

Per the publisher's request, the full file is available after purchase.

Income Statement: Accounting and Reporting

Income Statement: Accounting and Reporting

Copyright © 2014 by

DELTACPE LLC

All rights reserved. No part of this course may be reproduced in any form or by any means, without permission in writing from the publisher.

The author is not engaged by this text or any accompanying lecture or electronic media in the rendering of legal, tax, accounting, or similar professional services. While the legal, tax, and accounting issues discussed in this material have been reviewed with sources believed to be reliable, concepts discussed can be affected by changes in the law or in the interpretation of such laws since this text was printed. For that reason, the accuracy and completeness of this information and the author's opinions based thereon cannot be guaranteed. In addition, state or local tax laws and procedural rules may have a material impact on the general discussion. As a result, the strategies suggested may not be suitable for every individual. Before taking any action, all references and citations should be checked and updated accordingly.

This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is sold with the understanding that the publisher is not engaged in rendering legal, accounting, or other professional service. If legal advice or other expert advice is required, the services of a competent professional person should be sought.

—From a Declaration of Principles jointly adopted by a committee of the American Bar Association and a Committee of Publishers and Associations.

Course Description

This course addresses income statement accounting and reporting. It discusses a variety of accounting issues surrounding income statement items and related information; the format of the income statement, major income statement categories, extraordinary and nonrecurring items, discontinued operations, research and development costs, deferred compensation arrangements, share-based payment, compensation expense arising under a stock option plan, insurance costs, and earnings per share (EPS) calculation.

Field of Study	Accounting
Level of Knowledge	Basic to Intermediate
Prerequisite	Basic Accounting
Advanced Preparation	None

Table of Contents

The Income Statement: Accounting and Reporting.....	1
Learning Objectives:.....	1
Revenue, Expenses, Gains, and Losses	1
Revenues.....	2
Sales with Buyback Agreements	2
Sales When Right of Return Exists	3
Expenses.....	3
Gains and Losses	4
Income Statement Formats	4
Nonrecurring Gains or Losses	7
Research and Development Costs	10
Share-Based Payment	13
Models Used to Value Employee Share Options	15
The Black-Scholes Option-Pricing Model	15
Lattice-Based Models.....	18
Deferred Compensation Arrangements.....	34
Advertising Costs.....	35
Sales Incentives.....	35
Insurance Costs	36
Life Insurance	36
Casualty Insurance	37
Business Interruption Insurance	40
Restructuring Charges.....	40
Costs Associated With Exit or Disposal Activities	41

Website Development Costs.....	42
Income Statement Presentation Starting with Income from Continuing Operations	42
Review Questions - Section 1.....	44
Discontinued Operations and Related Disposal of Long-Lived Asset Considerations	46
Exceptions to the One-Year Requirement That Must Exist for Held-for-Sale Classification	47
Other Held-for-Sale Considerations.....	48
Held-for-Sale Measurement Considerations	48
Changing the Decision to Sell.....	50
Discontinued Operations	50
Classification as a Discontinued Operation.....	50
Reporting the Gain or Loss from Operations of the Discontinued Component	52
Reporting and Disclosure—Long-Lived Asset or Disposal Group That Has Been Sold or Is Classified For Sale.....	54
Extraordinary Gains and Losses	54
Earnings per Share	56
Basic Earnings per Share	56
Diluted Earnings per Share.....	60
Antidilutive Securities	63
Share-Based Payment Transactions.....	64
Earnings per Share and Specialized Disclosures on the Income Statement	64
Business Combinations	64
Disclosures	65
Review Questions – Section 2.....	66
Comprehensive Income	69
Disclosures Associated with Operations.....	73
Personal Financial Statements.....	73

Review Questions – Section 3.....	78
Glossary.....	80
Index.....	83
Appendix	84
Annual Report References	84
United States Steel.....	84
Microsoft.....	88
Schlumberger.....	88
Tyco International.....	90
Kellogg's	91
Goodyear Tire and Rubber.....	94
Texas Instruments.....	96
Boeing	98
Review Question Answers	103

Per the publisher's request, the full file is available after purchase.