

To: Incoming First Year Master's Students  
From: Megan Berlinger, MHA and Kristin Reiter, PhD

Re: Gaining Basic Financial Accounting Knowledge Prior to the Start of Classes

Date: July 21, 2021

Welcome to HPM! We look forward to meeting you.

If you are an entering MHA student, you will be required to take **HPM 740, Healthcare Financial Accounting** and **HPM 741: Management Accounting for Healthcare Administrators** during your first and second semesters, respectively (Fall 2021 and Spring 2022). If you have not had a financial accounting course, you are strongly encouraged to do a self-study. Not doing so may put you at some disadvantage as the classes move very quickly. If you have had a recent course in financial accounting, you should be fine, but a brush-up on some topics could be useful.

There are so many self-study textbook options that we are not in a position to evaluate all of them. However, we have had excellent experience with Leslie K. Breitner and Robert N. Anthony, Essentials of Accounting. The 11<sup>th</sup> edition is the most recent, but the 10<sup>th</sup> edition will work fine and is likely less expensive than the 11<sup>th</sup> edition. The text is in workbook form, and allows you to try out what you have learned while you go along. It can be ordered online from Amazon.com and other booksellers. Our feedback indicates that students complete it in anywhere from 10 to 30 hours.

Another option is completing the video module entitled "**Financial Accounting Part 1**" with Jim Stice, available on LinkedIn Learning. As a UNC student, you have free access to video tutorials on LinkedIn Learning.

#### **Instructions for accessing the Financial Accounting Video Tutorial on LinkedIn Learning:**

- Log in: <https://software.sites.unc.edu/linkedin/> (log in link on right-hand side, you can login with your Onyen)
- Search for "Financial Accounting Part 1" with Jim Stice
- The entire sequence takes 3h 29m to complete. You may select which sessions you would like to review based on your own accounting knowledge and comfort level.

Of course, there are other financial accounting tutorials available online that you can use as well. Regardless of what you use, please note that, for our purposes, the areas of particular interest are:

1. The fundamentals of recording and reporting financial transactions
  - a. The difference between cash and accrual accounting
  - b. How transactions are recorded and reported on the financial statements
2. The form and content of the financial statements
  - a. Balance sheet
  - b. Income statement
  - c. Statement of cash flows
  - d. Statement of owners' equity
3. Recording and reporting transactions which involve

- a. Cash
- b. Accounts Receivable
- c. Inventories
- d. Prepaid assets
- e. Plant, property and equipment acquisition and depreciation
- f. Non-current assets
- g. Revenues
- h. Expenses

Although we will cover these topics in detail in 740, we find that most students who have had no exposure to financial accounting feel much more comfortable with the material if they have completed some sort of self-study over the summer or winter break.

Please feel free to contact Megan at XXXXX or Kristin at [reiter@email.unc.edu](mailto:reiter@email.unc.edu) if you have any questions or concerns. In the meantime, we hope your summer is off to a great start and we look forward to seeing you this fall!

Best,

Megan and Kristin