

# **The Soft Close**

---

Steven M. Bragg

# Table of Contents

---

<b>The Soft Close .....</b>	<b>1</b>
Learning Objectives.....	1
Introduction .....	1
Soft Close Overview.....	1
Soft Close Advantages .....	1
Soft Close Disadvantages.....	2
Applicability of the Soft Close.....	2
Types of Activities Not Addressed .....	3
Deleted Step – Account Reconciliations.....	4
The Bank Reconciliation .....	5
Deleted Step – Accruals .....	6
Altered Step – Depreciation and Amortization Recognition.....	7
Deleted Step – Physical Inventory Counts .....	8
The Gross Profit Method.....	9
The Retail Inventory Method .....	11
Altered Step – Overhead Allocations .....	12
Deleted Step – Intercompany Eliminations.....	13
Altered Step – Reserve Account Updates .....	14
Deleted Step – Revenue Accruals .....	14
What to Include in the Soft Close.....	15
The Soft Close in Multiple Subsidiaries.....	16
The Risk Environment for a Soft Close .....	17
Soft Close Disclosures .....	18
Summary .....	19
Review Questions .....	20
Review Answers.....	21
Review Questions .....	21
 <b>Glossary .....</b>	 <b>23</b>
 <b>Index.....</b>	 <b>25</b>