

E&W Waiver Requirements-Financial Accounting (ACCT 430) Matriculation During or After Winter 2019:

Waiver requirements vary by quarter of matriculation. See below for requirements if you matriculated **DURING OR AFTER WINTER 2019** or are a JDMBA (if you matriculated **PRIOR** to Winter 2019 see requirements [here](#)). _____

ACCT 430 is available for **full waiver** by application or exam

By Application:

Only students who hold a current CPA license (or the foreign equivalent of a CPA) are eligible to receive a full waiver by application. Students will need to upload a copy of their current CPA certificate [here](#). If you do not have a current CPA, you will only be able to receive an ACCT 430 waiver by passing the waiver exams.

By Exam:

Students generally fulfill Kellogg's accounting requirement by successfully completing ACCT 430 (Financial Accounting), the school's core accounting class. Incoming students who pass the 100-minute online placement exam may instead **choose** to fulfill this requirement by completing ACCT 451 (Financial Reporting and Analysis) in lieu of ACCT 430. Students may take the online Accounting placement exam at any time; the online exam self-registration link is provided in eNews several weeks prior to waiver exam dates.

ACCT 451 is Kellogg's primary financial reporting elective and is open to all students who have taken the accounting core class. Incoming students who pass the placement exam may also enroll in the course. The 100-minute open book exam must be completed in one sitting. This online exam will be administered within Canvas and consists of randomized questions covering the following core financial accounting topics:

- Basic balance sheet and income statement mechanics
- Accrual accounting revenue and expense recognition principles
- Debit and credit mechanics
- The statement of cash flows
- Working capital, especially receivables and inventory
- Fixed assets and depreciation
- Rudimentary accounting for investments, including the computation of goodwill.
- Rudimentary understanding of taxation, including the basics of deferred taxes

Students need not demonstrate a mastery of all of the above topics to obtain a passing grade. Admission to ACCT 451 will be granted to students who demonstrate enough familiarity with the topics to assure that they can comfortably and efficiently process the ACCT 451 material. Students will know whether they pass the exam immediately after completing the online exam. **Students who pass the online exam should notify advising at: kellogg-ewadvisor@kellogg.northwestern.edu**

Only students who have passed the online Accounting placement exam may take the online waiver exam for a full waiver for ACCT 430. **Registration for this exam occurs through the regularly scheduled quarterly waiver process with registration information provided in eNews early each quarter.** The waiver will cover the topics outlined for the ACCT 451 placement exam, but more comprehensively than the online exam. A passing grade will be roughly analogous to low B grade in ACCT 430 and will result in a full ACCT 430 waiver.

See page below for topics covered in the In-person ACCT 430 waiver exam

| Topics Needed for ACCT Full Waiver |
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| -Financial Statements and Financial Statement Linkages (Chapter 1-3) -Mechanics of Accrual Accounting (e.g., deferrals and accruals) |
| Revenue Recognition and Accounts Receivable (Chapter 6) -Criteria for Revenue Recognition (Application of ASC 606) -Warranties -Allowance for Doubtful Accounts |
| Inventory (Chapter 7) -Product Versus Period Costs -Cost Flow Assumptions -LIFO Reserve |
| Long-Lived Assets (Chapter 8) -Asset Acquisition Costs -Depreciation -Intangible Assets |
| Statement of Cash Flows (Chapter 4) -Operating, Investing and Financing Sections of the Cash Flow Statement |
| Investments (chapter 12): -Trading securities, -Equity Method |
| Introduction to Mergers and Acquisition Accounting (Chapter 12) |
| Long-Term Debt (Chapter 9) -Accounting for Bonds |
| Leases (Chapter 10) -Accounting for Operating and Finance Leases |
| Accounting for Income Taxes (Chapter 10)– -Book-Tax Differences -Deferred Tax Assets –Valuation Allowance |
| Financial Statement Analysis (Chapter 5) |

Chapters referred to are from “Financial Accounting”, 6th Edition, Dykman, Hanlon, Magee, and Pfeiffer, Cambridge Business Publishers.