Tips for Studying Financial and Managerial Accounting

• Use TA office hours – TAs are students who have taken the course in the past and were chosen by the faculty member because of their performance in the class. TAs work closely with the professor so they know what the professor expects. Students are able to go to any TA’s office hours, because all classes are on relatively the same topic and chapter, and all take their (MULTIPLE CHOICE) exams at the same time.

• The best way to prepare for financial or managerial accounting is to do the homework every night soon after leaving the class. Chapters are covered over a few class periods, so make sure to do the parts that you learned to ensure a good grade.

• Start studying for exams by writing out a one-page summary sheet for each chapter. This helps with terminology. Most exams are problem heavy, so do as many problems as you can, and make sure that you are using different numbers so you are learning the process rather than memorizing the numbers.

• Students tend to focus on vocabulary, because accounting uses some new terms, but this is a mistake since most professors will never ask for a straight definition. Rather than focusing on individual terms and accounts, it is important to focus on relationships. Ask if I increase this, what else changes?

• The only exception to the above statement would be the chapter on Bonds!

• Knowing the flow of the financial statements is important: income statement to statement of retained earnings (equity) to balance sheet. Or, if an income statement account is affected, you should be able to answer: What is the impact on net income? On retained earnings?

• Focus on the large topics covered in class. Most class periods are devoted to covering 2-3 concepts from each chapter. Do not be scared by some detail in the book that you did not cover in class or see on the study guide, it will not be on the exam.

• Use the practice exams and the extra problems posted. Some of these problems are more challenging than the exam itself which can help you to understand the material at a higher level.

• Managerial accounting is similar to financial accounting in that there are several methods and formulas to make calculations. So similar methods of studying apply: relationships are important, identifying the method to be used in a problem, and then attempting the problem.

• Managerial accounting is different from financial because the users of the information (internal vs. external) and because the accounting is far less structured. Managerial accounting also focuses less on journal entries.

• Despite what is said there is no difference in difficulty level in the two courses, exam averages are very much the same. Do not be fooled by rumors.