CHAPTER 1
FINANCIAL STATEMENTS AND BUSINESS DECISIONS

Learning Objectives and Related Assignment Materials

Learning Objectives	*Mini-Exercises*	*Exercises*	*Problems*	*Alternate Problems*	*Cont. Prob.*	*Cases and Projects*
1-1 Recognize the information conveyed in each of the four basic financial statements and the way that it is used by different decision makers (investors, creditors, and managers).	1, 2	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15	1, 2, 3	1, 2, 3	1	1, 2, 3, 4, 5, 8
1-2 Identify the role of generally accepted accounting principles (GAAP) in determining financial statement content and managers', directors', and auditors' responsibilities for ensuring the accuracy of the financial statements.	3	1				1, 2, 6, 7, 8

Chapter Supplement A: Types of Business Entities						
Chapter Supplement B: Employment in the Accounting Profession Today						

Synopsis of Chapter Revisions

- ***New*** simplified mini-exercises providing early practice with the structure and content of the income statement, statement of stockholders' equity, and balance sheet.
- ***New*** Guided Help video on the structure of the income statement, statement of stockholders' equity, and balance sheet.

PowerPoint Slides

Learning Objectives	*PowerPoint® Slides*
1-1 Recognize the information conveyed in each of the four basic financial statements and the way that it is used by different decision makers (investors, creditors, and managers).	1-8 through 1-29
1-2 Identify the role of generally accepted accounting principles (GAAP) in determining the content of financial statements.	1-30 through 1-39
Chapter Supplement A: Types of Business Entities	1-40
Chapter Supplement B: Employment in the Accounting Profession Today	1-41

Chapter Take-Aways

1-1 Recognize the information conveyed in each of the four basic financial statements and the way that it is used by different decision makers (investors, creditors, and managers).

The **balance sheet** is a statement of financial position that reports dollar amounts for the assets, liabilities, and stockholders' equity at a specific point in time.
The **income statement** is a statement of operations that reports revenues, expenses, and net income for a stated period of time.
The **statement of stockholders' equity** explains changes in stockholders' equity accounts (common stock and retained earnings) that occurred during a specific period of time.
The **statement of cash flows** reports inflows and outflows of cash for a stated period of time.

The statements are used by investors and creditors to evaluate different aspects of the firm's financial position and performance.

1-2 Identify the role of generally accepted accounting principles (GAAP) in determining financial statement content and managers', directors', and auditors' responsibilities for ensuring the accuracy of the financial statements.

GAAP refers to the measurement rules used to develop the information in financial statements. Knowledge of GAAP is necessary for accurate interpretation of the numbers in financial statements.

Management has primary responsibility for the accuracy of a company's financial information. Auditors are responsible for expressing an opinion on the fairness of the financial statement presentations based on their examination of the reports and records of the company.
Users will have confidence in the accuracy of financial statement numbers only if the people associated with their preparation and audit have reputations for ethical behavior and competence. Management and auditors can also be held legally liable for fraudulent financial statements.

Finding Financial Information

Balance Sheet	Income Statement
Assets = Liabilities + Stockholders' Equity	Revenues − Expense Net Income

Statement of Stockholders' Equity	Statement of Cash Flows
Beginning balance + Increases − Decreases Ending balance	+/− Cash Flow from Operating Activities +/− Cash Flow from Investing Activities +/− Cash Flow from Financing Activities Net Change in Cash

Chapter Outline

Teaching Notes

Provide a learning strategy:

Overview of the textbook:

- ☑ *Marginal information*
- ☑ *Pause for Feedback (Self-Study Quizzes)*
- ☑ *Demonstration Case*
- ☑ *Chapter Take-Aways*
- ☑ *Guided Help Step-by-Step Video Instruction*
- ☑ *Finding Financial Information*
- ☑ *Key Ratio(s)*
- ☑ *Key Terms*

See also the instructor resources in the Connect library

LO 1-1 Recognize the information conveyed in each of the four basic financial statements and the way that it is used by different decision makers (investors, creditors, and managers).

I. Understanding the Business

A. Accounting System—collects and processes financial information about an organization and reports that information to decision makers:

Illustrated in Exhibit 1.1

1. Business activities

a. Financing Activities—borrowing or paying back money to lenders and receiving additional funds from stockholders or paying them dividends.

b. Investing Activities—buying or selling items such as plant and equipment used in the production.

c. Operating Activities—the day-to-day process of purchasing from suppliers, manufacturing, delivering to customers, collecting cash from customers, and paying suppliers.

2. 3. Managerial accounting—accounting for internal decision makers.

3. 4. Financial accounting—accounting for external decision makers (focus of this text).

B. Why Study Financial Accounting?

1. Regardless of the functional area of management in which business professionals are employed, they will use financial statement data.

C. Goals for Chapter 1—Areas of Focus:

1. Content (i.e., categories of items or elements) reported on each of the four statements.
2. Structure (the equations that organize and relate the elements in each statement).
3. Use (how the information is used by stockholders and creditors to make investment and lending decisions).

II. The Four Basic Financial Statements: An Overview

Use Supplemental Enrichment Activity #1

A. Balance Sheet—reports the financial position (assets, liabilities, and stockholders' equity) of an accounting entity at a point in time.

Illustrated in Exhibit 1.2

1. Structure

a. Heading includes: name of the entity, title of the statement, specific date of the statement, and unit of measure.

b. Accounting entity—organization for which financial data are to be collected; must be precisely defined.

c. Basic accounting equation: Assets = Liabilities + Stockholders' Equity.

Use Supplemental Enrichment Activity #2

2. Elements

a. Assets—the economic resources owned by the company; initially measured at total cost incurred to acquire it.

See Financial Analysis feature "Interpreting Assets, Liabilities, and Stockholders' Equity on the Balance Sheet"

b. Liabilities—amount of financing provided by creditors; the company's debts or obligations.

c. Stockholders' equity—the amount of financing provided by the owners or the business and reinvested earnings.

i. Common stock—the investment of cash and other assets in the business by the owners.

ii. Retained earnings—the amount of earnings (profits) reinvested in the business (and thus not distributed to stockholders in the form of dividends).

Refer students to Pause for Feedback – Self-Study Quiz

B. Income Statement (statement of income, statement of earnings, or statement of operations)—reports the revenues less the expenses of the accounting period.

1. Structure

Illustrated in Exhibit 1.3

a. Heading includes: name of the entity, title of the statement, specific period of time covered by the statement, and unit of measure.

b. Accounting period—time period covered by the financial statements.

c. Income statement equation: Revenues − Expenses = Net Income.

2. Elements

a. Revenues—earned from sale of goods or services to customers, whether or not the customer has paid for the goods or services.

b. Expenses—dollar amount of resources the entity used to earn revenues during the period.

c. Net income (or net earnings or the "bottom line")—excess of total revenues over total expenses.

See Financial Analysis feature "Analyzing the Income Statement: Beyond the Bottom Line"

i. Net loss reported if total expenses exceed total revenues.

ii. Net income does not normally equal the net cash generated by operations.

Refer students to Pause for Feedback – Self-Study Quiz

C. Statement of Stockholders' Equity—reports the changes in each of the company's stockholders' equity accounts during that period.

Illustrated in Exhibit 1.4

1. Structure
   a. Heading includes: name of the entity, title of the statement, specific period of time covered by the statement, and unit of measure.
   b. Same time period as income statement.
   c. Statement of stockholders' equity equation: Beginning balance + Increases − Decreases = Ending balance.
2. Elements
   a. Starts with beginning balances in the stockholders' equity accounts, lists the increases and decreases, and reports the resulting ending balances.

      See Financial Analysis feature "Interpreting Retained Earnings"
   b. Retained earnings portion:
      i. Begins with beginning-of-the year retained earnings.

         Refer students to Pause for Feedback – Self-Study Quiz
      ii. Current year net income reported on the income statement is added.

         Refer students to Guided Help 1-1
      iii. Current year dividends are subtracted.
      iv. Ending retained earnings is same as that reported on balance sheet.

D. Statement of Cash Flows—reports inflows and outflows of cash during the accounting period in the categories of operations, investing, and financing.

   Illustrated in Exhibit 1.5

   1. Structure
      a. Heading includes: name of the entity, title of the statement, specific period of time covered by the statement, and unit of measure.
      b. Same time period as income statement.

c. Prepared because the income statement does not provide information concerning cash flows.

d. Statement of cash flows equation: +/− Cash Flows from Operating Activities +/− Cash Flows from Investing Activities +/− Cash Flows from Financing Activities = Change in Cash + Beginning Cash Balance = Ending Cash Balance.

See Financial Analysis feature "Interpreting the Cash Flow Statement"

2. Elements

a. Cash Flows from Operating Activities—cash flows that are directly related to earning income.

Use Supplemental Enrichment Activity #3

b. Cash Flows from Investing Activities—cash flows related to the acquisition or sale of the company's plant and equipment and investments.

c. Cash Flows from Financing Activities—cash flows directly related to the financing of the enterprise itself; they involve the receipt or payment of money to investors and creditors (except for suppliers).

Refer students to Pause for Feedback – Self-Study Quiz

E. Relationship Among the Statements

Illustrated in Exhibit 1.6

1. Net income from the income statement results in an increase in ending retained earnings on the statement of stockholders' equity.

Refer students to Pause for Feedback – Self-Study Quiz

2. Ending retained earnings from the statement of stockholders' equity is one of the two components of stockholders' equity on the balance sheet.

3. The change in cash on the cash flow statement added to the beginning-of-the-year balance in cash equals the end-of-year balance in cash on the balance sheet.

F. Notes and Financial Statement Formats

1. Notes provide supplemental information about the financial condition of a company without which the financial statements cannot be fully understood.

2. Additional formatting conventions for all four basic financial statements:

i. Assets are listed on the balance sheet by ease of conversion to cash; liabilities are listed by their maturity (due date).

ii. A monetary unit sign (in the U.S., the $) is included beside the first dollar amount in a group of items.

iii. It is common to place a single underline below the last item in a group before the total or subtotal

iv. A dollar sign is also placed beside group totals and a double underline below.

G. Summary of the Four Basic Financial Statements

LO 1-2 Identify the role of generally accepted accounting principles (GAAP) in determining financial statement content and managers', directors', and auditors' responsibilities for ensuring the accuracy of the financial statements.

III. Responsibilities for the Accounting Communication Process

A. Generally Accepted Accounting Principles (GAAP)—measurement and disclosure rules used to develop the information in financial statements.

Summarized in Exhibit 1.7

Use Supplemental Enrichment Activity #4

1. How Are Generally Accepted Accounting Principles Determined?

a. Securities and Exchange Commission (SEC)—the U.S. government agency that determines the financial statements that public companies must provide to stockholders and the measurement rules that they must use in producing those statements.

See International Perspective feature "The International Accounting Standards Board and Global Accounting Standards"

b. Financial Accounting Standards Board (FASB)—the private sector body given the primary responsibility to work out the detailed rules that become generally accepted accounting principles.

c. The official pronouncements of the FASB are called the FASB Accounting Standards Codification.

2. What Concepts Guide the Setting of Accounting Standards?

a. The primary objective of financial reporting is to provide useful information to investors, lenders, and creditors.

b. Fundamental characteristics of useful information include relevance and faithful representation with enhancing characteristics of timeliness, verifiability, comparability, and understandability.

3. Why is GAAP Important to Managers and External Users?

a. Companies incur the cost of preparing the statements.

b. Companies bear the major economic consequences of their publication including:

i. Effects on the selling price of a company's stock.

ii. Effects on the amount of bonuses received by management and employees.

iii. Loss of competitive information to other companies.

c. Changes in GAAP are actively debated, political lobbying takes place, and final rules are a compromise among the wishes of interested parties.

B. Ensuring the Accuracy of Financial Statements

1. What if the Numbers are Wrong?

2. Ethical Conduct

a. Ethics are standards of conduct for judging right from wrong, honest from dishonest, and fair from unfair.

b. Three step process to be followed when you are faced with an ethical dilemma.

i. Identify the benefits of a decision and who will be harmed.

ii. Identify alternative courses of action.

iii. Choose the one you would like your family and friends to see reported on your local news; this is usually the ethical choice.

3. Responsibility and the Need for Internal Controls

   a. Primary responsibility for the information in the financial statements lies with management (represented by the highest officer of the company and the highest financial officer).

   b. Three important steps to assure investors that the company's records are accurate:

      i. Maintain a system of controls over both the records and the assets of the company.

      ii. Hire outside independent auditors to verify the fairness of the financial statements.

      iii. Form a committee of the board of directors to oversee the integrity of these other safeguards.

Refer students to Best Buy Co. Inc.

Demonstration Case

IV. Chapter Supplement A: Types of Business Entities

A. Sole proprietorship—an unincorporated business owned by one person; usually small in size and common in service, retailing, and farming industries.

   1. Legally, the business and the owner are not separate entities.

   2. Business is a separate entity for accounting purposes.

B. Partnership—an unincorporated business owned by two or more persons known as partners.

   1. Agreements between the owners are specified in a partnership contract, which deals with division of income and distribution upon termination of operations.

   2. Partnership is not legally separate from its owners.

   3. Each partner in a general partnership is responsible for the debts of the business (unlimited liability).

   4. Partnership is a separate entity for accounting purposes.

C. Corporation—business incorporated under the laws of a particular state.

1. Ownership is represented by shares of capital stock.
2. Stockholders enjoy limited liability and are liable for the corporation's debts only to the extent of their investments.
3. Stockholders elect a board of directors, which in turn employs managers and exercises general supervision of the corporation.
4. Corporation is a separate entity for accounting purposes.
5. Dominant form of business organization in the U.S.

a. Advantages include:

i. Limited liability for the stockholders.

ii. Continuity of life.

iii. Ease in transferring ownership (stock).

iv. Opportunities to raise large amounts of money by selling shares to a large number of people.

b. Primary disadvantage is income may be subject to double taxation (it is taxed when it is earned and again when it is distributed to stockholders as dividends).

V. Chapter Supplement B: Employment in the Accounting Profession Today

A. Professional designations:

Use Supplemental Enrichment Activity #5

1. Certified Public Accountant (CPA).

a. CPA designation is granted only on completion of requirements specified by the state that issues the license.

b. Requirements generally include college degree with a specified number of accounting courses, good character, one to five years of professional experience, and successful completion of the CPA exam.

2. Certified Management Accountant (CMA).
3. Certified Internal Auditor (CIA).

Use Supplemental Enrichment Activity #6

B. Practice of Public Accounting

1. Audit or assurance services—independent professional services that improve the quality of information, or its content, for decision makers.
2. Management consulting services—usually accounting based
   a. Encompass such activities as the design and installation of accounting, data processing, and profit-planning and control systems; financial advice; forecasting; inventory controls; cost-effectiveness studies; and operational analysis.
   b. To maintain independence, CPAs are prohibited from performing certain consulting services for the public companies they audit.
3. Tax services.

C. Employment by Organizations

1. Depending on size and complexity, an organization may employ from a few to hundreds of accountants.
2. Accountants are typically engaged in a wide variety of activities; primary function is to provide data useful for internal managerial decision making and for controlling operations.

D. Employment in the Public and Not-for-Profit Sector

1. Perform functions similar to those performed by those in private organizations.
2. Government Accountability Office (GAO) and regulatory agencies also use the services of accountants.

Supplemental Enrichment Activities

Note: These activities would be suitable for individual or group activities.

1. Handout 1-1

   Use this handout for an in-class activity designed to review the individual financial statements and the relationships among the financial statements. The solution follows the handout master.

2. Handout 1-2

   Use this handout for an in-class activity designed to review the classification of various account names on the balance sheet. The solution follows the handout master.

3. Handout 1-3

   Use this handout for an in-class activity designed to review the classification of various transactions on the statement of cash flows. The solution follows the handout master.

4. Handout 1-4

   Use this handout for an in-class activity designed to review the classification of various accounts, elements, or transactions on the financial statements. The solution follows the handout master.

5. Handouts 1-5 and 1-6

   "Acronym" Game – The business and accounting arenas are inundated with acronyms. Use Handout 1-5, which contains the list of names/terms, and ask them to derive the acronyms. During the next class, use handout 1-6, which lists the acronyms and ask them to give the name/term represented by each. This may help them learn these important terms and acronyms without just sitting down to memorize them. The solution follows the handout masters.

HANDOUT 1 – 1

TEAM PROJECT – OVERVIEW OF FINANCIAL STATEMENTS

Complete the following table.

Financial Statement	Purpose	Equation
Income Statement		
Statement of Stockholders' Equity		
Balance Sheet		
Statement of Cash Flows		

RELATIONSHIPS AMONG FINANCIAL STATEMENTS

Then, answer the following questions:

1. How does the income statement tie into the statement of stockholders' equity?

2. How does the statement of stockholders' equity tie into the balance sheet?

3. How does the balance sheet tie into the statement of cash flows?

HANDOUT 1 – 1 SOLUTION

TEAM PROJECT – OVERVIEW OF FINANCIAL STATEMENTS

Complete the following table.

Financial Statement	Purpose	Equation
Income Statement	Reports the financial performance of the business during the current accounting period.	Revenues − Expenses = Net Income
Statement of Stockholders' Equity	Explains changes in stockholders' equity accounts (common stock and retained earnings) for a stated period of time.	Beginning balance + Increases − Decreases = Ending balances
Balance Sheet	Reports the financial position of a business at a point in time.	Assets = Liabilities + Stockholders' Equity
Statement of Cash Flows	Reports the inflows (receipts) and outflows (payments) for a stated period of time.	+/− Cash Flows from Operating Activities +/− Cash Flows from Investing Activities +/− Cash Flows from Financing Activities = Change in Cash + Beginning Cash = Ending Cash

RELATIONSHIPS AMONG FINANCIAL STATEMENTS

Then, answer the following questions:

1. How does the income statement tie into the statement of stockholders' equity?

   Net income, from the income statement, is a component in determining ending retained earnings on the statement of stockholders' equity.

2. How does the statement of stockholders' equity tie into the balance sheet?

   The amount of ending retained earnings is then reported on the balance sheet.

3. How does the balance sheet tie into the statement of cash flows?

   Cash on the balance sheet is equal to the ending cash reported on the statement of cash flows.

HANDOUT 1 – 2

BASIC BALANCE SHEET ELEMENTS

Match each account to its classification on the balance sheet:

Account	Asset	Liability	Stockholders' Equity
a. Notes Payable			
b. Cash			
c. Common Stock			
d. Inventories			
e. Accounts Receivable			
f. Accounts Payable			
g. Property, Plant, & Equipment			
h. Notes Payable			
i. Retained Earnings			

HANDOUT 1 – 2 SOLUTION

BASIC BALANCE SHEET ELEMENTS

Match each account to its classification on the balance sheet:

Account	Asset	Liability	Stockholders' Equity
a. Notes Payable		X	
b. Cash	X		
c. Common Stock			X
d. Inventories	X		
e. Accounts Receivable	X		
f. Accounts Payable		X	
g. Property, Plant, & Equipment	X		
h. Notes Payable		X	
i. Retained Earnings			X

HANDOUT 1 – 3

STATEMENT OF CASH FLOWS

Match each activity to its classification on the statement of cash flows:

Activity	Operating	Investing	Financing
a. Cash paid to suppliers and employees			
b. Cash paid to purchase equipment and other assets			
c. Cash paid for dividends			
d. Cash collected from customers			
e. Cash received from selling equipment and other long-term assets			
f. Cash paid on notes payable and other financing			

HANDOUT 1 – 3 SOLUTION

STATEMENT OF CASH FLOWS

Match each activity to its classification on the statement of cash flows:

Activity	Operating	Investing	Financing
a. Cash paid to suppliers and employees	X		
b. Cash paid to purchase equipment and other assets		X	
c. Cash paid for dividends			X
d. Cash collected from customers	X		
e. Cash received from selling equipment and other long-term assets		X	
f. Cash paid on notes payable and other financing			X

HANDOUT 1 – 4

COMPONENTS OF FINANCIAL STATEMENTS

Match each account, element, or transaction to the financial statement(s) on which it would be reported.

Account or Element	Income Statement	Statement of Stockholders' Equity	Balance Sheet	Statement of Cash Flows
a. The amount of cash paid for equipment				
b. Cash				
c. Notes Payable				
d. Common Stock				
e. Inventories				
f. Cost of Goods Sold				
g. The amount of cash collected from customers				
h. Accounts Receivable				
i. Notes Payable				
j. Marketing Expense				
k. Property, Plant, & Equipment				
l. Dividends paid to stockholders				

m. Net Income				

HANDOUT 1 – 4 SOLUTION

COMPONENTS OF FINANCIAL STATEMENTS

Match each account, element, or transaction to the financial statement(s) on which it would be reported.

Account or Element	Income Statement	Statement of Stockholders' Equity	Balance Sheet	Statement of Cash Flows
a. The amount of cash paid for equipment				X
b. Cash			X	X
c. Notes Payable			X	
d. Common Stock		X	X	
e. Inventories			X	
f. Cost of Goods Sold	X			
g. The amount of cash collected from customers				X (1)
h. Accounts Receivable			X	
i. Notes Payable			X	
j. Marketing Expense	X			
k. Property, Plant, & Equipment			X	
l. Dividends paid to stockholders		X		X

m. Net Income	X	X		X (2)

(1) Reported on the statement of cash flows when the direct method is used.

(2) Reported on the statement of cash flows when the indirect method is used.

HANDOUT 1 – 5

ACRONYMS

Professional Organizations	Acronyms
American Accounting Association	
American Institute of Certified Public Accountants	
Financial Accounting Foundation	
Financial Accounting Standards Board	
Governmental Accounting Standards Board	
Internal Accounting Standards Board	
Institute of Management Accountants	
National Association of State Boards of Accountancy	
Federal Government Agencies	
Federal Communications Commission	
Federal Deposit Insurance Corporation	
Federal Trade Commission	
General Accounting Office	
Internal Revenue Service	
Public Company Accounting Oversight Board	
Small Business Administration	
Securities & Exchange Commission	
Standards	
Accounting Principles Board (1959-1973)	
Accounting Research Bulletins (1939-1959)	
Accounting Series Release (SEC)	
Generally Accepted Accounting Principles	
Generally Accepted Auditing Standards	

International Financial Reporting Standards	
Statement on Auditing Standards (AICPA)	
Statement of Financial Accounting Concepts (FASB)	
Statement of Financial Accounting Standards (FASB)	
Selected Professional Certifications	
Certified Public Accountant	
Certified Fraud Examiner	
Certified Internal Auditor	
Certified Management Accountant	
Certified Public Accountant	
Miscellaneous Terms in Accounting, Business, and Economics	
Consumer Price Index	
Continuing Professional Education	
Earnings Per Share	
Federal Insurance Contributions Act	
Federal Unemployment Tax Act	
Gross National Product	

HANDOUT 1 – 6

ACRONYMS

Professional Organizations	Acronyms
	AAA
	AICPA
	FAF
	FASB
	GASB
	IASB
	IMA
	NASBA
Federal Government Agencies	
	FCC
	FDIC
	FTC
	GAO
	IRS
	PCAOB
	SBA
	SEC
Standards	
	APB
	ARBs
	ASR
	GAAP
	GAAS

	IFRS
	SAS
	SFAC
	SFAS
Selected Professional Certifications	
	CPA
	CFE
	CIA
	CMA
	CPA
Miscellaneous Terms in Accounting, Business, and Economics	
	CPI
	CPE
	EPS
	FICA
	FUTA
	GNP

HANDOUTS 1 – 5 and 1 – 6 SOLUTIONS

ACRONYMS

Professional Organizations	Acronyms
American Accounting Association	AAA
American Institute of Certified Public Accountants	AICPA
Financial Accounting Foundation	FAF
Financial Accounting Standards Board	FASB
Governmental Accounting Standards Board	GASB
Internal Accounting Standards Board	IASB
Institute of Management Accountants	IMA
National Association of State Boards of Accountancy	NASBA
Federal Government Agencies	
Federal Communications Commission	FCC
Federal Deposit Insurance Corporation	FDIC
Federal Trade Commission	FTC
General Accounting Office	GAO
Internal Revenue Service	IRS
Public Company Accounting Oversight Board	PCAOB
Small Business Administration	SBA
Securities & Exchange Commission	SEC
Standards	
Accounting Principles Board (1959-1973)	APB
Accounting Research Bulletins (1939-1959)	ARBs
Accounting Series Release (SEC)	ASR
Generally Accepted Accounting Principles	GAAP
Generally Accepted Auditing Standards	GAAS

International Financial Reporting Standards	IFRS
Statement on Auditing Standards (AICPA)	SAS
Statement of Financial Accounting Concepts (FASB)	SFAC
Statement of Financial Accounting Standards (FASB)	SFAS
Selected Professional Certifications	
Certified Public Accountant	CPA
Certified Fraud Examiner	CFE
Certified Internal Auditor	CIA
Certified Management Accountant	CMA
Certified Public Accountant	CPA
Miscellaneous Terms in Accounting, Business, and Economics	
Consumer Price Index	CPI
Continuing Professional Education	CPE
Earnings Per Share	EPS
Federal Insurance Contributions Act	FICA
Federal Unemployment Tax Act	FUTA
Gross National Product	GNP