

APTAC Body of Knowledge Competency Guide

B. General Business Knowledge

B.2 Financial/Accounting

Description

Financial Accounting is the system that accumulates, processes, and communicates financial data from an organization's accounting records.

Basic Accounting Concepts:

1. Reporting Assumptions - relevance, entity concept, continuity, period of time, monetary unit.
2. Reporting Principles – historical cost, objectivity, realization, matching, and consistency, full disclosure.
3. Modifying Conventions – materiality, conservatism, industry practices.
4. Reporting Procedures – generally accepted accounting principles (GAAP).

PTAC Counselors should have basic familiarity with the Accounting Process, specifically, the accounting equation, transactions and supporting documents, accounts, and financial statements. Key financial statements include profit and loss statement, balance sheet, cash flow statement, and cash budget.

Likewise, counselors should have knowledge of the Accounting Cycle – General Journal and journalizing, posting, and the ledger.

References

1. Financial Accounting Standards Board
2. Securities and Exchange Commission
3. Internal Revenue Service
4. American Institute of Certified Public Accountants