

Learning Objectives

- Identify the types of accounting changes.
- Recognize how to account for accounting changes.
- Recognize how different types of accounting changes affect the financial statements.
- Identify the steps involved in the required assessment for error corrections.

I. Overview of ASC 250

- Reasons for Changes and Corrections
- Basic Principles
- U.S. GAAP vs IFRS

II. Change in Accounting Principle

- Accounting Treatment
 - Justification for a Change in Accounting Principle
 - Voluntary Change in Accounting Principle
 - Retrospective Application
 - Impracticability Exceptions
 - Direct and Indirect Effects of Retrospective Application
 - Changes in Interim Periods
- Disclosure Requirements

III. Change in Accounting Estimate

- Accounting Treatment
 - Use of Accounting Estimate
 - Change in Estimate Effected by a Change in Principle
- Disclosure Requirements
- Implications to Internal Control

IV. Change in Reporting Entity

- Accounting Treatment
- Disclosure Requirements

V. Correction of an Error

- Accounting Treatment
 - Identifying an Error
 - Comprehensive Illustration: Prior-Period Adjustments
 - Assessing the Materiality
 - Reporting the Correction
- Disclosure Requirements
- Restatements
 - Types
 - Effect