

# ARW 101 Syllabus

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## Course Description

Accounting in the Real World (ARW 101) is a practical, no-fluff introduction to the language of business. Designed for entrepreneurs, managers, and aspiring founders, this course transforms accounting from something you avoid into a tool you actually use. Across nine chapters, you'll learn how to read financial statements, track profits, understand cash flow, and project your business's future with confidence. Each live lecture is recorded and paired with transcripts, AI-powered summaries, slides, and a weekly workbook so you can learn at your own pace. By the end, you won't just "send your books to the CPA"—you'll actually understand what they mean.

### Key Dates:



Chapter 1 Lecture Tuesday 9/30	Chapter 2 Lecture Tuesday 10/7	Chapter 3 Lecture Tuesday 10/14	Chapter 4 Lecture Tuesday 10/21	Chapter 5 Lecture Tuesday 10/28
Chapter 6 Lecture Tuesday 11/4	Chapter 7 Lecture Tuesday 11/11	Chapter 8 Lecture Tuesday 11/18	Chapter 9 Lecture Tuesday 11/25	<b>Final Exam Date Tuesday 12/9</b>

## Final Exam Scale

### Grading Scale



81% - 100%  
Exemplary

61%-80%  
Pass

<60%  
Failure

### Other Important Calendar Information:

- Lectures - all lectures to be held at 6:00 pm EST. Lectures are projected to last 2 hours, give or take 15 minutes on either end.
- Workbook Release - each chapter has a workbook with exercises. Workbooks to be released every Wednesday via email prior to the Chapter
- Slideshows & Transcripts - Slideshows and transcripts for every class to be sent via email on the Wednesday after the lecture's conclusion
- Review Class (Optional) - every Monday at 6:00 pm EST, a review class will be held to go over exercises from the workbook and sample quizzes
- Final Exam Prep (Optional) - one class will be held on Tuesday December 2 at 6:00 pm EST to go over Final Exam Preparation

## How to Pass This Course



Show up to class  
every time!




Ask all your  
questions!



Get Support  
From Reviews!



Study After  
Lectures!

 <b>Participation</b>	<b>Attendance Expectations</b>
<p>You'll find that we have <u>a lot</u> of ground to cover in each chapter, and so therefore, lectures will feel as though they're moving quickly through material. To give yourself the best chance at success, we strongly recommend <b>reading the summary</b> for the chapter in the workbook and doing some preliminary exercises prior to the lecture itself. We encourage you to ask questions during the lecture, but if you're feeling especially lost, we invite you to attend the review class to further solidify that chapter. Ultimately, you have to put in the time and effort if you wish to succeed.</p>	<p>This is not high school. We understand that you are adults with your own obligations and responsibilities and we want to respect your time as much as possible. Therefore, classes do not have mandatory attendance, but if you want to actually gain something from the course, and receive the certificate at its conclusion, attendance will be pivotal.</p> <p>The Final Exam is the only spot where attendance is mandatory unless there is a truly extenuating circumstance.</p>

## Chapter 1 - The Accounting Equation

The Accounting Equation —  $\text{Assets} = \text{Liabilities} + \text{Equity}$  — is the foundation of every financial system. In this chapter, you'll discover how this simple formula underpins the Balance Sheet and connects every transaction your business makes. You'll learn how money flows in and out of the business, how ownership and obligations are recorded, and why this framework provides a snapshot of your company's overall health. By mastering the equation, you'll finally see the logic behind financial statements and gain the clarity to interpret your numbers instead of guessing. This is the language of business, made simple.

- Understand how every business transaction connects to assets, liabilities, or equity.
- Recognize the equation as the foundation for all financial reporting.
- Interpret how debt and ownership affect your business's structure.
- Gain confidence reading financial statements without outside translation.
- Apply the equation to spot financial imbalances before they grow.
- Develop a clear, structured lens for understanding your company's health.

## Chapter 2 - General Journal Entries

Journal entries are the building blocks of accounting. This chapter introduces you to the mechanics of recording transactions, showing how sales, expenses, and payments are translated into financial language. You'll learn how debits and credits balance the books, how to classify different types of transactions, and why accuracy in recording is critical for trustworthy reports. Rather than memorizing rules, you'll practice applying journal entries to real-world business scenarios. By the end of this chapter, you'll see that journal entries aren't an intimidating exercise in bookkeeping — they're a clear, repeatable method for keeping your financial story consistent and reliable.

- Record business activity in an organized, consistent way.
- See how transactions become reports through the accounting cycle.
- Understand how debits and credits balance each other.
- Reduce confusion when working with bookkeepers or accountants.
- Spot errors early by checking entry accuracy.
- Build confidence that your financial data reflects reality.



**Accounting is the language of business - Warren Buffett**



## Chapter 3 - Adjusting Transactions (Accrual Accounting)

Accrual accounting bridges the gap between when money changes hands and when revenue or expenses are actually earned. In this chapter, you'll discover why "cash in, cash out" thinking is often misleading and how adjusting entries align your financial records with reality. You'll see how to match income with expenses, how to recognize prepaid or deferred amounts, and why accrual adjustments give a truer picture of performance. With simple examples, this chapter removes the mystery behind concepts like depreciation and amortization. By the end, you'll appreciate accrual adjustments as tools that sharpen your financial understanding, not complicate it.

- Understand how accrual accounting differs from cash-based methods.
- Match revenues with related expenses to see true profitability.
- Record prepaid, deferred, or accrued items correctly.
- Recognize why timing matters in financial reporting.
- Avoid distorted results caused by incomplete data.
- Gain more accurate insight into business performance.

## Chapter 4 - The Balance Sheet

The Balance Sheet is your company's financial snapshot at a specific moment in time. This chapter teaches you how to read and interpret assets, liabilities, and equity to assess the strength of your business. You'll learn how working capital shows liquidity, how debt impacts risk, and why equity reflects ownership value. With practical examples, you'll move beyond just seeing numbers to understanding what they mean for stability and growth. By the end, you'll be able to look at a Balance Sheet and quickly identify red flags, opportunities, and overall financial health with a business owner's perspective.

- Read and interpret Balance Sheets with confidence.
- Assess liquidity and working capital strength.
- Evaluate how debt impacts long-term stability.
- Understand equity as ownership value.
- Spot financial red flags before they escalate.
- Use the Balance Sheet to guide smarter decisions.

## Chapter 5 - The Income Statement

The Income Statement tells the story of your business's performance over time — what you earned, what you spent, and what's left as profit. This chapter breaks down revenue, cost of goods sold, operating expenses, and net income in plain language. You'll see how to spot profit drivers, identify expense leaks, and measure growth over different periods. More than just a report, the Income Statement becomes a tool for evaluating strategy and improving operations. By the end, you'll know how to use it to analyze profitability, set goals, and answer the critical question: *Is my business really working?*

- Read and interpret Income Statements easily.
- Identify revenue streams and cost structures.
- Track profitability trends across time periods.
- Spot expense categories draining resources.
- Measure performance against business goals.
- Use profitability data to improve strategy.

“ The goal of accounting is to provide financial information that is useful for decision-making. - Financial Accounting Standards Board (FASB) ”

## Chapter 6 - The Statement of Cash Flows

Profit doesn't always equal cash in the bank — and the Statement of Cash Flows explains why. In this chapter, you'll learn how money moves through operations, investing, and financing activities. You'll discover why a profitable business can still go bankrupt from poor cash management, and how to monitor your liquidity week by week. Real-world examples will highlight how decisions like buying equipment, taking loans, or collecting late invoices show up in cash flows. By mastering this statement, you'll gain the ability to plan ahead, avoid liquidity crunches, and ensure your business has the cash it needs to survive.

- Trace cash movement through different activities.
- Understand why profit  $\neq$  cash flow.
- Plan for upcoming cash needs.
- Monitor liquidity to avoid crises.
- See the impact of investment and financing decisions.
- Improve confidence in day-to-day money management.

## Chapter 7 - Understanding Profits (Net Income, EBITDA, Retained Earnings)

Not all “profits” are created equal. In this chapter, you'll break down Net Income, EBITDA, and Retained Earnings to understand what each number really represents. You'll see how taxes, interest, and non-cash expenses change the story, and why EBITDA is often used in evaluating company performance. More importantly, you'll discover how profits can be reinvested, distributed, or accumulated to grow your business. This chapter transforms vague profit numbers into specific insights about your company's efficiency, growth potential, and long-term sustainability. By the end, you'll know how to read profits like an investor and act like a confident owner.

- Differentiate between net income, EBITDA, and retained earnings.
- Understand how profits are impacted by taxes and interest.
- Use EBITDA to compare performance across businesses.
- Recognize reinvestment vs. distribution opportunities.
- Interpret profits as signals of efficiency and sustainability.
- Apply profit insights to drive business strategy.

## Chapter 8 - Valuations (Oversimplified View)

Every entrepreneur eventually wonders: *What is my business worth?* This chapter introduces the basics of valuation without overwhelming detail. You'll learn about simple methods — like multiples of earnings or revenue — and why investors and buyers care about future potential more than just current results. With real-world examples, you'll see how financial health, growth rate, and industry context shape valuation. While not a deep dive into investment banking, this chapter provides a practical lens for thinking about long-term value. By the end, you'll understand the big-picture factors that make businesses attractive to investors, lenders, and buyers.

- Understand common valuation approaches in simple terms.
- Estimate a ballpark worth for your company.
- Recognize how growth potential influences value.
- Identify factors that attract investors or buyers.
- See how industry context affects valuation multiples.
- Begin thinking about long-term exit strategies.



**Accounting is the art of recording, classifying, and summarizing in a significant manner. - American Institute of CPA's**



## Chapter 9 - Projections (Oversimplified View)

Looking ahead is just as important as understanding the past. This chapter teaches you how to create simple financial projections without needing an MBA. You'll learn how to forecast revenue, expenses, and cash flow using reasonable assumptions, and why these projections are essential for planning, fundraising, and decision-making. With guided examples, you'll see how projections can highlight cash shortages before they happen, or validate whether growth strategies are realistic. By the end, you'll be equipped to use projections as a living tool — adjusting them as your business evolves — to steer your company with foresight and confidence.

- Build simple revenue and expense forecasts.
- Anticipate future cash shortages or surpluses.
- Align financial projections with growth strategies.
- Use projections to support fundraising or lending.
- Adjust plans quickly based on real data.
- Improve long-term confidence in business direction.

