

2018 FASB Review for Industry

LEARNING OBJECTIVES

As a result of studying each assignment, you should be able to meet the objectives listed below for each individual assignment.

After reading the Chapter 1 course material, you will be able to:

- Identify an area of accounting affected by the definition of a business
- Recognize elements of a business
- Identify the new definition of a business in ASU 2017-01
- Recall an example of a process as used in the definition of a business
- Recognize Steps 1 and 2 of determining a business in ASU 2017-01
- Identify a real estate transaction that might qualify as a trade or business in IRC 197
- Recognize a factor that indicates there is a trade or business for tax purposes

After reading the Chapter 2 course material, you will be able to:

- Identify how intangible assets with finite lives should be accounted for under GAAP
- Recognize how often a publicly held entity should test goodwill for impairment
- Recall the level at which goodwill is tested for impairment
- Recognize the formula used to perform the impairment loss test for goodwill
- Identify how goodwill is treated after recording an impairment loss
- Recall the definition of “more likely than not” as used in the goodwill impairment test
- Recognize the definition of a public business entity
- Identify the type of entity that is permitted to elect the accounting alternative for goodwill in ASU 2014-02
- Recognize the maximum amortization life for goodwill using the accounting alternative

After reading the Chapter 3 course material, you will be able to:

- Recognize a key change made to GAAP by the new lease standard
- Identify a type of lease that exists for a lessee under ASU 2016-02
- Recall a type of lease for which the ASU 2016-02 rules do not apply
- Recognize some of the criteria that determine whether a contract is or is not a lease
- Identify a threshold for a lease term to be considered a major part of an asset’s remaining economic life
- Identify how a lessee should account for initial direct costs
- Recall how a lessor should initially account for initial direct costs for a lease in certain instances
- Identify how a lessor should account for lease payments received on the income statement for an operating lease
- Recognize how certain existing leases are accounted for on the implementation date of ASU 2016-02
- Recall the potential impact that the new lease standard might have on a lessee’s EBITDA and debt-equity ratios.

After reading the Chapter 4 course material, you will be able to:

- Identify the category of securities for which ASU 2016-01 retains the three categories under existing GAAP
- Recall one of the changes made by ASU 2016-01 to existing GAAP for financial instruments.
- Recall how available-for-sale debt securities are measured on an entity's balance sheet
- Identify how held to maturity securities are measured on the balance sheet
- Recognize how an entity should account for a temporary impairment
- Recall how an entity should present an unrealized gain or loss on an equity security under ASU 2016-01
- Identify how a mutual fund that invests in debt and equity securities should classify the investment
- Recall a change made to the exemption for fair value disclosures with respect to trade receivables and payables
- Recognize the model that ASU 23016-13 uses to deal with credit losses
- Identify how credit losses should be recorded under new ASU 2016-13

After reading the Chapter 5 course material, you will be able to:

- Recognize how an entity should account for deferred tax accounts under the Tax Cuts and Jobs Act
- Identify how the ASU 2018-02 election is made to reclassify the tax-effect on accumulated other comprehensive income
- Recall the adjustment that is made when an entity converts from S to C corporation status
- Recognize the type of like-kind exchange that qualifies for nonrecognition of gain or loss under GAAP
- Identify a way in which an entity can account for bonus depreciation under GAAP.
- Recall the overall impact that the reduction in the corporate tax rate is having on SEC companies
- Recognize whether SEC companies are permitted to discount tax liabilities pertaining to repatriated income
- Recall when an entity is required to disclose the tax years open for examination

After reading the Chapter 6 course material, you will be able to:

- Recognize some of the implications of a possible change in the format of financial statements
- Recall a permitted format for presenting a balance sheet under the LIFO Conformity Requirement
- Identify the disclosure requirement for a concentration within an entity
- Recognize one of the disclosure requirements in the Dodd-Frank Act
- Recognize the change made to the extraordinary item rules by ASU 2015-01
- Recognize an attribute of a company that leads with its balance sheet first in its set of financial statements
- Identify how an entity should account for restricted cash in its statement of cash flows
- Recall how to classify deferred tax assets and liabilities on the balance sheet
- Recall how an entity that uses average cost method should value its inventory under ASU 2015-11.