

Yes, Accounting can be Fun!

Joe Bittner, CPA

Director, Education & Professional Development

EisnerAmper LLP

2013 NBEA Annual Conference

Thursday, April 18, 2013

Joe's Bio...

1. Director, Education & Professional Development, EisnerAmper
2. Accounting Instructor, University of Connecticut
3. Education Manager, Federal Reserve Bank of New York
4. Senior Director, Business Programs, NYU SCPS
5. Education Manager, American Institute of CPAs
6. Adjunct Accounting Professor, NYU SCPS & University of Connecticut
7. High School Business Education Teacher, Bristol (CT) Central High School
8. Audit & Tax Associate, Price Waterhouse and Deloitte & Touche
9. BS, Finance & MBA, Accounting, University of Connecticut
10. Born & raised in East Haven, CT; live in NYC

Yes, Accounting can be Fun!

- Financial Reporting & Analysis**
- Preparing & Using a Balance Sheet and Income Statement**
- Cost-Volume-Profit (CVP) Analysis**
- Financial Literacy**

Financial Reporting & Analysis

Instructional Strategy:

- Explain the “nature of the business” of a company
- Explain information reported on a Balance Sheet
 - Identify and explain assets, liabilities and equity
 - Explain the relationship between assets, liabilities and equity
- Explain the information reported on an Income Statement
- “Analyze” a company:
 - Net Profit Margin
 - Debt Ratio
 - Operating Cycle (inventory turnover + accounts receivable turnover)
 - Return on Assets
 - Current Ratio (and Working Capital)

Financial Reporting & Analysis

Resources:

- Annual report of a public company
- AICPA's *Takin' Care of Business* Education Handbook
 - Lesson 1, Financial Statement Analysis: Reading Between the Bottom Lines
 - » Texas Society of CPAs; www.tscpa.org
- Financial Reporting and Analysis (Gibson)
- What the Numbers Mean (Marshall, McManus, Viele)

Preparing & Using a Balance Sheet and Income Statement

Instructional Strategy:

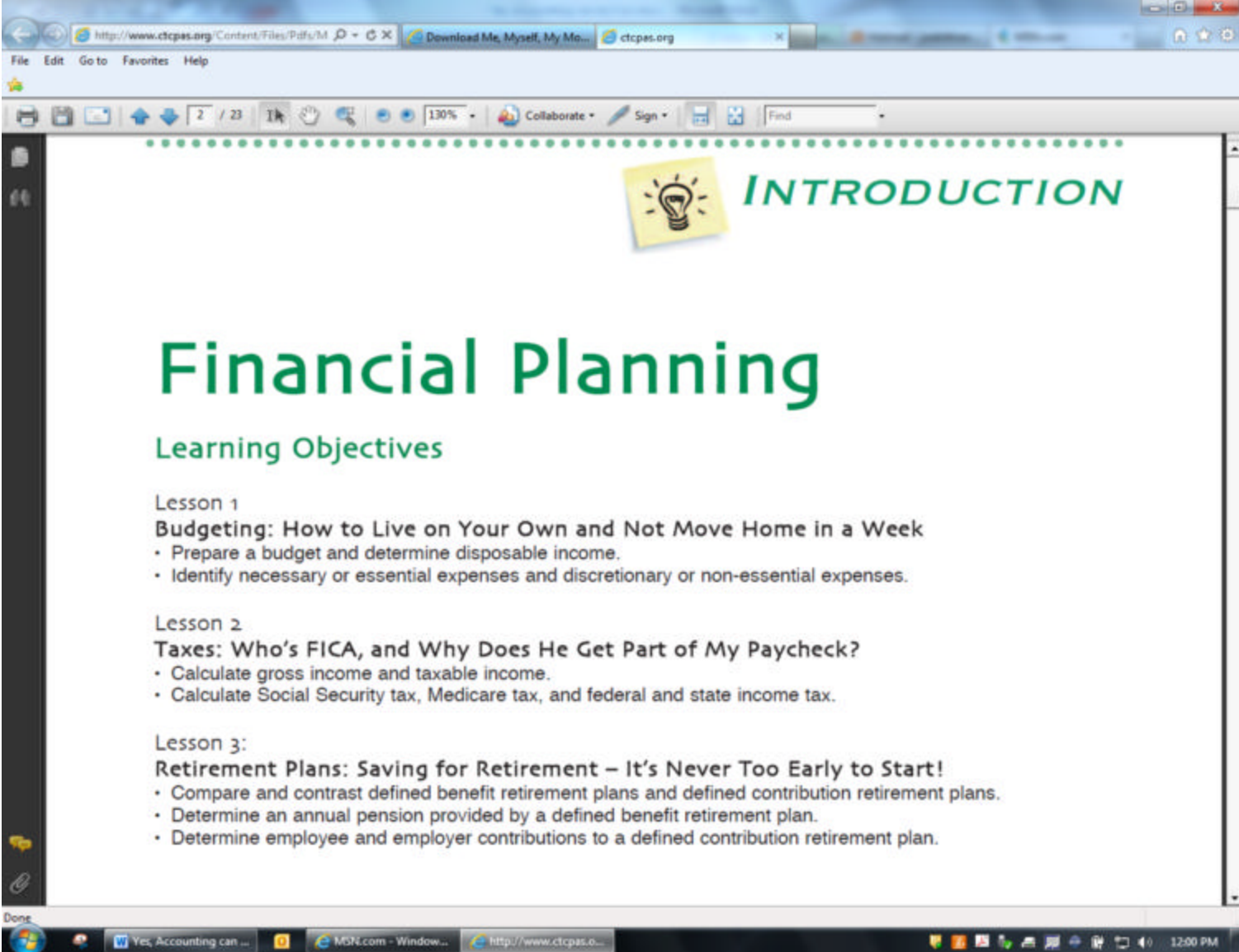
- Research careers, education requirements and universities
- Prepare a personal budget
 - Explain the benefits of a tax-deferred savings plan
- Prepare a “personal” balance sheet and income statement

Preparing & Using a Balance Sheet and Income Statement

Resources:

- Personal Budget
 - Connecticut Society of CPAs *Me, Myself, My Money* (www.ctcpas.org)
 - AICPA's *Takin' Care of Business* Education Handbook
 - » Lesson 3, Budgeting & Forecasting: Forecasting Your Future
 - » Lesson 9, Financial Planning: Tax Laws Can Make You Rich
 - » Lesson 10, Time Value of Money: Timing is Everything
 - » Texas Society of CPAs; www.tscpa.org
- Personal Balance Sheet and Income Statement
 - Use *Excel spreadsheet* to demonstrate how transactions impact the accounting equation

Preparing & Using a Balance Sheet and Income Statement



The screenshot shows a web browser window with the URL <http://www.ctcpas.org/Content/Files/Pdfs/M...> and a tab titled "Download Me, Myself, My Mo...". The browser interface includes a menu bar (File, Edit, Go to, Favorites, Help), a toolbar with navigation and utility icons, and a search bar. The main content area features a green dotted border at the top, a lightbulb icon on a yellow sticky note, and the word "INTRODUCTION" in green. Below this is the main title "Financial Planning" in large green font, followed by the section "Learning Objectives".

Financial Planning

Learning Objectives

Lesson 1
Budgeting: How to Live on Your Own and Not Move Home in a Week

- Prepare a budget and determine disposable income.
- Identify necessary or essential expenses and discretionary or non-essential expenses.

Lesson 2
Taxes: Who's FICA, and Why Does He Get Part of My Paycheck?

- Calculate gross income and taxable income.
- Calculate Social Security tax, Medicare tax, and federal and state income tax.

Lesson 3:
Retirement Plans: Saving for Retirement – It's Never Too Early to Start!

- Compare and contrast defined benefit retirement plans and defined contribution retirement plans.
- Determine an annual pension provided by a defined benefit retirement plan.
- Determine employee and employer contributions to a defined contribution retirement plan.

The Windows taskbar at the bottom shows the system tray with the time 12:00 PM and several open applications including "Yes, Accounting can...", "MSN.com - Window...", and "http://www.ctcpas.o...".

Cost-Volume-Profit (CVP) Analysis

Instructional Strategy:

- CVP Analysis
 - High-low Analysis
 - Sensitivity Analysis

Sales

– Variable costs

Contribution Margin

– Fixed costs

= Profit

Cost-Volume-Profit (CVP) Analysis

Instructional Strategy:

(Selling price × Quantity of units sold)

– (Variable cost per unit × Quantity of units sold)

Contribution Margin per unit × Quantity of units sold

– Fixed costs

= Profit

Cost-Volume-Profit (CVP) Analysis

Instructional Strategy:

Contribution Margin per Unit = Selling Price – Variable cost per Unit

1. (Selling price × Quantity of units sold) - (Variable cost per unit × Quantity of units sold) - Fixed costs = Profit
2. (Contribution Margin per unit × Quantity of units sold) - Fixed costs = Profit
3. (Contribution Margin per unit × Quantity of units sold) = Fixed costs + Profit
4. **Quantity of units sold = (Fixed costs + Profit) / Contribution Margin per unit**

Cost-Volume-Profit (CVP) Analysis

Resources:

- AICPA's *Takin' Care of Business* Education Handbook
 - Lesson 3, Break-even Analysis: Proving the Price is Right
 - » Texas Society of CPAs; www.tscpa.org
- Managerial Accounting (Garrison)
- Managerial Accounting (Hilton)

Financial Literacy:

Having the knowledge and skills to make informed business and personal finance decisions.

Instructional Strategy:

- Make it “personal”—student-centered approach to developing the knowledge and skills to make informed business and personal finance decisions *through the study of accounting and accounting-related topics*

Resources:

- Connecticut Society of CPAs *Me, Myself, My Money*
(www.ctcpas.org)

Financial Literacy:

Having the knowledge and skills to make informed business and personal finance decisions.

Resources:

- Each of the six modules contains learning objectives, two to four lessons (each with multiple student activities), and instructor's solutions.
 - Credit Cards and Your Credit Score
 - Managing Debt
 - Financial Planning
 - Insurance
 - Investments
 - Money and Banking
- The 18 lesson plans and 47 activities are aligned with the learning standards of the Connecticut Department of Education and the NBEA.

Financial Literacy:

Having the knowledge and skills to make informed business and personal finance decisions.



The screenshot shows a web browser window displaying the CTCPA website. The address bar shows the URL <http://www.ctcpas.org/Content/PersonalFinance>. The page features a navigation menu with links for [Join CTCPA](#), [Become a CPA](#), [CPE](#), [Members](#), [Personal Finance](#), [About Us](#), and [Find a CPA](#). A prominent blue banner reads "Personal Finance".

On the left sidebar, there are links for "How Can a CPA Help Me?", "Tools and Resources", "Lesson Plans", and "Find a CPA". A large green button labeled "Find a CPA" and an orange button labeled "Advertising Opportunities" are also present.

The main content area is titled "Me, Myself, My Money" and includes a pink piggy bank icon wearing sunglasses. The text describes a curriculum developed by CTCPA to improve the financial literacy of high school students. It states: "CTCPA developed *Me, Myself, My Money* to improve the financial literacy of high school students by introducing fundamental concepts for responsible personal financial management. Following the overwhelming success of the first edition (both in state and across the country!), the CTCPA developed a new and expanded edition, seen below!"

Below the icon, it says: "Each of the six new modules contains learning objectives, two to four lessons (each with multiple student activities), and instructor's solutions." A paragraph follows: "This curriculum provides teachers with a combined 18 lesson plans and 47 activities that are aligned with the Connecticut Department of Education's and National Business Education Association's learning standards for secondary education."

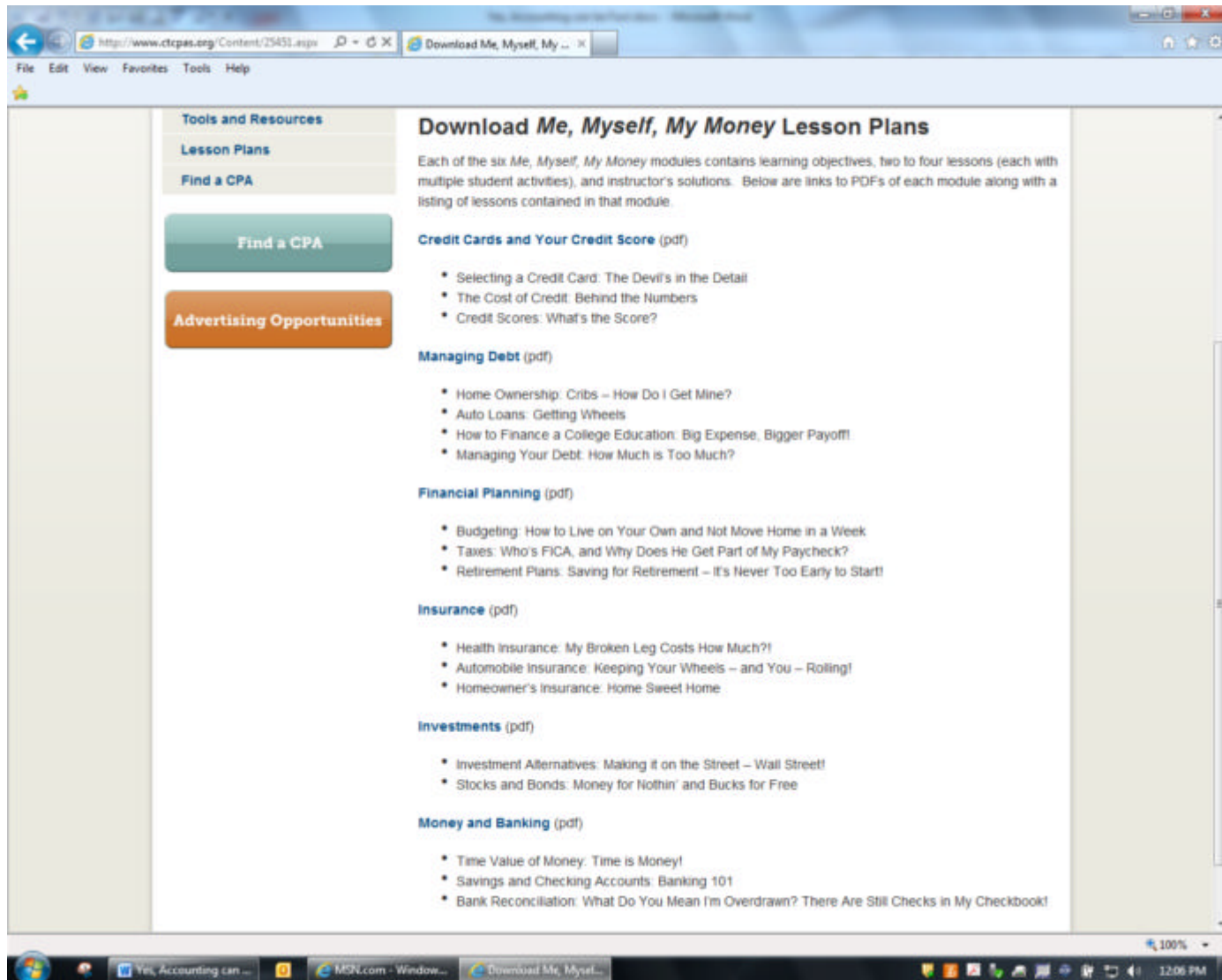
A "Teachers" section lists two bullet points: "Download the *Me, Myself, My Money* lesson plans." and "Invite a CPA guest speaker to your classroom."

At the bottom, it provides contact information: "Questions? Contact Student Relations Specialist Jill Brightman at jilb@ctcpas.org or 860-258-0239."

A search box at the bottom of the page contains the text "Looking for more helpful resources?".

Financial Literacy:

Having the knowledge and skills to make informed business and personal finance decisions.



The screenshot shows a web browser window with the URL <http://www.ctcpas.org/Content/25451.aspx>. The page is titled "Download Me, Myself, My Money Lesson Plans". It features a sidebar with navigation links: "Tools and Resources", "Lesson Plans", and "Find a CPA". The main content area lists several lesson plan categories, each with a list of topics:

- Credit Cards and Your Credit Score (pdf)**
 - Selecting a Credit Card: The Devil's in the Detail
 - The Cost of Credit: Behind the Numbers
 - Credit Scores: What's the Score?
- Managing Debt (pdf)**
 - Home Ownership: Crbs – How Do I Get Mine?
 - Auto Loans: Getting Wheels
 - How to Finance a College Education: Big Expense, Bigger Payoff!
 - Managing Your Debt: How Much is Too Much?
- Financial Planning (pdf)**
 - Budgeting: How to Live on Your Own and Not Move Home in a Week
 - Taxes: Who's FICA, and Why Does He Get Part of My Paycheck?
 - Retirement Plans: Saving for Retirement – It's Never Too Early to Start!
- Insurance (pdf)**
 - Health Insurance: My Broken Leg Costs How Much?!
 - Automobile Insurance: Keeping Your Wheels – and You – Rolling!
 - Homeowner's Insurance: Home Sweet Home
- Investments (pdf)**
 - Investment Alternatives: Making it on the Street – Wall Street!
 - Stocks and Bonds: Money for Nothin' and Bucks for Free
- Money and Banking (pdf)**
 - Time Value of Money: Time is Money!
 - Savings and Checking Accounts: Banking 101
 - Bank Reconciliation: What Do You Mean I'm Overdrawn? There Are Still Checks in My Checkbook!

Yes, Accounting can be Fun!

Financial Reporting & Analysis

**Preparing & Using a Balance Sheet and Income
Statement**

Cost-Volume-Profit (CVP) Analysis

Financial Literacy

Yes, Accounting can be Fun!

Joe Bittner, CPA

Director, Education & Professional Development

EisnerAmper LLP

2013 NBEA Annual Conference

Thursday, April 18, 2013