

Accounting for Leases

Learning Objectives:

After completing this section, you should be able to:

1. Recognize the advantages and disadvantages of leasing.
2. Recognize the most material difference between ASC 842 and current practice.
3. Differentiate between the operating and capital lease method.
4. Distinguish between operating, direct financing, and sales-type method.
5. Recognize the key terms and costs included when accounting for leases.
6. Compute leased asset and depreciation expense entries.
7. Recognize differences between GAAP and IFRS when accounting for leases.