

Study Guide Exam 1

Exam 1 is worth 150 points or 15% of your final grade. You can expect the exam to have multiple choice and **or** matching questions.

The topics covered are described in:

- Wiley Read and Study
- Pre lecture quizzes
- Homework
- End of Chapter quizzes
- Class lectures and in class exercises
- **Videos for asynchronous classes**

Use the study guide/review to evaluate what you have learned so far from this course

Chapter 1 Introduction to Financial Statements

- Identify the forms of business organization.
- Explain the three principle types of business activity.
- Describe the four financial statements and how they are related.

Chapter 2 Assurance, Attestation and Audit Services

- Differentiate among assurance, attestation, and audit services.
- Describe the different types of audit services.
- Identify the roles of different regulators and organizations that affect the audit profession.
- Discuss the audit expectation gap.
- Explain the concepts of reasonable assurance and materiality on the audit of financial statements.

Chapter 3 – An Introduction to Taxation

- Introduction to tax
- Types of tax rate systems
- Taxing units and basic income tax model
- Choice of business entity

Chapter 4 – Managerial Accounting

- Identify the features of managerial accounting and the functions of management.
- Describe the classes of manufacturing costs and the differences between product and period costs.
- Discuss the trends in managerial accounting

Chapter 5 – Budgetary Planning

- State the essentials of effective budgeting and the components of the master budget.
- Prepare budgets for sales, production, and direct materials
- Prepare budgets for direct labor, manufacturing overhead, and selling and administrative expenses, and a budgeted income statement.
- Prepare a cash budget and a budgeted balance sheet
- Apply budgeting principles to nonmanufacturing companies.

