

**LEARNING OBJECTIVES:**

- Identify the different types of accounting changes and error corrections
- Recognize how to account for accounting changes and error corrections
- Identify the effect of errors in prior-period financial statements

**TOPICS COVERED:**

**I. OVERVIEW OF ASC 250**

- Reasons for Changes and Corrections
- Basic Principles
- Difference between GAAP and 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
  1. Identify an Error
  2. Assess the Materiality of Error
  3. Report Correction of Error
- Disclosure Requirements
- The Trends and Impact of Restatement
  - Restatement Trends
  - Restatement Effect