

Learning Objectives

The objective of this course is to address the new revenue standard in ASC 606, *Revenue from Contracts with Customers*, and its related updates, and provide guidance to nonpublic (private) entities who are required to implement the standard starting in 2019 or 2020.

Topics include and overview of the new standard and its core principle, an analysis of each of the five steps required in the revenue model, selected issues encompassing principal versus agent considerations, dealing with warranties, bill-and-hold arrangements, and consignment transaction. The course also addresses how to account for contract costs, financial statement presentation of revenue-related accounts, disclosures, and transition methods and guidance.

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

- Identify an example of recognition of revenue prematurely
- Identify one of the five steps to apply the new revenue standard
- Recall a condition that must be met to identify a separate performance obligation
- Identify methods authorized to estimate variable consideration in a contract
- Recognize information that can be used to allocate the transaction price to performance obligations
- Identify two methods that are used to record revenue in Step 5 of the revenue standard
- Recognize how to account for the transfer of a product with a right to return
- Recognize the requirement that must be met for a company be considered a principal in a revenue transaction
- Recall the general rule that determines whether an entity should record revenue gross or net
- Identify different types of warranties accounted for under the revenue standard
- Identify different types of intellectual property subject to the licensing rules in the revenue standard
- Recognize an example of a prepaid stored-value product
- Recall how an entity should account for breakage related to prepaid stored-value products
- Recall how certain contract costs are accounted for under the revenue standard
- Recognize certain disclosures required by the revenue standard for nonpublic entities, and
- Recall an applicable financial statement (AFS).