
The Capitalization Rate	407
Calculating Interest Capitalization	408
Overview of Imputed Interest.....	409
Interest Disclosures	411
Capitalized Interest Disclosures.....	411
Imputed Interest Disclosures.....	412
Chapter 42 - Leases	414
Overview of Leases	414
Capital Lease Criteria	414
Lease Classification by Lessor.....	416
Lease Reassessment	417
Accounting for Leasehold Improvements.....	417
Special Lease Terms	418
Operating Leases	418
Operating Lease Treatment by Lessee	418
Operating Lease Treatment by Lessor	419
Capital Leases	419
Capital Lease Treatment by Lessee	419
Capital Lease Treatment of Sublease by Lessee	420
Capital Lease Treatment by Lessor (Sales-Type Lease).....	420
Capital Lease Treatment by Lessor (Direct Financing Lease).....	421
Capital Lease Treatment by Lessor (Leveraged Lease).....	422
Capital Lease Treatment by Lessor (Broadly Applicable).....	423
Sale-Leaseback Transactions	423
Sale-Leaseback Treatment by Lessee	423
Sale-Leaseback Treatment by Lessor.....	424
Lease Disclosures	425
Lessee Disclosures	425
Lessor Disclosures	426
Chapter 43 - Nonmonetary Transactions	429
Overview of Nonmonetary Transactions.....	429
Purchases and Sales of Inventory with the Same Counterparty	430
Barter Transactions	431
Exchanges Involving Monetary Consideration.....	432
Exchanges of a Nonfinancial Asset for a Noncontrolling Ownership Interest.....	434
Nonmonetary Transaction Disclosures.....	435
Chapter 44 - Related Party Disclosures	437
Overview of Related Parties.....	437
Related Party Disclosures.....	437

Chapter 45 - Subsequent Events	440
Overview of Subsequent Events.....	440
Subsequent Event Disclosures.....	441
Answers to Chapter Questions	443
Glossary	469
Index	481

Preface

The accounting by businesses in the United States is largely governed by Generally Accepted Accounting Principles (GAAP). The source documents for GAAP cover multiple thousands of pages, so their heft alone makes them difficult to research. *The Complete Guide to GAAP* lightens the research chore by presenting the essential elements of GAAP in a single volume, with an emphasis on key accounting requirements and disclosures. These essential elements are closely supported by several hundred examples and tips.

Following an introduction to GAAP in Chapter 1, the course covers in Chapters 2 through 13 all aspects of the presentation of financial statements, including accounting changes and error corrections, earnings per share, interim reporting, and segment reporting. We then move on to the accounting for assets in Chapters 14 through 20, which encompasses receivables, investments, inventory, intangible assets, and fixed assets. Chapters 21 through 28 cover a broad range of liability and equity issues, while Chapters 29 through 35 address a number of income statement topics – revenue recognition, compensation expense, income taxes, and more. Finally, Chapters 36 through 45 delve into a number of major transaction types, including business combinations, consolidations, fair value, foreign currency, leases, and subsequent events. The chapters include tips and a variety of illustrations.

You can find the answers to many accounting questions in the course that might otherwise require extensive research in the original GAAP source documents, such as:

- What is the proper presentation of a balance sheet?
- What does an indirect method statement of cash flows look like?
- How do I calculate diluted earnings per share?
- What information must be included in interim financial statements?
- How do I use the equity method to account for investments?
- How do I use a cost layering system to account for inventory?
- What is the process for testing intangible assets for impairment?
- How do I account for fixed assets acquired in a business combination?
- What is the correct accounting for a stock split?
- When can I recognize revenue?
- How do I account for a defined benefit pension plan?
- How do I account for a business combination?

The Complete Guide to GAAP is designed for both professionals and students. Professionals can use it as a handy reference tool that reduces research time, while students will find that it clarifies many of the more arcane accounting topics. Given its ability to present summarized GAAP information, *The Complete Guide to GAAP* may earn a permanent place on your book shelf.

Centennial, Colorado
October 2015