

Financial accounting textbook

(The attached PDF file has better formatting.)

International Financial Statement Analysis (CFA Institute Investment Series), 3rd Edition, by Thomas Robinson, Elaine Henry, Wendy Pirie, and Michael Broihahn (Wiley, 2015) is the primary reading for the on-line course. The final modules cover insurance and reinsurance contracts (SFAS 60 & 113; IFRS 17) with readings on the NEAS discussion forum.

The CFA examination textbook has methodical review of the accounting process and extensive illustrations. The NEAS discussion forum has

- required readings for each module: sections of the textbook on the syllabus for this on-line course and any sub-section that are excluded
- homework assignments for each module
- practice problems for the final exam
- supplementary readings (if any) from on-line internet postings

The financial accounting course covers the two major general accounting systems: IFRS and U.S. GAAP. It emphasizes analysis and interpretation of financial statements, insurance contracts, and financial investments.

Robinson's textbook is used for the CFA exam on financial accounting and analysis. Each chapter explains the GAAP and IFRS principles and standards, but the discussion is not limited to accounting rules. Rather, the financial statements are analyzed and interpreted to value the firm and to understand its business strategy.

The FASB and the IASB have converged most of their accounting standards. They have the same structure for financial statements, accrual accounting, accounting elements, fair value measurement, and accounting for taxes. They differ greatly for insurance contracts and partially for financial investments.

- IFRS 17 (insurance contracts) is effective in 2021, and it is not covered in the textbook.
- IFRS 9 (financial investments) is effective in 2018, and the most recent update is not in the textbook.

The annotated readings and explanations on the discussion forum cover IFRS 9 and 17. GAAP for insurance contracts is also not covered in the textbook, so the readings and explanations on the discussion forum cover SFAS 60 and SFAS 113 as well.

The NEAS discussion forum notes recent changes (such as goodwill amortization and impairment losses) to the accounting rules, but the final exam does not test these recent changes. (The final exam does test SFAS 60, SFAS 113, and IFRS 17.)