

Open Online Education Enhances Communication and Research Skills

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Introductory Accounting I: Financial Accounting, 4-credit, Lower-level course. Online

2 Abstract: This is an online course, yet the same pedagogical techniques are used in a hybrid/blended course. Pedagogy focuses on the importance of using Internet resources, electronic search tools, Open learning and Educational Resources [OER] to enhance and enrich self-learning of various accounting courses especially at the introductory level. The course design integrates the social media network to enhance communication, collaboration, and research skills. The course platform is embedded in course management system software, and utilizes teleconferencing tools to interact with students (live or recorded), and social network to enrich the course materials. Among those used are blog [students and/or teacher make links to their own blogs or OER blogs], wiki tool: create wiki page for creating or citing definitions and concepts where students and teachers can edit and follow up by date or subject, use the course syndication folder to organize contents RSS aggregator or Podcasting, it promote the use of Web 2.0 and mobile tools to enhance communication, information sharing, interoperability, collaboration, user-centered design, real-time education, social media, videos, stream line applications, search engines, group discussion based on interest, links to professional associations and practice of relevant topics and RSS (Really Simple Syndication) feeds for news .

3 Learning Objectives: The main learning objectives of this course are almost like any other introductory accounting courses:

1. To provide students with sufficient technical, theoretical and professional knowledge for a successful career in accounting or related business professions along with problem-solving and communication skills necessary to apply this knowledge in a professional setting, This objective focuses on developing accounting knowledge as a coherent whole. Students must understand that accounting is an information discipline. This discipline is based on the concepts of capturing, controlling and reporting information. This course objective is to enhance a student's ability to understand and retain these concepts and technical procedures. Regarding professional knowledge, the objective of this course is to present students with a view of the professional requirements they will face in the accounting field. This includes a familiarity with the professional literature and the use of this literature as guidance in resolving professional dilemmas. This objective encompasses ethics issues;
2. To enrich students' ability to read, understand, interpret and analyze the financial statements and reporting; Analyze and Resolve Problems - This objective focuses on developing a student's ability to deal with complex, ambiguous fact situations. As part of the coursework, students will

be asked to identify problems, formulate and evaluate solutions, and choose and justify an alternative;

While the above objectives are mostly the typical objectives intended to be achieved by an introductory accounting course yet the course design format and delivery process are targeting the enrichment of the following professional, functional, and general skills recommended “Core Competency” promulgated by the AICPA:

- 4 To develop skills-based learning/teaching rather than purely technical-based introductory course;
- 5 To enrich communication and analytical research skills through motivational online dialogue, Internet research; and technology utilization;
- 6 To help students in forming their own independent opinion yet based on objective resources and facts;
- 7 To enhance students’ analytical and creative skills in problem solving, reporting, measurement, and communicate and share findings. This objective focuses on developing students’ ability to deal with complex, ambiguous factual situations. As part of the coursework, students will be asked to identify problems, formulate and evaluate solutions, and choose and justify an alternative;
- 8 To help students in formulating a comprehensive- integrative perception of the accounting systems’ functions;
- 9 To contribute in closing the gap between practice and education by accessing the most recent practices and information on the Web resources;
- 10 To leverage the use of technology to enhance students’ research skills and to keep up with the business industry transformation

Detailed Description of the Case/Activity:

The course is divided into modules. Each module covers an integrated set of topics which are similar to most of introductory accounting I such as: Accounting cycle; accounting for merchandising activities, accounting for long term assets and liabilities, and accounting for stockholders’ equity]

The course starts with an introduction of the accounting systems and its cycle. In each module there is a group of learning activities including: threaded discussion, shared materials, electronic resources, assessment unit (short quizzes), self-assessment activities, Reflection on Learning (what student learned from a particular unit), cases from the textbook but expanded by application from the internet.

Group activities and projects including research assignments.

The target of this start to get acquainted with the final product of the accounting cycles and accounting system, key business terms, render a basic judgment based on available business information as a user of accounting information, . In the first module students are asked to select a company of their choice and report the following: How did you find the company on the internet? What type of search engine did you use? What is the name of business/? In which industry? Size, employment, capital, affiliation, international business, main products, accounting principles used as reported in the annual report? Are there other reports?

Students then are asked to read two posting and make comments and comparative analysis with their own findings. At this stage students are asked to reflect on their choices in forms of progressive questions such as: Why are you interested in this company and industry? The target from these sort of questions is to trigger students' cognitive skills and understanding the process of making choices and preferences. Its final target is to understand the importance of published data and news and their implications on the reader and users. That would be followed by other group of questions to expand more on market utilization of accounting information.

Module 2 – 7: Cover specific group of technical accounting principles and assumptions. For example Module 3 Merchandising Activities: students are asked to spot any information related to the application of inventory costing methods, what do they mean, was there any change in methods previously adopted, why, when, what for, is that acceptable practice, can you prove that by referring to a particular pronouncement, where did you find that, would you share with us your findings, did you rationalize [agree, do not agree, why, on what did you base your decision on?] that practice, why, is that consistent with the industry practice, from reading your classmates posting; did you find other industries applied it differently?, etc... what do you think of your classmates posting as compared with company, why, explain, support your opinion, etc..

Teacher asks questions about questions (why did you raise that question, what is the purpose so I just provide you with the proper response..). Some questions are meant to make students aware of their inquiry and its usefulness, then that would be followed by another question (then what do you think would be the answer, or how do I get an answer for this question? or where from? Why did you think that would be the best source? Is it the main authority relevant to this pronouncement?) also students actively engage in the whole process with each other and teacher become a moderator, and learner at the same time. Some questions are meant to be evaluative questions, while the others may be clarifying, conceptual, interdisciplinary, or assessment questions for decision-making and are developmental in nature. Questions intra-module and inter-modules employ three main strategies starting by exploratory questions, then expanding analytical and research questions, and ends with a high hierarchy of creative and critical thinking questions.

At the end of the course students are given the choice of either to be divided into groups to do a comprehensive research and presentation on a topic that is relevant to materials discussed in class and its application on real cases, national of global accounting applications in different industries or different countries. In the group project they may select the project leader and identify the task of each individual. Usually the group size does not exceed four students. Within the course management system, each group is provided separate document to electronically interact reading, writing, and/or visually with each other. They are in control with methods to be used to achieve their objective. At the end, each group is provided with a form to evaluate each other in terms of contribution to the whole project, cooperation, quality of contribution and timing. The other choice is to work on comprehensive practice set. More students selected the first choice as they have been trained throughout the course on these techniques as they related their choice to their career path.

AICPA Core Competencies Addressed (Available on AEC Core Competency Framework & Educational Competency website)

AICPA Core Competency Framework	Achieved through Course Learning Activities, Structure and Delivery Mode
Broad Business Perspective Competencies	
<p>Strategic/Critical Thinking</p> <p>Industry/Sector Perspective</p> <p>International/Global Perspective</p> <p>Marketing/Client Focus</p> <p>Research</p>	<p>Students were able through the internet access and discussion thread to link data, knowledge, news, and real-time data to their study of the accounting theory. They study accounting principles from their readings in the eBook/textbook, then they access the companies of their choices to apply what they learned to the real published data. Students are asked to find out if the company of their choice applied that particular principle, assumption, etc [provide their sources/links] and explain how the principle(s) was applied and where they found these data. Through their online research, students referred to various marketing strategies and investment as well as production initiatives that were employed by their chosen company. They were anxious to communicate to their classmates the vision, strategy, goals, and culture of the organization as knowledge was gained and collected from their research. Also they were asked to evaluate the business industry and its international environment and to identify and analyze the financial and global risks confronting this company. Moreover, students exchanged and commented on other students' finding which broadened their perspective. While students were worried about the research aspect of the course and the use of technology to be disruptive, yet they found it only disruptive to the use of structured boring materials. They appreciated very well the massive knowledge and skills they gained and felt that they are the provider of knowledge not only the recipient. Obtaining information from within and outside of an entity (Internet broad search) made students value the importance of integrating all available resources before forming their decision.</p>
Resource Management	<p>Students were asked to find and read the management report posted in the annual report. They were asked to make comments on the management strategic plan and how it was reflected in accounting reports, and how an accountant may contribute to the success of this mission. Moreover, this was a point to reflect on SOX and its relevance to management responsibility.</p>
Legal/Regulatory Perspective	<p>Students, in each module, were asked to identify the accounting principles and the rationalization of treating each</p>

	<p>item following GAAP, and were also asked to provide their criticism and opinion regarding its practicality. Here they had links to various regulatory bodies such as FASB (IFAR/ISAC the college subscribed to this service provided by AAA), AICPA, GASB, SEC, IRS, IFAC accounting firms and professional association. The focus here was to find the compliance between a cited principle and its application.</p>
<p>Leverage Technology to Develop and Enhance a Broad Business Perspective</p>	<p>The whole course is about leveraging technology. A survey conducted by IDC uncovered that already one billion people fit the definition of mobile workers, and one third of the global workforce will prepare their work on a distance using online technology. Use of technology and open industry and educational resources reinforces the value of inquiry and relationships concepts of knowledge from the basics to accumulation and integration of information to form a professional opinion. Students and teacher produces and uses information collaboratively. It is not only beneficial to students but also to the accounting teacher; use of technology stimulates interest to produce more complex and integrative teaching materials which increases the sense of professionalism. In business, use of technology enables remote working and blurs the boundaries. Creating knowledge has not been anymore standing at top managerial level. Consequently accountants need to be prepared to deal with various technologies as now those who are in front line are the ones who are preparing information.</p>
<p>Functional Competencies</p>	
<p>Decision Modeling Risk Analysis Measurement Reporting</p>	<p>As the course discussion continues students are asked to identify any ethical issues and news related to the company of their choice (students are also given the choice to add another company). Based on the analysis of collected data they are asked to identify the opportunity of any foreseen risk based on the business performance, financial analysis and its reputation. The course touches all of these issues at the basic level as this is an introductory accounting course with a main objective to make student comprehend the various aspects of accounting discipline and profession yet appreciate the integrative connectivity of its functions and services to the society. Included in the study of the annual report is the analysis of notes attached for disclosure and measurement.</p>
<p>Personal Competencies</p> <p>Professional Demeanor Problem Solving and Decision Making</p>	<p>In general, use of technology in teaching and learning promotes and enhances communication skills, collaboration, encourages learners to respect [netiquette] and appreciate each other opinion, support their engagement in a dialogue based on facts and research rather than debate, reinforces diversity, respect and cite copyrights, and motivates team work, creativity in research methodology, and report opinions and</p>

<p>Interaction Leadership Project Management</p>	<p>facts based on evaluating various resources in an objective manner.</p> <p>While a by-product of online learning and communication is mainly promoting writing and research skills, yet student are assigned a project at the end of the term to do presentation either teleconferencing and Power Point presentation or a written a comprehensive paper on a topic of their choices relevant to ethics, financial fraud, international accounting application in different countries and/or industries, and financial markets trends, etc. They may also select working on comprehensive practice set including reports writing and evaluation or performance. Students reported that their analytical skills are tremendously improved as well as they have gained so much knowledge when they exited the course. Also the teacher demonstration of financial modeling using Excel, and live interaction enhanced their technical skills. Use of Bloom’s Taxonomy to demonstrate knowledge, comprehension, application, analysis, synthesis, and evaluation Employing Socratic Art of learning in thinking, learning and teaching made students aware of their cognitive skills and increasingly promoted self-learning approach</p>
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In addition to the above achieved competencies the online course and the massive interaction in class discussion contribute to a successful achievement of various learning approach:

Quantum Cognitive learning: it promotes progressive learning as the course takes students gradually to search the application of learned accounting principles, by the end of the course they would have a collective knowledge base of accounting and its application. Quantum is founded on raising curiosity, creating excitement, gradual elevation of expectations, communicating positive emotion, experiencing factual applications, providing more information (at the peak point of student’s interest) to promote research and explore the subject more-in-depth.

Action Research: that motivates critical thinking and promote inquiring mind and relates student’s goals to learned subjects. It encourages discussion and transfer of knowledge at the student’s level, small group, and a larger specific task group.

Applied learning: that focuses on using factual examples before studying the theoretical assumptions. It reinforces relevance of what students are learning and how it is applied in real practice. This approach proved its effectiveness in generating interest in learning and paves a path to critical thinking. Relevance is achieved when students learn how to apply the gained knowledge beyond the classroom by providing multidisciplinary and open-ended resources.

Multiple Intelligence: It is a contextualized and distributive learning approach. Throughout the course design, students interact with each other and exchange their knowledge and skills in a positive learning-supportive environment. Consequently, to nurture intelligence, we need to design curriculum that promote cooperative learning and employ “Differentiation” in delivery modes of materials covered that entails common goals and multiple ways to attain them, each based on the unique needs of individuals learner.

Quoted Example of Threaded Discussion on Statement of cash Flow which demonstrates the valuable momentum of accelerated learning and reinforcing research skills utilizing the available technology:

In the following demonstration students’ names were deleted and replaced by initials. This discussion took place in a course management system platform. Faculty posting is usually bolded and/or colored. When students respond to a certain posting, their responses are indented. When threaded discussion moves to the right side, it resembles depth of the contribution and students’ interest in a particular topic. The posting goes to the left side when a new subject is opened. The course also utilizes synchronous communication between faculty and students and between students themselves. A telecommunication tool such as Elluminate software enhances the interaction to simulate Face-To-Face classrooms. Through this telecommunication tool, all participants can download files, use the white board, show their pictures or other images, raise their hands, take a quiz and survey and see the results instantly, and share their desk top for problem solving or discussion of professional resources. Faculty is using this feature to demonstrate the quantitative aspect of the course using interactive Excel spreadsheet. and to respond to students’ questions simultaneously. In addition, sessions are recorded for later retrieval as needed.

Module Objective: In this module, we are discussing and exploring the statement of cash flow, its usefulness, preparation, classification, various users, and implication on business finance, operation, and investment, professional pronouncement, real cases, news, article, and any relevant information that may seem relevant to these topics. Also, do not forget to always cite your sources and clearly explain your opinion. It is expected to add value to our discussion either by referring us to an article, business experience, web site, professional sites and announcements, legal positions, policies, principles, assumptions, blogs, videos, etc.. no repetition ☹ Nazik Roufaiel	
What is the most noteworthy about statement of cash flow, is it net income or net cash? Why?	N R
The most noteworthy item on the income statement is net income:	D T
But how about SCF?!	N R

The most noteworthy item on the income statement is net income:

Amounts reported in the income statement usually are not the same as the cash effects of the items reported. The statement of operations or statement of earnings is used to summarize the profit generating activities that occurred during a particular period.

The most noteworthy item on the cash flow statement is not net cash flow:

Being that the statement of cash flow is a change statement summarizing the transactions that caused cash to change during a particular period. A perfect example would be, on an income statement, sales and service revenue are reported. But on the cash flow statement it would be cash received from customers. In other words the sale might be made but no cash flow has happened yet. You might have, a negative net income but show a positive cash flow position because of this effect.

Explain this comment: Net income is always important, but the difference between these two forms of reporting is that one tells you the amounts whereas the other one not only shows you the amount but breaks it down into to where the money came from or where it went. It is broke down into three different elements, 1) operating activities 2) investing activities 3) financing activities.

Do you agree: Yes I agree, the one form of reporting (income statement) takes all of the sources of income/expenses to arrive at the net income for a certain period. Whereas the cash flow statement centers on where and how the money came about. This reporting will show why or why not this business has cash on hand or if it is cash poor. Where the income statement will only show if the business is operating at a gain or loss for the same period.

<p>I agree, with the above answer.</p> <p>The statement of cash flows reports the cash receipts, cash payments, and the net change in cash resulting from the operating, investing, and financing activities of a company during the period. The information in a statement of cash flows should help investors, creditors, and others assess:</p> <p>The company's ability to generate future cash flows. By examining relationships between items in the statement of cash flows, investors and others can better predict the amounts, timing, and uncertainty of future cash flows.</p> <p>The company's ability to pay dividends and meet obligations. Employees, creditors, stockholders, and customers should be particularly interested in this statement because it alone shows the flows of cash in a business.</p> <p>The reasons for the difference between net income and net cash provided (used) by operating activities. Many financial statement users investigate the reasons for the difference between net income and cash provided by operating activities and then they can assess for themselves the reliability of the income numbers.</p> <p>The investing and financing transactions during the period. By examining a company's investing activities and financing activities, a financial statement reader can better understand why assets and liabilities increased or decreased during the period.</p> <p>http://www.smccd.net/accounts/nurre/online/chtr12fa.htm</p>	<p>D R</p>
<p>I used FASB Codification and found the following: http://asc.fasb.org/section&trid=2134452%26analyticsAssetName=subtopic_page_section%26nav_type=subtopic_page</p> <p>10-1 The primary objective of a statement of cash flows is to provide relevant information about the cash receipts and cash payments of an entity during a period.</p> <p>10-2 The information provided in a statement of cash flows, if used with related disclosures and information in the other financial statements, should help investors, creditors, and others (including donors) to do all of the following:</p> <ul style="list-style-type: none"> • a. Assess the entity's ability to generate positive future net cash flows • b. Assess the entity's ability to meet its obligations, its ability to pay dividends, and its needs for external financing • c. Assess the reasons for differences between net income and associated cash receipts and payments • d. Assess the effects on an entity's financial position of both its cash and noncash investing and financing transactions 	<p>SB</p>

<p>during the period.</p> <p>I searched under presentation and objective. All statements are there as we used in earlier modules.</p>	
<p>In some ways a business is like a living thing, and money is the air it breathes. Without sufficient air a living thing will soon die. The same applies to a business. Cash outflow is the metabolic processes. If more is going out than is coming in it is in a deficit. It can't live for long in a deficit, and you wouldn't loan money to someone you knew was about to die. The statement of cash flows is sort of like a fitness report.</p>	<p>G V</p>
<p>Good point GV, but why? And why do you think that way? Do do you have any case to support this opinion?</p>	<p>N R</p>
<p>Professor, I found a posting on "Why Business Fail? Because They Run Out of Cash" http://www.businessplanning-4-you.com/business-articles/avoiding-business-failure.html And the other is about "How to Manage Cash Flow" they are both interesting relating cash to credits, investment, debt, supplier, expansion and how to balance it all. Yet it seemed more sort of advertisement on how to help business but I really learned a lot. My classmates perhaps would benefit from reading it.</p>	<p>M W</p>
<p>Yes, I enjoyed reading that indeed. But here is even more talking about capital maintenance and growth. This site is published by a CPA company http://mcgrory.ie/pitfalls.php</p>	<p>N C</p>
<p>I believe the answer is the Statement of cash flows. The income statement is prepared using the accrual basis because the revenues and expenses that are reported on it may have not been collected or paid. The statement of cash flows compares the cash from operating activities to the earnings or net income. Under the accrual basis of accounting, net income will not indicate the net cash flow from operating activities.</p> <p>http://www.accountingformanagement.com/preparation_of_statement_of_cash_flows.htm</p>	<p>H M</p>
<p>I agree, the statement of cash flows does not report amount primarily on an accrual basis. Here is more information on statement of cash flows.</p>	<p>IL</p>

<p style="text-align: right;">http://www.investopedia.com/articles/04/033104.asp#axzz1Oe64Btdb</p>	
<p>Does SCF disclose cash per share as we discussed in income statement disclosure of EPS?</p>	<p>N R</p>
<p>The SEC stated that per share measures that are prohibited specifically under GAAP or SEC rules continue to be prohibited in materials filed with or furnished to the SEC. The SEC pointed specifically to the prohibition on disclosing cash flow per share set forth in paragraph 33 of FASB Statement No. 95, Statement of Cash Flows.</p> <p>http://library.findlaw.com/2003/Oct/31/133123.html</p>	<p>M C</p>
<p>Cash Flow per share is not a generally accepted accounting principle. According to The Motley Fool blog SFAS [Statements of Financial Accounting Standards] No. 95 prohibits reporting an amount representing cash flow per share. It was concluded by the FASB that cash flow per share data is susceptible to misinterpretation.” Some other reason maybe that the Cash Flow per Share give the impression that “cash flow is equivalent or superior to earnings as a measure of performance”.</p> <p>http://caps.fool.com/blogs/why-cash-flow-per-share-is/565662 http://accountancyxii.wordpress.com/category/chapter-wise-study-materials/cash-flow-statement/</p> <p>Also check IFRS Box has very useful information in their BLOG Tool Box http://www.ifrsbox.com/blog/</p>	<p>M G</p>
<p>Suppose the beginning cash balance is \$1,000 in 12/31/2010 During 2011 we had the following transactions: Accounts receivables increased by \$400 Accounts payables increased by \$300 Net Income \$5,000 Depreciation \$700 Accrued Interest expenses increased by \$200 Office supplies reduced by \$300 What is the balance of cash at the end of the period</p>	<p>N R</p>
<p>Beginning balance of cash: \$1,000 Accounts receivable increased + 400 Accounts payable increased - 300 Net income + 5,000 Office supplies increased - 300</p> <hr/> <p>\$5,800 balance of cash at end of period</p> <p>Depreciation does not effect cash account Accrued interest expenses does not effect cash till paid</p>	<p>D T</p>
<p>I agree with \$5,800 as the balance of cash at end of period. I found some information about balance of cash at the end of the period.</p> <p>http://www.ehow.com/info_8191127_definition-cash-balance-end-period.html</p>	<p>C M</p>
<p>Professor, I think I disagree with DT posting and CM. depreciation does not</p>	<p>SB</p>

<p>affect cash that is why we have to add it back to income because it is considered expense and consequently reduced income. Also office supplies reduced..</p> <p>Suppose the beginning cash balance is \$1,000 in 12/31/2010 1000 Net Income \$5,000 5000 Accounts receivables increased by \$400 -400 Accounts payables increased by \$300 300 Depreciation \$700 700 Accrued Interest expenses increased by \$200 200 Office supplies reduced by \$300 300 Adjusted net income 6100 6100 Ending cash balance 7100</p> <p>Is that right, I tried to apply what we learned about depreciation in previous modules!</p>	
<p>What do you think of direct and indirect method, which do you prefer and why? Which one is more used?</p>	<p>N R</p>
<p>The direct method reports cash receipts and disbursements from operating activities and the difference between the 2 is the net cash flow from operating activities. The indirect method adjusts net income for items that affected reported net income but didnt affect cash. I believe the direct method is a little easier understand because simply shows the increases in cash first, and then the decreases. The indirect method is a little harder to understand because it starts with operating income, adds depreciation and then has the adjustments for increases and decreases in several different accounts.</p> <p>http://www.accountingformanagement.com/preparation_of_statement_of_cash_flows.htm</p>	<p>M W</p>
<p>M great definition, this explains the indirect method.</p> <p>Cash Flow Statement Example-Direct and Indirect Method: Unlike the major financial statements, cash flow statement is not prepared from the adjusted trial balance. The information to prepare this statement usually comes from three sources: Comparative balance sheets provide the amount of the changes in assets, liabilities, and equities from the beginning to the end of the period. Current income statement data help the reader determine the amount of cash provided by or used by operations during the period. Selected transaction data from the general ledger provide additional detailed information needed to determine how cash was provided or used during the period.</p> <p>http://www.accountingformanagement.com/preparation_of_statement_of_cash_flows.htm</p>	<p>IL</p>
<p>What did you observe in classification of SCF?</p>	<p>N R</p>
<p>The net cash used in financing activities shows a decrease in cash over all 3 years. This is because a majority of the operations were financed by internal financing.</p>	<p>M W</p>
<p>M can you please explain what do you mean by internal finance? Thanks.</p>	<p>N R</p>
<p>Internal financing is the funds that come from the businesses operations such as debts & equity. Companies do this rather than borrowing money</p>	<p>M W</p>

from banks or other investors.	
Have you heard of sell and lease back?	N R
<p>No I have not heard of sell and lease back. However I searched online and found that it is an arrangement in which one part sells a property to a buyer and the buyer immediately leases the property back to the seller. This arrangement allows the initial buyer to make full use of the asset while not having capital tied up in the asset.</p> <p>http://www.investorwords.com/4364/sale_and_leaseback.html</p>	N K
<p>Lease backs was discussed in a previous chapter, after purchasing an asset, an owner enters a long-term agreement by which the property is leased back to the seller, at an agreed-to rate. One reason for the lease back is to transfer ownership to a holding company, while keeping proper track of the ongoing worth and profitability of the asset. Another one is for the seller to raise money by offloading a valuable asset to a buyer who is presumably interested in making a long-term secured investment. Leaseback arrangements are common in the REIT industry.</p> <p>TAKEN FROM: http://en.wikipedia.org/wiki/leaseback</p>	D T
<p>"A sale-leaseback transaction involving real estate, including real estate with equipment, must qualify as a sale under the provisions of FASB Statement No. 66, Accounting for Sales of Real Estate, as amended by this Statement, before it is appropriate for the seller-lessee to account for the transaction as a sale. If the transaction does not qualify as a sale under Statement 66, it should be accounted for by the deposit method or as a financing.</p> <p>A sale-leaseback transaction involving real estate, including real estate with equipment, that includes any continuing involvement other than a normal leaseback in which the seller-lessee intends to actively use the property during the lease should be accounted for by the deposit method or as a financing."</p> <p>http://www.fasb.org/summary/stsum98.shtml</p>	IL
Let's go back to your company and its annual report, can your share with us your findings?	N R
Cingular Wireless Cash Flows for the year Ended December 31, 2044, Compared with the Year Ended December 31, 2011	M C

<p>Net cash provided by operating activities. The overall decrease in net cash provided by operating activities was primarily due to working capital changes, driven mostly by greater vendor payments in the year ended December 31, 2004, versus the year ended December 31, 2003. Cash generated from operations was the primary source of operating funds in 2004 and 2003.</p> <p>Net cash used in investing activities. The primary contributors to the overall increase in net cash used in investing activities were the following acquisitions of business and licenses during 2004 which included the cash paid for the AT&T Wireless acquisition.</p> <p>Net cash provided (use in) financing activities. The primary contribution to the overall increase in net cash provided by (used in) financing activities was the receipt in contributions from members related to the AT&T Wireless acquisition. In addition, Cingular received net funding from their members (under revolving credit agreement).</p> <p>http://www.corp.att.com/gov/contracts/Networx/enterprise/business/4.5_3_2005CINGULAR10K.pdf</p>	
<p>M, it looks like this report is from 2001-2005! Would you be happy because, based on your reporting, most of cash comes from financing activities, yes, no, why, please explain.</p>	<p>N R</p>
<p>http://www.porticus.org/bell/pdf/sbc_2004.pdf</p> <p>After reading through the 72 page Annual Report for 2004, I almost have more questions. The notes indicate that operating activities and investing activities are stable compared to 2003, but as I look at it during 2004 Operating Revenue decreased from 2003, the Operating Expenses increased and other expenses decreases. The earning per share also decreased. S I feel even though it is a stable decrease, the company is trending downward.</p>	<p>T G</p>
<p>What does a negative/positive cash flow in investing activities signify?</p>	<p>N R</p>
<p>I found an example online, but I'm not sure if this is necessarily what a negative or positive cash flow in investing activities signifies. "In many cases, a firm may have negative overall cash flow for a given quarter, but if the company can generate positive cash flow from its business operations, the negative overall cash flow may be a result of heavy investment expenditures, which is not necessarily a bad thing." It seems like what it is saying, is that rather it is positive or negative doesn't make a big difference until you look at the other components of the statement of cash flows.</p> <p>http://www.investopedia.com/terms/c/cashflowinvestingactivities.asp</p>	<p>M W</p>
<p>Negative Cash Flows from Investing Activities are not necessarily bad, nor are positive Cash Flows from Investing Activities necessarily good. Negative Cash Flows from Investing Activities may simply mean the company is purchasing long-term investments for the future health of the company, while positive Cash Flows from Investing Activities may mean the company has sold off investments to generate short-term cash, potentially even at a loss from the original price paid for the investment.</p> <p>http://www.wikinvest.com/metric/Cash_Flows_from_Investing_Activities</p>	<p>N C</p>
<p>Companies and investors always like to see positive cash flow from every aspect of a company's operations. After all, without positive cash flow, a company may have to borrow money to do these things, or in worse cases, it may not stay in business.</p>	<p>M C</p>

<p>However, having negative cash flow for a time is not always a bad thing. If a company is a net spender of cash for a time because it is building a second manufacturing plant, for example, the company's might show negative cash from investing activities. Nonetheless, this could pay off for investors later if the plant generates more cash. On the other hand, if the company has a negative cash flow from investing activities because it is making poor asset-purchase decisions, then the long-term benefit might not be there.</p> <p>http://www.investinganswers.com/term/cash-flow-investing-activities-2785</p>	
<p>Since cash flows from investing activities covers replacement/expansion of production facilities (property, plant and equipment), also securities of other business'.</p> <p>Whereas, financing activities (sale of common and preferred stock, issuance of bond's, and other debt securities).</p> <p>There is many reasons to have a negative cash flow, with both activities. The first thing to do is find the cause of the negative cash flow. Not all cash flows that are negative are bad, example:</p> <p>A business might have hit a plateau, and need to expand it's facility for added growth. Lets say that a business what's to expand and the cost to expand has to be paid first, then the revenue from the expansion shows up at a later date. This would trigger a negative cash for a short period. Being that there is outgoing monies but the incoming monies will not be realized till a future date.</p> <p>I guess my answer to this question would have to be that there's no difference between the two. A negative cash flow is just as bad for one as the other, but you have to look at the reason's behind the cash flow being negative.</p>	D T
<p>However, if the debt cost after taxes is less than the earnings or the yield you make by using the available fund in another alternative r investment so here I would say use the debt:-) Do not pay it now:-)</p>	N R
<p>Financial debt, if properly use, is a asset to a company. If the company is able to grows at a higher rate the they are paying for borrowers funds, then clearly this is a good debt to have</p>	M G
<p>Didn't know this, thought I would share.</p> <p>Credit card interest was tax-deductible until Reagan's Tax Reform Act of 1986, which removed that deduction from all consumer loans except mortgages. At the time, interest rates on credit cards were in the 19 percent range. Ironically, this move probably fueled the credit card business. To have people continue to use cards without being able to deduct the interest they'd paid, issuers would have to lower the interest rates. So that's how we got down to the relatively low rates we've had for a couple of decades now.</p> <p>http://www.bankrate.com/blogs/credit-cards/tax-deductible-interest.aspx#ixzz1PmMGcKGf</p>	IL
<p>How about your own companies, did you examine their SCF? How about sharing with us your findings?</p>	N R
<p>Most companies use the indirect method than the direct method. I searched for Walmart cash flow statement and they use the indirect method.</p>	R P

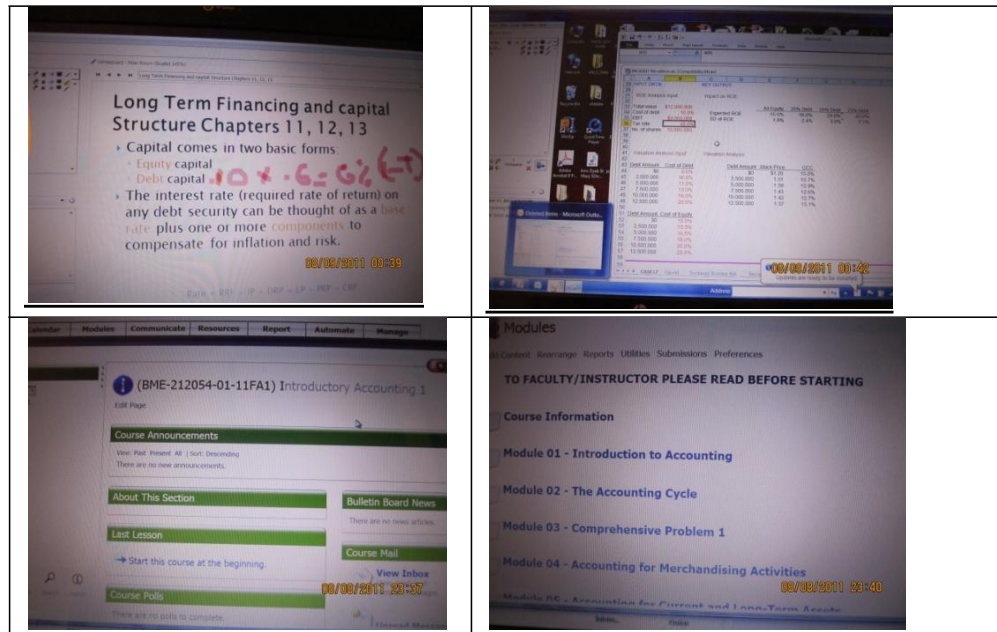
http://www.marketwatch.com/investing/stock/WMT/financials/cash-flow	
<p>I went to the Walgreens web site under investor relations and looked at the recent quarterly report. The company uses the indirect method to determine cash flows. The statement of cash flows is at the bottom of the page. I will continue to look at other organizations to see which method they choose.</p> <p>http://investor.walgreens.com/releasedetail.cfm?ReleaseID=559116</p>	S H
<p>Below is the link to Microsoft's Statement of Cash Flows. They use the indirect method.</p> <p>http://www.microsoft.com/investor/EarningsAndFinancials/Financials/FY11/Q2/CashFlows.aspx</p>	J M
<p>http://www.monsanto.com/investors/Pages/sec_html.aspx?id=0000950123-11-001436&sXbrl=1&compId=122069</p> <p>here is monsanto, also using the indirect method.</p>	DJ
<p>Why do you think that the majority are using indirect method?</p>	N R
<p>The indirect method is preferred by most firms because it shows a reconciliation from reported net income to cash provided by operations.</p> <p>http://www.investopedia.com/study-guide/cfa-exam/level-1/financial-statements/cfa18.asp</p>	KY
<p>I think the direct method would be easier and provides more details (examples below). Both U.S. GAAP and IAS encourage the direct method.</p> <p>In the direct method format, each line of the operating activities section represents a sum of all checks or deposits in a particular category. For example, the operating activities section would include such items as cash received from customers; cash paid to suppliers; cash paid for interest; cash paid for wages; cash paid for research and development; cash paid for selling, general, and administrative costs; and any other relevant summary lines.</p> <p>http://financial-education.com/2007/03/26/cash-flow-statement-the-direct-method/</p>	BE
<p>Here is something I found to be interesting :</p> <p><<The direct method of preparing the statement of cash flows is recommended by the Financial Accounting Standards Board (FASB). However, the direct method is rarely used.</p> <p>The 2007 edition of Accounting Trends & Techniques published by the American Institute of Certified Public Accountants surveyed 600 annual reports to stockholders for the year 2006 and found that only 6 used the direct method, while 594 used the indirect method.>></p> <p>http://blog.accountingcoach.com/direct-method-cash-flow/</p> <p>I also found this explanation:</p>	

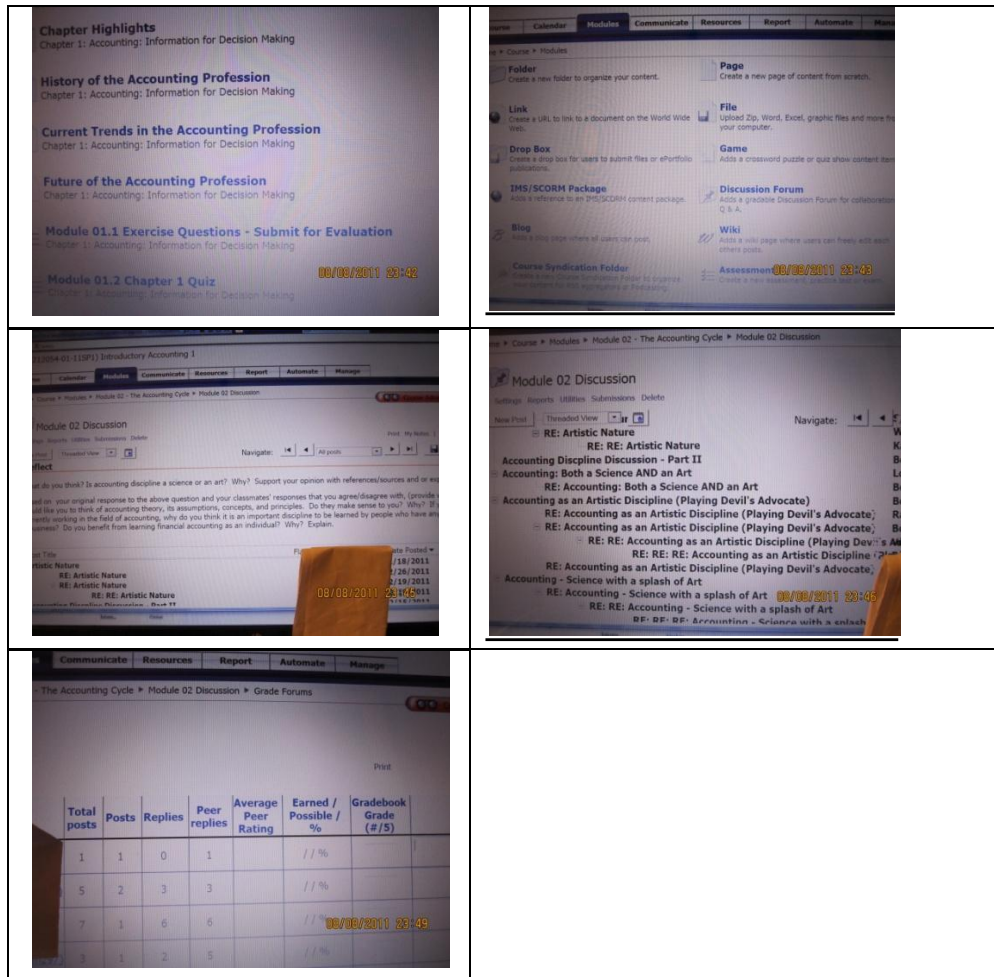
<< This indirect format links the cash from operating activities to the accrual accounting income statement results, clarifying the distinction between the two. The income statement reflects the operations of the firm, measured on the accrual basis, rather than on a cash basis. Most of the items in an income statement are related to operating activities as defined by the cash flow statement rules. Therefore, it is possible to reconcile the net income from the income statement to the cash from operating activities. This is accomplished by removing the effects of items that appear on the income statement but do not affect cash such as depreciation and amortization expense, items where the timing between accrual and cash is different (e.g., changes in accounts receivable, accounts payable, prepaids) as well as a few items that appear on the income statement but are not categorized as operating activities for cash flow purposes (e.g., gains or losses from sale of PP&E—remember, cash flows from sale of PP&E are included in the investing activities section)>>

<http://financial-education.com/2007/03/26/cash-flow-statement-the-indirect-method/>

I feel that after reading up on the indirect method that the reader would get more valuable information from the indirect method where it concerns cash flows from operations. A person from the outside looking in needs to be able to distinguish between the different sources of income an organization has and the value of these distinctions especially when the indirect method is the prominent method used by companies and corporations.

Elluminate Teleconferencing Session Live & Recorded Followed by the course Modules:





Some of the course references:

Some of Open Educational Resources on YouTube and Slideshare

Accounting cycle:

<http://www.slideshare.net/adamkasi/accounting-cycle>

Financial Accounting: Author Susan Crosson

Lesson I History

<http://www.youtube.com/watch?v=mpNmcFzy6-4&feature=relmfu>

Lesson 2 Accounting Equation:

http://www.youtube.com/watch?v=SRf_M1NRru4&feature=relmfu

Lesson 3 Assets:

<http://www.youtube.com/watch?v=K3AKnB71tG8&feature=relmfu>

Lesson 4 Accounting Basics Liabilities

http://www.youtube.com/watch?v=cybEUWU_N40&feature=relmfu

Lesson 5 Stockholder equity

<http://www.youtube.com/watch?v=UWQ6jpyzaGc&feature=relmfu>

Lesson 6 expanded accounting equation:

<http://www.youtube.com/watch?v=UWQ6jpyzaGc&feature=relmfu>

lesson 7 journal entries

<http://www.youtube.com/watch?v=Zu8CQJ3znyk&feature=relmfu>

Susan Crosson Collection of Teaching Financial Accounting/Introductory Courses

http://www.youtube.com/results?search_query=Susan+Crosson&aq=f

FINANCIAL REPORTING AND ANALYSIS:

#1 of 6 Overview

<http://www.youtube.com/watch?v=uZG8YWPPKjE&feature=relmfu>

#2 of 6 Balance Sheet

<http://www.youtube.com/watch?v=K3zK5I86xNU&feature=relmfu>

#3 of 6 Multiple steps Income Statement

<http://www.youtube.com/watch?v=HKB1hyGC-co&feature=relmfu>

#4 of 6 Liquidity ratios

http://www.youtube.com/watch?v=fIPG_tNbaV4&feature=relmfu

#5 of 6 Profit and Solvency Ratios

<http://www.youtube.com/watch?v=Bt0sNPJJUaI&feature=relmfu>

6 of 6 Accounting Conventions

<http://www.youtube.com/user/SusanCrosson?blend=2&ob=5#p/u/0/I2ajqpZ21bQ>

Good site to explain the accounting cycle

<http://business-accounting-guides.com/accounting-cycle/>

MIT Open Educational Resources

<http://ocw.mit.edu/index.htm> Open Course Ware

Open Educational Resource Foundation <http://wikieducator.org/OERF:Home>

Open Course Ware Consortium: <http://www.ocwconsortium.org/>

The Open University in United Kingdom <http://openlearn.open.ac.uk/>

Using Twitter with your students

<http://teaching.mrbelshaw.co.uk/index.php/2007/02/15/using-twitter-with-your-students/>

<http://twitter.com/>

- **Use of Web 2.0 in Higher Education Slides Share Web 2.0 in higher education**
- <http://www.slideshare.net/markvanharmelen/web-20-in-higher-education>

Video on how to [TAG] create RSS to receive update from your site of interest:

<http://www.youtube.com/watch?v=0klgLsSxGsU>

YouTube RSS Feed http://www.youtube.com/t/rss_feeds

Podcast: <http://www.globalearning.com/podcasts.htm>

- ⊙ Digital media files downloadable over the Internet.
- ⊙ RSS: Really Simple Syndication. Learn how it works

<http://www.rssfeeds.com/> Share Slides

- ⊙ Adobe <http://www.slideshare.net/AdobeAcrobat9>
- ⊙ SlideShare <http://www.slideshare.net/>
- ⊙ Google Docs
http://docs.google.com/demo/edit?id=scACgxtjQk4L5sglKVnT4C7F1&dt=spreadsheet#s_preadsheet edit online document
- ⊙ Authorstream

<http://www.authorstream.com/> Photo: Photo

Sharing Sites

- ⊙ Flickr <http://www.flickr.com/tour/10> online photo management,
- ⊙ Picasa http://picasa.google.com/#utm_campaign=en&utm_source=en-ha-na-us-bk&utm_medium=ha&utm_term=picasa to edit photos
- ⊙ Snapfish <http://www.snapfish.com/snapfish/welcome> online digital photo printing, Shutterfly <http://www.shutterfly.com/?cid=SEGOO.BRAND&mpch=ads> Create and store photo book.

Video: Video Sharing Sites

- ⊙ You Tube <http://www.youtube.com/> Video Sharing
- ⊙ Animoto <http://animoto.com/> Video slide show with music
- ⊙ Vimeo <http://vimeo.com/> Video Sharing
- ⊙ MYPlick <http://www.myplick.com/> share power point presentation online
- ⊙ Voicethread <http://voicethread.com/>

Readings on using eBook:

- <http://www.nytimes.com/2010/08/11/business/media/11nomad.html>
- <http://www.nytimes.com/2010/06/20/business/20unbox.html>
- <http://www.apo.org.au/research/2009-librarian-ebook-survey>
- <http://www.delicious.com/tag/hz11+ebooks>
- <http://www.wired.com/gadgetlab/2010/11/making-disposable-dynamic-displays-with-electronic-ink-on-real-paper/>
- <http://www.humanitiesebook.org/heb-whitepaper-3.html>

<http://radar.oreilly.com/2010/08/what-publishers-can-and-should.html>