

Exam 1 Study Guide

Type of questions: Combination of multiple-choice, short essay questions, problems similar to those assigned and worked in class.

Chapter 1

1. How do governments compare with businesses: pages 3-7
2. GASB's specific objectives of financial reporting, page 17-18.
3. Know how GASB defines "accountability. Know difference between two types of accountability: interperiod equity and budgetary & fiscal compliance.
4. Know why accrual basis of accounting is appropriate for demonstrating interperiod equity. Study Example on pages 18-20.
5. Fiscal practices that promote or undermine interperiod equity: Table 1-1 on page 6.

Chapter 2

1. Know the meaning of a fund as used in governmental accounting. Know the three categories of funds. Know types of funds under each category, their basis of accounting and measurement focus.
2. Use of multiple funds to account for an entity (pages 38-42).
3. Know the format of the two governmental fund financial statements, their basis of accounting and measurement focus. Know the format of the two government-wide financial statements and their basis of accounting & measurement focus (pp. 44-47).
4. Study multiple-choice questions end of Chapter 2. Study solutions to Chapter 2 exercises and problems on ecampus.

Chapter 3

1. Know definitions of operating budget, appropriations, estimated revenues, other financial sources & uses, encumbrances, reserve for encumbrances, unreserved fund balance.
2. Know how expenditures are classified: pages 84-85.
3. Rationale for budgeting on cash basis; adverse consequences of the cash budget (pp. 91-94).
4. Actual to budget comparison; differences between actual results and budget (pp. 94-96).
5. Know how to record the operating budget into governmental fund; know closing entries and balance sheet fund balance disclosure.
6. Know how to prepare schedules in writing assignment 1.
7. Know format of expenditure and revenues ledger accounts.
8. Study solutions on ecampus.

Chapter 4

1. Know types of non-exchange revenue transactions and recognition criteria.
2. Know eligibility requirements of grants.
3. Know how to record property tax levy and collections.
4. Know how to calculate gross property tax levy.
5. Study solutions to exercise and problems on ecampus.
6. Study slides on GASB 33.
7. Know how to account for government-mandated and voluntary grants.