Scheller College of Business' Charles Mulford Analyzes Bottom Line Change After New Accounting Standards Implementation

Chalres Mulford calculates free cash flow adjusted to include non-cash capital expenditures, capital leases and the capitalized value of operating leases.

Scheller College of Business at Georgia Tech professor Charles Mulford recently examinded how a new FASB accounting standard will affect the bottom line at companies such as General Electric (GE).

ATLANTA, GEORGIA, USA, February 12, 2019 /EINPresswire.com/ -- Scheller College of Business accounting professor Charles Mulford recently examined how a new accounting standard will affect General Electric's (GE) bottom line.

The Financial Accounting Standards Board now requires that companies acknowledge financing-lease and operating-lease assets on their balance sheets; previously, companies were only required to report capital-lease assets. With the financing-lease assets and operating-lease assets now counted as capital expenditures, GE's free cash flow will look quite different than it used to, according to Mulford.

In his latest report to the Georgia Tech Financial Analysis Lab, 'Adjusting Free Cash Flow for Non-Cash Capital Expenditures, Capital Leases and the Capitalized Value of Operating Leases,' Mulford did his own calculations to predict how GE's – and 81 other S&P 100 non-financial firms' – 2019 financial statements will be affected.

Read "General Electric is making an accounting change that'll make one of its biggest problems look less severe" on the Business Insider website.

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