

Ernst & Young Academic Resource Center (EYARC)

Providing free, leading-edge resources to prepare students for the fast-changing, global marketplace

EYARC access: available exclusively to faculty for nonprofit, higher education purposes at www.ey.com/us/arc. To obtain an EYARC account, contact EYARC Director, Catherine Banks, at catherine.banks@ey.com.

- ▶ Current topics include:
 - Revenue recognition (new standard)
 - Professional judgment
 - Fair value
 - Sustainability reporting
 - IFRS
 - Auditing
- ▶ The content of each curriculum module varies, but typically includes many of the deliverables listed:
 - User guide
 - Lecture notes
 - Slides
 - Examples
 - Application scenarios (cases focused on the application of the professional judgment framework)
 - Homework problems
 - Disclosures
 - Behind the scenes (conceptual classroom discussion tools)
 - Case studies
 - Spotlights (cases focused on research and sharing opinions about current issues and standard-setting developments)
 - Videos
- ▶ Ernst & Young thought leadership is also available, including access to AccountingLink, a virtual newsstand of technical accounting guidance and regulatory insights.

Revenue recognition (new standard) module

The FASB and IASB issued a comprehensive new revenue recognition standard, *Revenue Recognition – Revenue from Contracts with Customers* (ASC 606 (ASU 2014-09) and IFRS 15).

For US public entities, this new guidance is effective for annual periods beginning after December 15, 2016, and early adoption is not permitted. Nonpublic US entities will be required to apply the standard to annual periods beginning after December 15, 2017, but can adopt the new guidance for annual periods beginning after December 15, 2016. IFRS 15 is effective for annual periods beginning on or after January 1, 2017, but early adoption is allowed. Outside of early adoption under IFRS, under both US GAAP and IFRS, companies can adopt the standard with a full-retrospective approach or a modified-retrospective approach.

We offer a module that provides a broad overview of the new standard, including the five-step model to recognize revenue. The module includes a user guide, lecture notes, examples, slides, overview handout, homework problems, behind the scenes and three cases studies:

- ▶ Coffee House – a six-part case, including simple revenue recognition scenarios using ASC 606
- ▶ EYE SPY – a four-part case, including slightly complex revenue recognition scenarios using ASC 606
- ▶ Mixer Up – a six-part case, including slightly complex revenue recognition scenarios using both ASC 605 and ASC 606

<p>Professional judgment framework module Professional judgment skills have never been more important for professionals to operate successfully in an environment of increasing risk and complexity. This curriculum helps provide students with an understanding of common biases that can interfere with their ability to make a strong professional judgment. Students are also provided with a framework that allows them to use a process to address appropriate considerations to make professional judgments, which can be easily applied to accounting and auditing scenarios. We offer one module covering the professional judgment framework that includes a variety of application scenarios (cases) for making judgments in the following areas:</p> <ul style="list-style-type: none"> ▶ Allowance for doubtful accounts ▶ Inventory lower of cost or market ▶ Property, plant and equipment impairment ▶ Intangibles: useful life determination ▶ Debt refinancing: modification or extinguishment ▶ Environmental obligations ▶ Goodwill impairment (qualitative assessment) ▶ Accounting for income taxes: valuation allowance ▶ Fraud risk assessment ▶ Loss contingency for asset expropriation 	<p>Fair value modules Fair value standards are now converged under ASC 820. As the use of fair value continues to increase, as well as the risk and complexity surrounding fair value measurements, it is important to continue to build the knowledge of students in this area. We offer three modules that cover the definition of fair value, the fair value framework, the fair value hierarchy, fair value disclosures, the valuation process and auditing considerations surrounding fair value measures.</p> <ul style="list-style-type: none"> ▶ Fair value basics ▶ Fair value advanced (includes eight sections) ▶ Auditing fair value measures <p>Sustainability reporting modules Going beyond our joint roles to educate about doing the right thing, with the increased demand for accountability and overall interest in the reduction in business risk and value creation surrounding sustainability, the expectation that business professionals have knowledge and perspective around sustainability reporting is becoming a priority. Our goal is to provide you with resources to support the integration of this subject matter into your curriculum. We offer three modules that cover the definition of sustainability, the evolution of sustainability reporting, trends in sustainability reporting, sustainability reporting frameworks, key performance indicators and auditing considerations surrounding sustainability reporting.</p> <ul style="list-style-type: none"> ▶ Sustainability reporting basics ▶ Sustainability reporting framework ▶ Sustainability reporting auditing considerations
<p>US and international comparative modules As the business world continues to operate more globally, it is important for accounting students to develop their technical skills on an international level. This includes developing a strong conceptual foundation. We offer 31 modules of US and international comparative content covering financial reporting, audit, tax and accounting information systems. Additionally, we offer three comprehensive cases covering intermediate topics. <i>French-Canadian faculty: some curriculum slides have been translated.</i></p>	
<p>Audit The role of the auditor continues to evolve driven by efforts to enhance audit quality, to expand assurance over non-financial information and to operate in a more regulated environment. Our curriculum seeks to keep students educated on the importance of the assurance function within the capital markets and to understand and embrace the expectations of auditors in the business world despite the increase in the demands on the profession. We also want student to possess the leading-edge skills required by assurance professionals to navigate through a global business world with more complexities, bigger data, changing risks, new technologies and other evolving traits.</p> <p>Many of our curriculum topics include content that can be integrated into an audit course. These include the following:</p> <ul style="list-style-type: none"> ▶ The impact of IFRS on the audit function ▶ Auditing fair value measures ▶ Sustainability reporting auditing considerations ▶ Professional judgment framework – this module includes many cases that focus on auditing judgments <p>Beyond these topics, additional audit content is available and includes:</p> <ul style="list-style-type: none"> ▶ Anatomy of a fraud – This includes lecture, discussion exercises and video footage from an interview with David Meyers, Controller, regarding the WorldCom fraud. It offers an opportunity for students to think critically about the causes of fraud and their personal ethical responsibilities. ▶ Analytical review – A case that asks students to perform analytical review procedures on revenue. 	