

Understanding accounting and interpreting financial statements are critical skills needed by those who are involved in the lending cycle. The Moody's Analytics Accounting Fundamentals (AF) course is designed for banking professionals who have either a limited background in accounting or a need for a refresher course. Accounting Fundamentals provides professionals with a grounding in accounting that is required in order to grasp financial analysis principles.

Learning Outcomes with Organizational Benefits

UPON COMPLETION OF THE AF COURSE, BANKING PROFESSIONALS WILL BE ABLE TO:

- » Understand the difference between accrual accounting and cash accounting and their uses
- » Explain why accrual financial statements are typically used by credit institutions for analytical purposes
- » Understand key accounting concepts and principles that are relevant to the field of credit
- » Understand the structure and composition of financial statements
- » Recognize that financial reporting standards allow flexibility in how a company's management presents its financial results
- » Understand that assets drive a company's borrowing needs and explain how different assets result in distinct borrowing needs
- » Describe how common asset, liability, equity, and income statement accounts are constructed especially within the context of capital investment and operating cycles
- » Understand the nature, composition, and value of notes to financial statements
- » Detect client borrowing needs using financial statement data
- » Infer credit implications from financial statement data

Target Audience

- » Relationship managers
- » Business lenders
- » Credit analysts and underwriters
- » Risk officers



AVAILABILITY

24/7 • Online



6 Modules



SELF-PACED LEARNING

10–12 Hours

Content Detail by Module

1

INTRODUCTION TO ACCURAL ACCOUNTING

This module defines accrual accounting and its role in accounting practice. In the process, it distinguishes between accrual and cash accounting, introduces common accrual financial statement structures, and explains why financial institutions typically rely upon accrual statements in order to properly evaluate borrowers and their credit risk.

2

THE OPERATING CYCLE

This module focuses on current assets (i.e., those that are used up in less than twelve months), their most critical components (accounts receivable and inventory), and accounts payable (a current liability that is inherently a part of the operating cycle). The nature and flow of these accounts and their cyclicity is described, along with the financing and risk implications associated with them.

3

THE ASSET CONVERSION CYCLE

This module explains the role and purpose of assets in supporting company objectives, particularly as they apply to growth and profitability. It demonstrates how asset expansion drives borrowing needs, describes in general terms the cyclical nature of all assets, and explores borrowing requirements and risks associated with asset funding.

4

LIABILITIES AND EQUITY

This module addresses liability and equity accounts that are particularly meaningful to banking professionals. Specific accounting treatments are addressed, as are their individual roles in providing different types of financing to companies. Ultimately, students learn that both the balance sheet and the income statement reflect business activity, and they are taught how those two statements are tied together.

5

THE CAPITAL INVESTMENT CYCLE

Non-current (i.e., long-term) assets are addressed at length in this module. The role of capital investment as a core business activity is explored, as is the cyclical nature of that process, especially as it applies to large fixed asset acquisition and its long-term financing implications and risks.

6

FINANCIAL REPORTING

This module focuses squarely on financial reports and reporting standards. In the process, it explains (and cautions) that these reports are management's representation of the financial position of a company, and that information quality can therefore vary greatly, even if formal standards such as IFRS are employed.

Bundling options with Commercial Lending or Small Business Lending Curricula

Save when you purchase the Accounting Fundamentals course along with Moody's Analytics flagship credit risk assessment and lending programs. Accounting Fundamentals provides learners with the pre-requisite accounting knowledge they need to successfully complete the Financial Risk Assessment content in each curriculum. Moody's Analytics eLearning solutions not only meet the day-to-day needs of your employees, but also improve overall organizational performance.



IMMERSIVE CONTENT

- » Interactive Lessons
- » Explanatory Videos
- » Knowledge Checks



ASSESSMENTS

- » Modular Diagnostic Testing (Pre-tests)
- » Modular Mastery Testing (Pre-tests)



ADMINISTRATIVE TOOLS

- » Monitor Participation
- » Assess Performance
- » Track Completion

Contact Us

If you are interested in our programme, email us at abhishek.pundhir@moodys.com.

About Moody's Analytics

Moody's Analytics helps banking, capital markets and risk practitioners worldwide respond to an evolving marketplace with confidence. We offer unique solutions and best practices for measuring and managing risk through loan origination and risk infrastructure, credit and risk analytics, economic research, financial advice and training and certification. As the learning partner to many of the world's leading global and regional banks, we have proven experience and expertise in delivering world-class solutions that enhance staff proficiency and drive lasting business impact.