COURSE NAME: Legal Accounting

COURSE NUMBER: 8838L

PROFESSOR: Wiseman

ESSENTIAL PREREQUISITES: None. This course is NOT for accountants. A student who has had more than 6 hours should not enroll in this course without permission of Professor Wiseman.

DESIRABLE PREREQUISITES: Business Organizations (or concurrent enrollment)

COURSE BOOKS:

REQUIRED: None. Reading Assignments will be from handouts and online resources

RECOMMENDED

METHOD OF GRADING & APPRAISAL OF STUDENT FOR GRADE: Final Exam, Class Participation

SUMMARY DESCRIPTION OF COURSE:

Accounting as it relates to the work of a lawyer. Understanding financial statements (balance sheet, income statement, cash flow, shareholder’s equity), analysis of financial statements; deferral concepts (inventory, depreciation, prepaid expenses), understanding accounting principles, valuation (present value, future value).

COURSE CONTENT:

I. Balance Sheet
   a. Double-entry bookkeeping
   b. Equity Section
   c. Insolvency
      i. Balance sheet insolvency
      ii. Cash flow insolvency

II. Deferral concepts
    a. Accrual & deferral
    b. Depreciation, depletion, amortization
    c. Inventory
    d. Prepaid Expenses
    e. Contingencies

III. Income Statement
    a. Net income, net loss
b. Difference between income and cash flow

IV. Statement of Cash Flows

V. Accounting Environment
   a. Generally Accepted Accounting Principles
   b. Reading Notes to Financial Statements
   c. Role of auditors
   d. Lawyer’s role

VI. Analyzing Financial Statements

VII. Valuation:
   a. Present Value
   b. Future/Expected Value

COURSE OUTCOMES:
- Students will know how to read a balance sheet, an income statement, a statement of cash flow and a statement of stockholders’ equity
- Students will understand how financial statements are created
- Students will understand “internal control”
- Students will understand some key areas of concern for misstatement and fraud in financial statements
- Students will be better prepared to ask questions in depositions relating to financial statements
- Students will understand the concepts of present value and be able to evaluate transactions (such as settlement offers, business valuations, deferred payments)

RELEVANCY OF COURSE FOR CAREER PURPOSE
Ability to read and analyze financial statements is necessary for a business law practice and to a commercial litigation practice. Relevant to anyone operating a business (including the business of practicing law), because the student will gain understanding financial statements relevant to profit and cash flow.

RELEVANCY OF COURSE FOR MO/MULTI-STATE BAR EXAMINATION: none