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## Financial Statement Certificate

### Income, Cash Flow and Balance Sheet Statements

Price \$249 | 3 months access to course and the eAdviser

Financial statements show the financial performance of an organization. They are comprised of the Income Statement, the Cash Flow Statement, and the Balance Sheet, and are used both internally by management and externally by investors and lenders.

**The Income Statement** can also be referred to as profit and loss statement or statement of operations and is one of the most important financial statements. It shows the profitability of a company during a specified accounting period.

**The Cash Flow Statement** is a key financial statement that reports cash receipts, payments, and net change in cash resulting from operating, investing, and financing activities during a reporting period.

**The Balance Sheet** is arguably the most important of all financial statements. It is a financial snapshot of a company's health at a specific point in time as measured in terms of assets, liabilities, and owners' or shareholders' equity.

#### Target Audience

Business owners, management, accounting staff, investors and entrepreneurs. This course is mandatory for anyone writing a business plan that include projections of income and cash flows.

The **Financial Statements Certification includes** video lectures and simulations covering:

1. Introduction: Key Accounting Accounting Concepts and Principles
  2. The Accounting Cycle and Accrual Accounting
  3. The Income Statement
  4. The Balance Sheet and,
  5. The Cash Flow Statement
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# Financial Statements Certification Program

## Detailed Description

### Course Module 1: Key Accounting Concepts and Principles

#### Overview

How do organizations communicate business information? Achieving the utmost clarity in communication requires the sharing of a common language. Accounting is one of the aspects of this common language. It's an internal function that involves identifying, recording, summarizing, and reporting business transactions and financial events in an organization. This course covers the basic concepts and practices of accounting. You'll learn about the accounting equation and its components, and learn to use the rule of debits and credits. You'll also explore the accounting cycle, and the effect of cash and accrual based accounting systems.

#### Learning Objectives

##### Understanding Accounting Basics

- match basic accounting practices to their descriptions
- recognize examples of assets, liabilities, and shareholders equity
- determine how given transactions affect the accounting equation
- determine how common transactions affect specific accounts using the debit and credit rule
- sequence the steps of the accounting cycle
- identify key characteristics of cash and accrual accounting

### Course Module 2: The Accounting Cycle and Accrual Accounting

#### Course Overview

Accounting involves recording, summarizing, and presenting financial transactions. You need to analyze transactions before recording them in daily journals. Organizations use a variety of accounts, called general ledgers collectively, to record transactions in a number of business areas. A chart of accounts lists all these accounts in the general ledger. All individual accounts are then compiled, totaled and verified for correctness, and then presented as financial statements to the organization's internal and external users. As in most other things, timing is of prime importance in accounting, specifically in recording transactions. Most organizations record revenue or expense transactions when they actually take place – known as accrual accounting. Others do it when money actually changes hands – known as cash accounting.

This course teaches the essentials of the accounting cycle, chart of accounts, and accrual accounting method. It walks you through various stages in the accounting cycle, categories of accounts, and how they are organized in respective financial statements. Finally, it

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introduces the cash and accrual accounting methods and their differences with help of examples.

### **Learning Objectives**

#### **Using the Accounting Cycle and Accrual Accounting**

- sequence an example of using the accounting cycle
- match the Balance Sheet and Income Statement to the Chart of Accounts categories to which they are linked
- recognize examples of various categories of accounts
- recognize examples of transactions that are ignored in cash-based accounting systems
- identify key characteristics of cash and accrual accounting

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## **Course Module 3: The Income Statement**

### **Course Overview**

Financial statements show the financial performance of an organization. They are comprised of the Income Statement, the Cash Flow Statement, and the Balance Sheet, and are used both internally and externally by a variety of users. The Income Statement can also be referred to as profit and loss statement or statement of operations, and is one of the most important financial statements. It shows the profitability of a company during a specified accounting period.

This course aims to familiarize you with the Income Statement and give you an understanding of how it interacts with other financial statements. You'll be taken through the various components of the Income Statement and taught hands-on knowledge of how to calculate gross profit, operating income, and net income. Finally, the course presents how common business transactions affect the Income Statement and how it interacts with other financial statements.

### **Learning Objectives**

#### Understanding the Income Statement

- identify key characteristics of the Income Statement
- recognize examples of revenues, gains, expenses, and loss-incurring activities
- calculate gross profit, operating income, and net income
- recognize how common transactions affect the Income Statement
- identify how the income statement interacts with the other financial statements

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## Course Module 4: The Cash Flow Statement

### Course Overview

As the popular saying goes – revenue is vanity, margin is sanity, and cash is king. While it is very important for an organization to keep earning revenue and maintaining a good profit margin, a positive cash flow is equally important for its survival. Cash flowing in to the organization must meet or exceed the cash flowing out to enable the organization to pay its debts and liabilities and meet its growth and day-to-day cash requirements. The Cash Flow Statement is a key financial statement that reports cash receipts, payments, and net change in cash resulting from operating, investing, and financing activities during a reporting period.

This course discusses various aspects of Cash Flow Statements and walks the learner through the steps in preparing one using a business scenario. Learners are introduced to various components in a Cash Flow Statement and also shown how to calculate cash at the end of the accounting period. This course also presents examples of how various transactions affect cash balances in an organization and how a Cash Flow Statement connects with the Income Statement and Balance Sheet.

### Learning Objectives

#### Understanding the Cash Flow Statement

- match examples of Cash Flow Statement items to the section of the Cash Flow Statement they belong to
- calculate the cash balance at the end of the accounting period in a scenario-based example
- identify how the Cash Flow Statement connects with the Income Statement and the Balance Sheet
- recognize how common transactions affect different types of cash flows in the Cash Flow Statement
- prepare a Cash Flow Statement in a scenario using the indirect method

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## Course Module 5: The Balance Sheet

### Course Overview

The Balance Sheet is arguably the most important of all financial statements. It is a financial snapshot of a company's health at a specific point in time as measured in terms of assets, liabilities, and owners' or shareholders' equity. It allows you to see what a company owns as well as what it owes to other parties. People who might be interested in the Balance Sheet include creditors, investors, company management, suppliers, customers, competitors, government agencies, and analysts. The Balance Sheet is closely connected to the other key financial statements – the Income Statement and Cash Flow Statement.

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This course walks you through a Balance Sheet and its key components. It also illustrates how common transactions affect the Balance Sheet with the help of accounting examples. It also teaches you how to prepare a Balance Sheet and how the Balance Sheet interacts with other financial statements.

### **Learning Objectives**

#### Understanding the Balance Sheet

- recognize examples of the components of a Balance Sheet
- prepare a Balance Sheet
- determine how common transactions affect the Balance Sheet
- recognize how the Balance Sheet connects and interacts with the other financial statements

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