

# Financial Accounting for Lenders

## FOUNDATIONAL KNOWLEDGE OF BUSINESS FINANCIAL STATEMENTS



### DURATION

20 - 25 hours



### DELIVERY CHANNEL

eLearning

*Skills Application Lab  
Available*



### Course Modules:

- 1 Financial Accounting Framework
- 2 Accrual Accounting Basics
- 3 The Balance Sheet: Assets
- 4 The Balance Sheet: Liabilities and Equity
- 5 The Income Statement
- 6 Connecting Statements and Levels of Assurance
- 7 Understanding Business Cash Flow
- 8 Complex Accounting for Corporations (Optional)

## COURSE OVERVIEW & BENEFITS

Whereas accountants must learn to construct financial statements, lenders must learn to deconstruct them: to dissect and analyze them to identify the strengths and weaknesses they reveal about a business's financial condition.

Financial Accounting for Lenders (FAL)—ideal for anyone seeking to build their knowledge of business financial statements from the ground up—explores fundamental accounting and cash flow concepts from a lender's perspective.

This comprehensive, seven-module eLearning course begins with an exploration of the objectives and characteristics of quality financial reporting, and an examination of the revenue and expense recognition methods that form the basis of accrual accounting.

Next, participants study each of the parts of a complete set of financial statements, with an emphasis on the balance sheet and income statement accounts likely to have the greatest impact on the analysis of a loan request.

Finally, they examine the ways in which a business's operating cycle is represented in its financial statements, and learn how to use the information in the statement of cash flows—as well as cash-tracing techniques—to identify cash sources and uses as a basis for cash flow analysis.

An eighth module, Complex Accounting for Corporations, is available for those who must be able to evaluate more-complex financial statements.

## LEARNING OBJECTIVE

Learn to understand and evaluate accrual-based financial statements within the context of commercial loan analysis.

## COMPETENCIES GAINED

### Participants will be able to:

- Identify the components of a complete set of financial statements
- Evaluate the reliability of a set of financial statements based on the accountant's opinion
- Recognize how common business transactions impact a business's assets, liabilities and equity on the balance sheet, and income and expenses on the income statement
- Identify information within the notes to the financial statement that is relevant to the loan analysis
- Explain how a business's operating cycle and capital investment cycle impact its cash flow, and how this information is reflected in the statement of cash flows

## TARGET AUDIENCE

FAL is a comprehensive course ideal for new lenders, analysts and underwriters, and any other credit professionals seeking to build in-depth knowledge of business financial statements and their role in commercial loan analysis.

Contact us for more information at: [elarning@moodys.com](mailto:elarning@moodys.com)