

# Fundamental Accounting Principles

21<sup>st</sup>  
edition

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 **McGraw-Hill  
Irwin**



To my students and family, especially **Kimberly, Jonathan, Stephanie, and Trevor.**  
To my wife **Linda** and children, **Erin, Emily, and Jacob.**  
To my mother, husband **Bob**, and sons **Michael and David.**

#### FUNDAMENTAL ACCOUNTING PRINCIPLES, TWENTY-FIRST EDITION

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This book is printed on acid-free paper.

1 2 3 4 5 6 7 8 9 0 DOW/DOW 1 0 9 8 7 6 5 4 3 2

ISBN-13: 978-0-07-802558-7 (combined edition)

ISBN-10: 0-07-802558-3 (combined edition)

ISBN-13: 978-0-07-752528-6 (volume 1, chapters 1-12)

ISBN-10: 0-07-752528-0 (volume 1, chapters 1-12)

ISBN-13: 978-0-07-752527-9 (volume 2, chapters 12-25)

ISBN-10: 0-07-752527-2 (volume 2, chapters 12-25)

ISBN-13: 978-0-07-752526-2 (principles, chapters 1-17)

ISBN-10: 0-07-752526-4 (principles, chapters 1-17)

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Typeface: *10.5/12 Times Roman*

Compositor: *Aptara®, Inc.*

Printer: *R. R. Donnelley*

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#### Library of Congress Cataloging-in-Publication Data

Wild, John J.

Fundamental accounting principles / John J. Wild, Ken W. Shaw, Barbara Chiappetta.—21st ed.

p. cm.

Includes index.

ISBN 978-0-07-802558-7 (combined ed. : alk. paper)—ISBN 0-07-802558-3 (combined ed. : alk. paper)—

ISBN 978-0-07-752528-6 (vol. 1, chapters 1-12 : alk. paper)—ISBN 0-07-752528-0 (vol. 1, chapters 1-12 : alk. paper)—

ISBN 978-0-07-752527-9 (vol. 2, chapters 12-25 : alk. paper)—ISBN 0-07-752527-2 (vol. 2, chapters 12-25 : alk. paper)—

ISBN 978-0-07-752526-2 (principles, chapters 1-17 : alk. paper)—ISBN 0-07-752526-4 (principles, chapters 1-17 :

alk. paper)

1. Accounting. I. Shaw, Ken W. II. Chiappetta, Barbara. III. Title.

HF5636.W675 2013

657—dc23

2012027838

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# Adapting to the Needs of Today's Students

## ***Fundamental Accounting Principles 21e***

Enhancements in technology have changed the spectrum of how we live and learn in the world today. Being able to download and work with learning tools on smart phones, tablets, or laptop computers empowers students to drive their own learning by putting increasingly intelligent technology into their hands.

No two students are alike, and whether the goal is to become an accountant or a businessperson or simply to be an informed consumer of accounting information, *Fundamental Accounting Principles (FAP)* has helped generations of students succeed by giving them support in the form of leading-edge accounting content that engages students, paired with state-of-the-art technology that elevates their understanding of key accounting principles.

With *FAP* on your side, you'll be provided with **engaging content** in a **motivating style** to help students see the relevance of accounting. Students are motivated when reading materials that are clear and pertinent. *FAP* excels at engaging students. Its chapter-opening vignettes showcase dynamic, successful entrepreneurial individuals and companies guaranteed to **interest and excite students, and highlights the usefulness of accounting to those business owners**. This edition's featured companies—**Polaris, Arctic Cat, KTM, and Piaggio**—captivate students with their products and annual reports, which are a pathway for learning financial statements. Further, this book's coverage of the accounting cycle fundamentals is widely praised for its clarity and effectiveness.

*FAP* also delivers innovative technology to help student performance. **Connect Accounting** provides students with instant grading and feedback for assignments that are completed online. With our new **Intelligent Response Technology**, we are taking our accounting content to the next level, delivering assessment material in a **more intuitive, less restrictive** format that adapts to the needs of today's students.

Our new content features:

- a **general journal interface** that looks and feels more like that found in practice.
- an **auto-calculation** feature that allows students to focus on concepts rather than rote tasks.
- a **smart (auto-fill) drop-down design**.

The end result is content that better prepares students for the real world. *Connect Accounting* also includes digitally based, interactive adaptive learning tools that provide an opportunity to engage students more effectively by offering varied instructional methods and more personalized learning paths that build on different learning styles, interests, and abilities, allowing students to work at their own pace.

**McGraw-Hill LearnSmart™** is an intelligent learning system that uses a series of adaptive questions to pinpoint each student's knowledge gaps. LearnSmart then provides an optimal learning path for each student, so that they spend less time in areas they already know and more time in areas they don't. The result is LearnSmart's adaptive learning path that helps students retain more knowledge, learn faster, and study more efficiently.

Our **Interactive Presentations** teach each chapter's core learning objectives in a rich multimedia format, bringing the content to life. Your students will come to class prepared when you assign Interactive Presentations. Students can also review the Interactive Presentations as they study.

**Guided Examples** provide students with narrated, animated, step-by-step walkthroughs of algorithmic versions of assigned exercises. Students appreciate the Guided Examples because they can help students learn accounting and complete assignments when outside of class.

**Connect Plus Accounting** integrates a media-rich online version of the textbook with *Connect Accounting*.

"I believe that *FAP* is the best intro accounting text on the market—clear, concise, complete... Additionally, it is clear that the authors stay in touch with the 'times'."

— JAMES L. LOCK, Northern Virginia Community College

# About the Authors



**JOHN J. WILD** is a distinguished professor of accounting at the University of Wisconsin at Madison. He previously held appointments at Michigan State University and the University of Manchester in England. He received his BBA, MS, and PhD from the University of Wisconsin.

Professor Wild teaches accounting courses at both the undergraduate and graduate levels. He has received numerous teaching honors, including the Mabel W. Chipman Excellence-in-Teaching Award, the departmental Excellence-in-Teaching Award, and the Teaching Excellence Award from the 2003 and 2005 business graduates at the University of Wisconsin. He also received the Beta Alpha Psi and Roland F. Salmonson Excellence-in-Teaching Award from Michigan State University. Professor Wild has received several research honors and is a past KPMG Peat Marwick National Fellow and is a recipient of fellowships from the American Accounting Association and the Ernst and Young Foundation.

Professor Wild is an active member of the American Accounting Association and its sections. He has served on several committees of these organizations, including the Outstanding Accounting Educator Award, Wildman Award, National Program Advisory, Publications, and Research Committees. Professor Wild is author of *Financial Accounting*, *Managerial Accounting*, and *College Accounting*, each published by McGraw-Hill/Irwin. His research articles on accounting and analysis appear in *The Accounting Review*, *Journal of Accounting Research*, *Journal of Accounting and Economics*, *Contemporary Accounting Research*, *Journal of Accounting, Auditing and Finance*, *Journal of Accounting and Public Policy*, and other journals. He is past associate editor of *Contemporary Accounting Research* and has served on several editorial boards including *The Accounting Review*.

In his leisure time, Professor Wild enjoys hiking, sports, travel, people, and spending time with family and friends.



**KEN W. SHAW** is an associate professor of accounting and the Deloitte Professor of Accounting at the University of Missouri. He previously was on the faculty at the University of Maryland at College Park. He received an accounting degree from Bradley University and an MBA and PhD from the University of Wisconsin. He is a Certified Public Accountant with work experience in public accounting.

Professor Shaw teaches financial accounting at the undergraduate and graduate levels. He received the Williams-Keepers LLC Teaching Excellence award in 2007, was voted the "Most Influential Professor" by three School of Accountancy graduating classes, and is a two-time recipient of the O'Brien Excellence in Teaching Award. He is the advisor to his School's chapter of the Association of Certified Fraud Examiners.

Professor Shaw is an active member of the American Accounting Association and its sections. He has served on many committees of these organizations and presented his research papers at national and regional meetings. Professor Shaw's research appears in the *Journal of Accounting Research*; *Contemporary Accounting Research*; *Journal of Financial and Quantitative Analysis*; *Journal of the American Taxation Association*; *Strategic Management Journal*; *Journal of Accounting, Auditing, and Finance*; *Journal of Financial Research*; and other journals. He has served on the editorial boards of *Issues in Accounting Education* and the *Journal of Business Research*. Professor Shaw is co-author of *Financial and Managerial Accounting* and *College Accounting*, both published by McGraw-Hill.

In his leisure time, Professor Shaw enjoys tennis, cycling, music, and coaching his children's sports teams.



**BARBARA CHIAPPETTA** received her BBA in Accountancy and MS in Education from Hofstra University and is a tenured full professor at Nassau Community College. For the past two decades, she has been an active executive board member of the Teachers of Accounting at Two-Year Colleges (TACTYC), serving 10 years as vice president and as president from 1993 through 1999. As an active member of the American Accounting

Association, she has served on the Northeast Regional Steering Committee, chaired the Curriculum Revision Committee of the Two-Year Section, and participated in numerous national committees. Professor Chiappetta has been inducted into the American Accounting Association Hall of Fame for the Northeast Region. She had also

received the Nassau Community College dean of instruction's Faculty Distinguished Achievement Award. Professor Chiappetta was honored with the State University of New York Chancellor's Award for Teaching Excellence in 1997. As a confirmed believer in the benefits of the active learning pedagogy, Professor Chiappetta has authored *Student Learning Tools*, an active learning workbook for a first-year accounting course, published by McGraw-Hill/Irwin.

In her leisure time, Professor Chiappetta enjoys tennis and participates on a U.S.T.A. team. She also enjoys the challenge of bridge. Her husband, Robert, is an entrepreneur in the leisure sport industry. She has two sons—Michael, a lawyer, specializing in intellectual property law in New York, and David, a composer, pursuing a career in music for film in Los Angeles.

Dear Colleagues/Friends,

As we roll out the new edition of *Fundamental Accounting Principles*, we thank each of you who provided suggestions to improve our textbook. As teachers, we know how important it is to select the right book for our course. This new edition reflects the advice and wisdom of many dedicated reviewers, symposium and workshop participants, students, and instructors. Our book consistently rates number one in customer loyalty because of you. Together, we have created the most readable, concise, current, accurate, and innovative accounting book available today.

Throughout the writing process, we steered this book in the manner you directed. Reviewers, instructors, and students say this book's enhanced presentation, graphics, and technology cater to different learning styles and helps students better understand accounting. *Connect Plus Accounting* offers new features to improve student learning and to assist instructor teaching and grading. You and your students will find all these tools easy to apply.

We owe the success of this book to you and other instructors who graciously took time to help us focus on the changing needs of today's students and their learning needs. We feel fortunate to have witnessed our profession's extraordinary devotion to teaching. Your feedback and suggestions are reflected in everything we write. Please accept our heartfelt thanks for your dedication in helping today's students learn, understand, and appreciate accounting.

With kindest regards,

*John J. Wild      Ken W. Shaw      Barbara Chiappetta*

# Adapting to the Needs of

McGraw-Hill *Connect Plus Accounting* is a complete online assignment, learning, and textbook assessment solution that connects your students with the tools and resources needed to achieve success through faster learning, more efficient studying, and higher retention of knowledge. Key features found in *Connect Plus Accounting* include:

**Intelligent Response Technology** Intelligent Response Technology is *Connect Accounting's* new student interface for end-of-chapter assessment content. Intelligent Response Technology provides a general journal application that looks and feels more like what you would find in a general ledger software package, improves answer acceptance to reduce student frustration with formatting issues (such as rounding), and, for select questions, provides an expanded table that guides students through the process of solving the problem.

"I like that this system was formatted like real-world accounting is."

—Student, Rose State College

Transaction	General Journal	Debit	Credit
a.	Unearned fee revenue	12,000	
	Fee revenue		12,000

"I love how the general journal was set up. It felt like what I would be filling out if I had an accounting job."

—Student, Chabot Community College

Transaction	General Journal	Debit	Credit
a.	Unearned fee revenue	12,000	
	Fee revenue		12,000
b.	Wages expense	10,000	
	Wages payable		10,000
c.	Depreciation expense—Equipment	10,840	
	Accumulated depreciation—Equipment		10,840



# Today's Students!

1. Complete the table to determine the cost assigned to ending inventory and cost of goods sold using specific identification.

Specific Identification									
Available for Sale				Cost of Goods Sold			Ending Inventory		
Date	Activity	Units	Unit Cost	Units Sold	Unit Cost	COGS	Ending Inventory Units	Cost Per Unit	Ending Inventory Cost
Mar. 1	Beginning Inventory	150							
Mar. 20	Purchase	220							
Mar. 30	Purchase	90							
		460				\$ 0			\$ 0

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BIZKO COMPANY			
Income Statement			
For Year Ended August 31, 2011			
Sales	✓	\$	218,880 ✓
Less: Sales discounts	✓	\$	3,348 ✓
Less: Sales returns and allowances	✓		14,445 ✓
Net sales	✓		201,085 ✓
Cost of goods sold	✓		85,312 ✓
Gross profit	✓		115,773 ✓
Expenses			
Selling expenses			
Sales salaries expense	✓		29,987 ✓
Rent expense-selling space	✓		10,287 ✓
Store supplies expense	✓		2,627 ✓
Advertising expense	✓		18,605 ✓
Total selling expenses			61,506
General and administrative expenses			
Accounts payable	✗		876 ✓
Accum-depreciation - store equipment	✗		9,785 ✗
Total general and administrative expenses			10,661
Total expenses			72,167

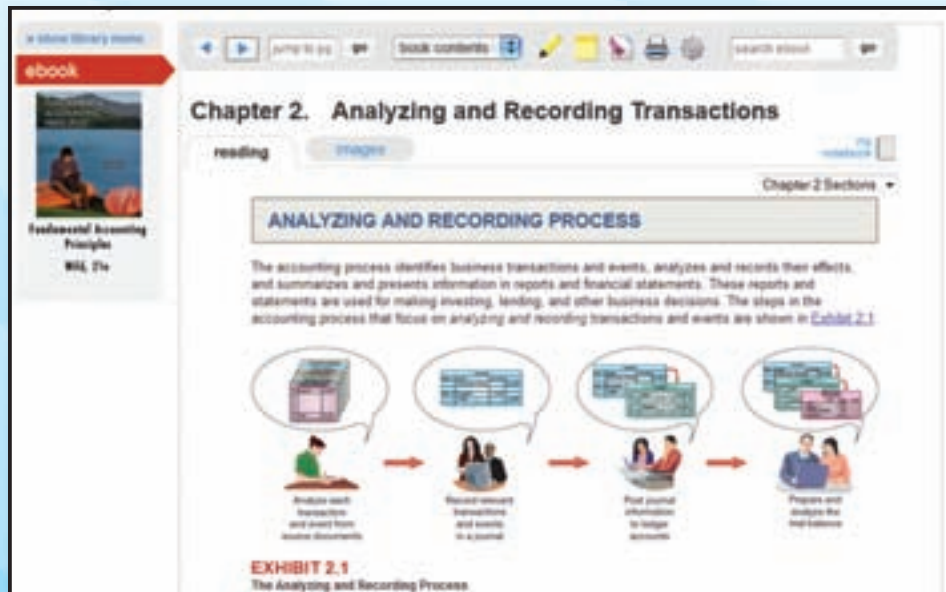
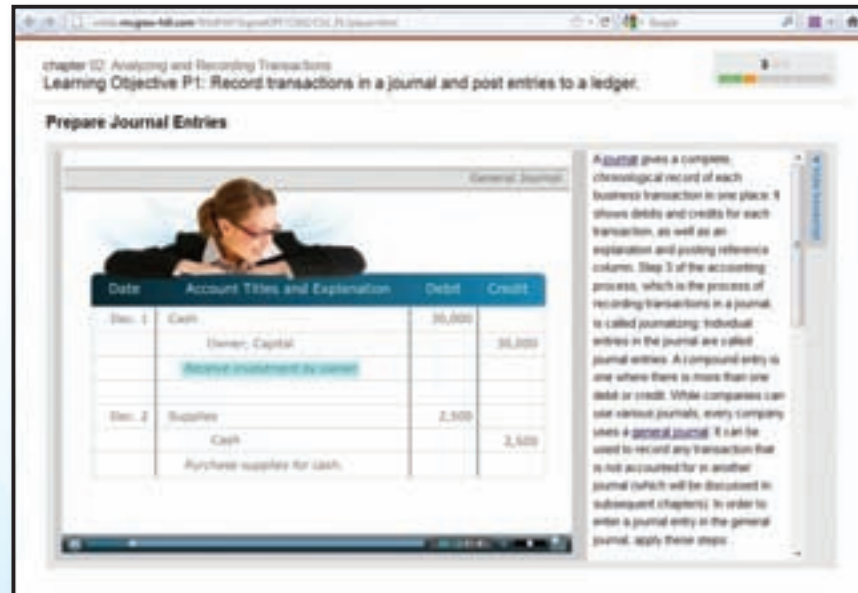
BIZKO COMPANY			
Income Statement			
For Year Ended August 31, 2011			
Sales		\$	218,880
Less: Sales discounts		\$	3,348
Less: Sales returns and allowances			14,445
Net sales			201,085
Cost of goods sold			85,312
Gross profit			115,773
Expenses			
Selling expenses			
Sales salaries expense			29,987
Rent expense-selling space			10,287
Store supplies expense			2,627
Advertising expense			18,605
Total selling expenses			61,506
General and administrative expenses			
Office salaries expense			876
Rent expense-office space			2,627
Cost of goods sold			3,803
Office salaries expense			85,909
Office supplies expense			
Rent expense-office space			

Connect Accounting helps students learn more efficiently by providing feedback and practice material when they need it, where they need it. Connect grades homework automatically and gives immediate feedback on any questions students may have missed.

"This system has improved the journal entry and T-account set-up processes to more accurately resemble the way it is done in class."

—Student, Tallahassee Community College

**Interactive Presentations** *Connect Accounting's* Interactive Presentations teach each chapter's core learning objectives and concepts through an engaging, hands-on presentation, bringing the text content to life. Interactive Presentations harness the full power of technology to truly engage and appeal to all learning styles. Interactive Presentations are ideal in all class formats—online, face-to-face, or hybrid.



**Integrated eBooks** *Connect Plus* includes a media-rich eBook. With it, you can share your notes with your students, and they can insert their own notes, highlight the text, search for specific information, and review their materials. Using an eBook with *Connect* gives your students a complete digital solution that allows them to access their materials from any computer. And over time, as more and more students use mobile devices, our eBooks will even enable them to learn on the go.



# Today's Students!

A sole proprietorship had the following assets and liabilities at the beginning and end of this year.

	Assets	Liabilities
Beginning of the year	\$ 85,000	\$ 35,000
End of the year	130,000	50,000

Determine the net income earned or net loss incurred by the business during the year for each of the following separate cases:

- Owner made no investments in the business and no withdrawals were made during the year.
- Owner made no investments in the business but withdrew \$2,000 cash per month for personal use.
- Owner made no withdrawals during the year but did invest an additional \$45,000 cash.
- Owner withdrew \$2,000 cash per month for personal use and invested an additional \$35,000 cash.

	a.	b.	c.	d.
Beginning of the year equity	\$50,000	\$50,000	\$50,000	\$50,000
Investments by owner	0	0		
Withdrawals by owner	0	(24,000)		
Net income (loss)	30,000			
End of the year equity	\$80,000	\$26,000	\$80,000	\$80,000

The difference between \$26,000 and \$80,000 is net income of \$54,000.

**Guided Examples** Guided Examples provide narrated, animated, and step-by-step walkthroughs of algorithmic versions of assigned exercises in *Connect Accounting*, allowing the student to identify, review, or reinforce the concepts and activities covered in class. Guided Examples provide immediate feedback and focus on the areas where students need the most guidance.

**LearnSmart** No two students are alike. McGraw-Hill LearnSmart™ is an intelligent learning system that uses a series of adaptive questions to pinpoint each student's knowledge gaps. LearnSmart then provides an optimal learning path for each student, so that they spend less time in areas they already know and more time in areas they don't. The result is that LearnSmart's adaptive learning path helps students retain more knowledge, learn faster, and study more efficiently.

Which of the following statements is the best definition of an asset?

- Assets are claims against the company.
- Assets are the distributions to the owners of a company.
- Assets are resources owned by a company and that have expected future benefits.
- Assets represent the owner's claims against a company.

Do you know the answer? (Be honest!)

## Student Resource Library

The *Connect Accounting* Student Study Center gives access to additional resources such as recorded lectures, online practice materials, an eBook, and more.

# Adapting to the Needs of

## Alternate Chapter Options

The 21st edition of FAP features five alternate chapters that can be swapped with the traditional text chapters through text customization. These alternate chapters can be substituted for the traditional chapters through McGraw-Hill Learning Solutions or Create. These chapters provide alternate methods of teaching and learning chapter material and are fully supported in *Connect*. Alternate chapters available include:

- Chapter 6 - "Inventories and Cost of Sales" featuring the *periodic inventory method*
- Chapter 14 - "Long-Term Liabilities" featuring the *effective interest method*
- Chapter 16 - "Reporting on the Statement of Cash Flows" featuring the *indirect method*
- Chapter 20 - "Process Cost Accounting" featuring the *First-In, First-Out method*
- Chapter 22 - "Master Budgets and Planning" featuring manufacturing budgets

Contact your publisher's representative or learning solutions specialist for more information.



McGraw-Hill's solutions are proven to improve student performance. With *Connect Accounting*, students can access a wealth of engaging resources to help them study more effectively and perform at a higher level on homework and exams. *Connect Accounting* also allows instructors to assign McGraw-Hill's world class content and assess student performance.

The integrated solutions for *Fundamental Accounting Principles* have been specifically designed to help you achieve your course goals of improving student readiness, enhancing student engagement, and increasing their comprehension of content. McGraw-Hill's adaptive learning component, LearnSmart, provides assignable modules that help students master chapter core content and come to class more prepared. In addition, Interactive Presentations deliver learning objectives in an interactive environment, giving students access to course-critical content anytime, anywhere. Known for its engaging style, the FAP solution employs the use of current companies, LearnSmart, and our instant feedback on practice problems to help students engage with our materials, comprehend the content, and achieve higher outcomes in the course.

## Simple Assignment Management and Smart Grading

With *Connect Plus Accounting*, creating assignments is easier than ever, so you can spend more time teaching and less time managing. *Connect Accounting* enables you to:

- Create and deliver assignments easily with select end-of-chapter questions and test bank items.
- Go paperless with the eBook and online submission and grading of student assignments.
- Have assignments scored automatically, giving students immediate feedback on their work and side-by-side comparisons with correct answers.
- Reinforce classroom concepts with practice tests and instant quizzes.

# Today's Instructors

## Student Reporting

*Connect Accounting* keeps instructors informed about how each student, section, and class is performing, allowing for more productive use of lecture and office hours. The reporting function enables you to:

- View scored work immediately and track individual or group performance with assignment and grade reports.
- Access an instant view of student or class performance relative to learning objectives.
- Collect data and generate reports required by many accreditation organizations, such as AACSB and AICPA.
- Identify low-performance students with the "At Risk" student report.



## Instructor Library

The *Connect Accounting* Instructor Library is your repository for additional resources to improve student engagement in and out of class. You can select and use any asset that enhances your lecture. The *Connect Accounting* Instructor Library includes: access to the eBook version of the text, PowerPoint files, Solutions Manual, Instructor Resource Manual, and Test Bank.

## Tegrity: Lectures 24/7

Make your classes available anytime, anywhere. With simple one-click recording, instructors can record lectures, presentations, and step-by-step problem solutions with Tegrity. Using Tegrity with *Connect Accounting*, instructors can post recordings directly to *Connect* for student viewing. Students can also search for a word or phrase and be taken to the exact place in your lecture that they need to review.

To learn more about Tegrity watch a two-minute Flash demo at <http://tegritycampus.mhhe.com>.



## McGraw-Hill Customer Experience Group Contact Information

At McGraw-Hill, we understand that getting the most from new technology can be challenging. That's why our services don't stop after you purchase our products. You can e-mail our Product Specialists 24 hours a day to get product training online. Or you can search our knowledge bank of Frequently Asked Questions on our support Website. For Customer Support, call 800-331-5094 or visit [www.mhhe.com/support](http://www.mhhe.com/support). One of our Technical Support Analysts will be able to assist you in a timely fashion.

## How Can Text-Related Web Resources Enrich My Course?

### Online Learning Center (OLC)

We offer an Online Learning Center (OLC) that follows *Fundamental Accounting Principles* chapter by chapter. It doesn't require any building or maintenance on your part. It's ready to go the moment you and your students type in the URL:  
[www.mhhe.com/wildFAP21e](http://www.mhhe.com/wildFAP21e)

As students study and learn from *Fundamental Accounting Principles*, they can visit the Student Edition of the OLC Website to work with a multitude of helpful tools:

- Generic Template Working Papers
- Chapter Learning Objectives
- Interactive Chapter Quizzes
- PowerPoint® Presentations
- Excel Template Assignments

A secured Instructor Edition stores essential course materials to save you prep time before class. Everything you need to run a lively classroom and an efficient course is included. All resources available to students, plus . . .

- Instructor's Resource Manual
- Solutions Manual
- Solutions to Excel Template Assignments
- Test Bank
- Solutions to Sage 50 Complete Accounting and QuickBooks templates

The OLC Website also serves as a doorway to other technology solutions, like course management systems.

## Online Course Management



### McGraw-Hill Higher Education and Blackboard have teamed up. What does this mean for you?

- 1. Single sign-on.** Now you and your students can access McGraw-Hill's *Connect*™ and *Create*™ right from within your Blackboard course—all with one single sign-on.
- 2. Deep integration of content and tools.** You get single sign-on with *Connect* and *Create*, you also get integration of McGraw-Hill content and content engines right in Blackboard. Whether you're choosing a book for your course or building *Connect* assignments, all the tools you need are right where you want them—inside Blackboard.
- 3. One grade book.** Keeping several grade books and manually synchronizing grades in Blackboard is no longer necessary. When a student completes an integrated *Connect* assignment, the grade for that assignment automatically (and instantly) feeds your Blackboard grade center.
- 4. A solution for everyone.** Whether your institution is already using Blackboard or you just want to try Blackboard on your own, we have a solution for you. McGraw-Hill and Blackboard can now offer you easy access to industry-leading technology and content, whether your campus hosts it, or we do. Be sure to ask your local McGraw-Hill representative for details.



### McGraw-Hill Campus™

McGraw-Hill Campus™ is a new one-stop teaching and learning experience available to users of any learning management system. This complimentary integration allows faculty and students to enjoy single sign-on (SSO) access to all McGraw-Hill Higher Education materials and synchronized grade-book with our award-winning McGraw-Hill *Connect* platform. McGraw-Hill Campus provides faculty with instant access to all McGraw-Hill Higher Education teaching materials (eTextbooks, test banks, PowerPoint slides, animations and learning objects, and so on), allowing them to browse, search, and use any instructor ancillary content in our vast library at no additional cost to instructor or students. Students enjoy SSO access to a variety of free (quizzes, flash cards, narrated presentations, and so on) and subscription-based products (McGraw-Hill *Connect*). With this integration enabled, faculty and students will never need to create another account to access McGraw-Hill products and services. For more information on McGraw-Hill Campus please visit our website at [www.mhcampus.com](http://www.mhcampus.com).



## CourseSmart

CourseSmart is a new way to find and buy eTextbooks. CourseSmart has the largest selection of eTextbooks available anywhere, offering thousands of the most commonly adopted textbooks from a wide variety of higher education publishers. CourseSmart eTextbooks are available in one standard online reader with full text search, notes, highlighting, and email tools for sharing between classmates. Visit [www.CourseSmart.com](http://www.CourseSmart.com) for more information on ordering.

## How Can Adaptive Online Learning Improve Student Performance?

# ALEKS<sup>®</sup> Significantly Increase Student Success and Retention

"After I adopted ALEKS for my Principles of Accounting course, I got fewer and shorter lines for my office hours, and the class average jumped 10-15 percent overall. It's a win-win situation."

—Professor Fatma Cebenoyan,  
Hunter College, NY



ALEKS: A Superior, Student-Friendly Accounting Experience:

- **Artificial Intelligence** Fills Individual Student Knowledge Gaps
- **Cycle of Learning & Assessment** Increases Learning Momentum & Engages Students
- **Adaptive, Open-Response Environment** Avoids Multiple-Choice Questions
- **Customizable Curriculum** Aligns with Your Course Syllabi and Textbooks
- **Dynamic, Automated Reports** Monitor Detailed Student & Class Progress

To learn more, visit: [www.aleks.com/highered/business](http://www.aleks.com/highered/business)



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# Innovative Textbook Features

## Using Accounting for Decisions

Whether we prepare, analyze, or apply accounting information, one skill remains essential: decision-making. To help develop good decision-making habits and to illustrate the relevance of accounting, our book uses a unique pedagogical framework we call the Decision Center. This framework comprises a variety of approaches and subject areas, giving students insight into every aspect of business decision-making; see three examples to the right and one below. Answers to Decision Maker and Ethics boxes are at the end of each chapter.

**Decision Analysis**  **Current Ratio**

**A1** Compute the current ratio and describe what it reveals about a company's financial condition.


An important use of financial statements is to help assess a company's ability to pay its debts in the near future. Such analysis affects decisions by suppliers when allowing a company to buy on credit. It also affects decisions by creditors when lending money to a company, including loan terms such as interest rate, due date, and collateral requirements. It can also affect a manager's decisions about using cash to pay debts when they come due. The **current ratio** is one measure of a company's ability to pay its short-term obligations. It is defined in Exhibit 4.10 as current assets divided by current liabilities.

**EXHIBIT 4.10**  
Current Ratio

$$\text{Current ratio} = \frac{\text{Current assets}}{\text{Current liabilities}}$$

## CAP Model

The Conceptual/Analytical/Procedural (CAP) Model allows courses to be specially designed to meet your teaching needs or those of a diverse faculty. This model identifies learning objectives, textual materials, assignments, and test items by C, A, or P, allowing different instructors to teach from the same materials, yet easily customize their courses toward a conceptual, analytical, or procedural approach (or a combination thereof) based on personal preferences.

**GLOBAL VIEW**

We explained that accounting under U.S. GAAP is similar, but it also discusses differences in adjusting accounts, preparing financial statements, and reporting on a balance sheet.

**Adjusting Accounts** Both U.S. GAAP and IFRS include adjusting accounts. Although some variations exist in revenue and expense recognition, all of the adjustments in this chapter are accounted for identically. We describe how certain assets and liabilities can result in value measurements.

**Preparing Financial Statements** Both U.S. GAAP and IFRS require current items to be separated from noncurrent items (classified balance sheet). U.S. GAAP balance sheets report current assets in order of liquidity, where liquidity refers to the ease of converting an asset to cash. IFRS balance sheets normally present noncurrent items first (and equity items last). Other differences with financial statements exist, which we discuss in the following example of IFRS reporting for its assets, liabilities, and equity.

**PIAGGIO**

**PIAGGIO**  
Balance Sheet (in thousands of dollars)  
December 31, 2011

Assets	
Noncurrent assets	Total equity

## Global View

This section explains international accounting practices relating to the material covered in that chapter. This section is purposefully located at the end of each chapter so that each instructor can decide what emphasis, if at all, is to be assigned to it. The aim of this Global View section is to describe accounting practices and to identify the similarities and differences in international accounting practices versus that in the United States. As we move toward global convergence in accounting practices, and as we witness the likely conversion of U.S. GAAP to IFRS, the importance of student familiarity with international accounting grows. This innovative section helps us begin down that path of learning and teaching global accounting practices.

### Decision Insight

**Women Entrepreneurs** The Center for Women's Business Research reports that women-owned businesses, such as **Nom Nom Truck**, are growing and that they:

- Total approximately 11 million and employ nearly 20 million workers.
- Generate \$2.5 trillion in annual sales and tend to embrace technology.
- Are philanthropic—70% of owners volunteer at least once per month.
- Are more likely funded by individual investors (73%) than venture firms (15%).



### Decision Ethics

**Payables Manager** As a new accounts payable manager, you are being trained by the outgoing manager. She explains that the system prepares checks for amounts net of favorable cash discounts, and the checks are dated the last day of the discount period. She also tells you that checks are not mailed until five days later, adding that "the company gets free use of cash for an extra five days, and our department looks better. When a supplier complains, we blame the computer system and the mailroom." Do you continue this payment policy? (Answer—p. 208)

### Decision Maker

**Entrepreneur** You purchase a batch of products on terms of 3/10, n/90, but your company has limited cash and you must borrow funds at an 11% annual rate if you are to pay within the discount period. Is it to your advantage to take the purchase discount? Explain. (Answer—p. 208)

### Learning Objectives

#### CONCEPTUAL

- C1** Explain the steps in processing transactions and the role of source documents. (p. 50)
- C2** Describe an account and its use in recording transactions. (p. 51)
- C3** Describe a ledger and a chart of accounts. (p. 54)
- C4** Define *debits* and *credits* and explain double-entry accounting. (p. 55)

#### ANALYTICAL

- A1** Analyze the impact of transactions on accounts and financial statements. (p. 59)
- A2** Compute the debt ratio and describe its use in analyzing financial condition. (p. 69)

#### PROCEDURAL

- P1** Record transactions in a journal and post entries to a ledger. (p. 56)
- P2** Prepare and explain the use of a trial balance. (p. 65)

"Authors do a good job of relating material to real-life situations and putting students in the decision-maker role."

—Morgan Rockett, Moberly Area Community College

# Bring Accounting To Life

## Chapter Preview With Flowchart

This feature provides a handy textual/visual guide at the start of every chapter. Students can now begin their reading with a clear understanding of what they will learn and when, allowing them to stay more focused and organized along the way.

## Quick Check

These short question/answer features reinforce the material immediately preceding them. They allow the reader to pause and reflect on the topics described, then receive immediate feedback before going on to new topics. Answers are provided at the end of each chapter.

"High quality book that provides coverage of essential content to aid student learning in a manner that students understand."

—Steve Ludwig , Northwest Missouri State University

**Point:** Prepaid accounts that apply to current and future periods are assets. These assets are adjusted at the end of each period to reflect only those amounts that have not yet expired, and to record as expenses those amounts that have expired.

when an insurance fee, called a *premium*, is paid for an insurance account Prepaid Insurance. Over time, the expense is recorded in this asset account and reported in expenses on the income statement. In Prepaid Insurance and is reported on the balance sheet. Prepaid accounts that will expire or be used before the statements are prepared. In this case, the prepaid

## Marginal Student Annotations

These annotations provide students with additional hints, tips, and examples to help them more fully understand the concepts and retain what they have learned. The annotations also include notes on global implications of accounting and further examples.

# Outstanding Assignment Material

Once a student has finished reading the chapter, how well he or she retains the material can depend greatly on the questions, exercises, and problems that reinforce it. This book leads the way in comprehensive, accurate assignments.

**Demonstration Problems** present both a problem and a complete solution, allowing students to review the entire problem-solving process and achieve success.

**Chapter Summaries** provide students with a review organized by learning objectives. Chapter Summaries are a component of the CAP model (see page xiv), which recaps each conceptual, analytical, and procedural objective.

**DEMONSTRATION PROBLEM**  
The partial work sheet of Midtown Repair Co.

**PLANNING THE SOLUTION**

- Extend the adjusted trial balance account balances to the appropriate financial statement columns.
- Prepare entries to close the revenue accounts to Income Summary, to close the expense accounts to Income Summary, to close Income Summary to the capital account, and to close the withdrawals account to the capital account.
- Post the first and second closing entries to the Income Summary account. Examine the balance of income summary and verify that it agrees with the net income shown on the work sheet.
- Post the third and fourth closing entries to the capital account.
- Use the work sheet's two right-most columns and your answer in part 4 to prepare the classified balance sheet.

**SOLUTION TO DEMONSTRATION PROBLEM**  
1. Completing the work sheet.

	Adjusted Trial Balance		Income Statement		Balance Sheet and Statement of Owner's Equity	
	Debit	Credit	Debit	Credit	Debit	Credit
Cash	95,600				95,600	
Notes receivable (current)	50,000				50,000	
Prepaid insurance	16,000				16,000	
Prepaid rent	4,000				4,000	
Equipment	170,000				170,000	
Accumulated depreciation—Equipment		57,000				57,000

**Key Terms**  
Accounting cycle (p. 148)  
Classified balance sheet (p. 149)  
Closing entries (p. 145)  
Closing process (p. 144)  
Current assets (p. 150)  
Current liabilities (p. 153)  
Current ratio (p. 153)  
Income summary (p. 145)  
Intangible assets (p. 151)  
Long-term investments (p. 151)  
Long-term liabilities (p. 151)  
Operating cycle (p. 149)  
Pro forma financial statements (p. 144)  
Reversing entries (p. 156)  
Temporary accounts (p. 144)  
Unclassified balance sheet (p. 149)  
Working papers (p. 140)

**Multiple Choice Quiz**  
Additional Quiz Questions are available at the book's Website.  
1. G. Venda, owner of Venda Services, withdrew \$25,000 from the business during the current year. The entry to close the withdrawals account at the end of the year is:  
a. G. Venda, Withdrawals ..... 25,000  
    G. Venda, Capital ..... 75,000  
b. Income Summary .....  
    G. Venda, Capital .....

**Answers on p. 179**  
[mhhe.com/wildFAP21e](http://mhhe.com/wildFAP21e)

**QUICK STUDY**  
Information: A company reports the following beginning inventory and purchases during January. On January 26, the company sells 350 units. 150 units remain in ending inventory.  
QS 6-1  
Perpetual: Inventory costing with FIFO  
PI

	Units	Unit Cost
Beginning inventory on January 1	320	\$3.00
Purchase on January 9	80	3.20
Purchase on January 25	100	3.34

**Key Terms** are bolded in the text and repeated at the end of the chapter with page numbers indicating their location. The book also includes a complete Glossary of Key Terms.

**Multiple Choice Quiz** questions quickly test chapter knowledge before a student moves on to complete Quick Studies, Exercises, and Problems.

**Quick Study** assignments are short exercises that often focus on one learning objective. Most are included in *Connect Accounting*. There are usually 8-10 Quick Study assignments per chapter.

**Exercises** are one of this book's many strengths and a competitive advantage. There are about 10-15 per chapter and most are included in *Connect Accounting*.

\$20,000 of goods to Harlow Co., and Harlow Co. has arranged to sell the goods to the consignee. Which company should include any inventory?

shipped \$12,500 of merchandise FOB destination to Harlow Co. Which company should include the \$12,500 of merchandise in transit as part of its year-end inventory?

**EXERCISES**  
**Exercise 6-1**  
Inventory ownership C1  
**Exercise 6-2**  
Inventory costs C2

**PROBLEM SET A**  
**Problem 3-1A**  
Identifying adjusting entries with explanations  
C3 P1

For each of the space beside each entry.  
A. To record r  
B. To record t

**PROBLEM SET B**  
**Problem 3-1B**  
Identifying adjusting entries with explanations  
C3 P1

For each of the following entries, enter the amount in the space beside each entry. (You may use a calculator.)  
A. To record payment of a p  
B. To record this period's u  
C. To record this period's d  
expense.

**Problem Sets A & B** are proven problems that can be assigned as homework or for in-class projects. All problems are coded according to the CAP model (see page xiv), and Set A is included in *Connect Accounting*.

# Helps Students Master Key Concepts

**Beyond the Numbers** exercises ask students to use accounting figures and understand their meaning. Students also learn how accounting applies to a variety of business situations. These creative and fun exercises are all new or updated, and are divided into sections:

- Reporting in Action
- Comparative Analysis
- Ethics Challenge
- Communicating in Practice
- Taking It To The Net
- Teamwork in Action
- Hitting the Road
- Entrepreneurial Decision
- Global Decision

**SERIAL PROBLEM**  
Success Systems  
AI P1 P2  
Sage 50 QB

(This serial problem started in Chapter 1 and continues through most of the chapters. If the Chapter 1 segment was not completed, the problem can begin at this point. It is helpful, but not necessary, to use the Working Papers that accompany this book.)

**SP 2** On October 1, 2013, Adria Lopez launched a computer services company called **Success Systems**, which provides consulting services, computer system installations, and custom program development. Adria adopts the calendar year for reporting purposes and expects to prepare the company's first set of financial statements on December 31, 2013. The company's initial chart of accounts follows.

Account	No.	Account	No.
Cash .....	101	A. Lopez, Capital .....	301
Accounts Receivable .....	106	A. Lopez, Withdrawals .....	302
Computer Supplies .....	126	Computer Services Revenue .....	403
Prepaid Insurance .....	128	Wages Expense .....	623
Prepaid Rent .....	131	Advertising Expense .....	655
Office Equipment .....	163	Mileage Expense .....	676
Computer Equipment .....	167	Miscellaneous Expenses .....	677
Accounts Payable .....	201	Repairs Expense—Computer .....	684

**Beyond the Numbers**

**REPORTING IN ACTION**  
CI 1  
Polaris

**BTN 21-1** Polaris offers extended service contracts that provide repair and maintenance coverage over its products. As you complete the following requirements, assume that the Polaris services department uses many of Polaris' existing resources such as its facilities, repair machinery, and computer systems.

**Required**

1. Identify several of the variable, mixed, and fixed costs that the Polaris services department is likely to incur in carrying out its services.
2. Assume that Polaris's services revenues are expected to grow by 25% in the next year. How would we expect the costs identified in part 1 to change, if at all?
3. Based on the answer to part 2, can Polaris use the contribution margin ratio to predict how income will change in response to increases in Polaris's services revenues?

**Serial Problem** uses a continuous running case study to illustrate chapter concepts in a familiar context. The Serial Problem can be followed continuously from the first chapter or picked up at any later point in the book; enough information is provided to ensure students can get right to work.

"I have used many editions of this text and have been very happy with the text and all of the supplementary materials. The textbook is kept current, is straight-forward, and very usable by students. The online resources get better with each edition."

— Susan Cordes, Johnson County Community College

**The End of the Chapter Is Only the Beginning** Our valuable and proven assignments aren't just confined to the book. From problems that require technological solutions to materials found exclusively online, this book's end-of-chapter material is fully integrated with its technology package.



- Quick Studies, Exercises, and Problems available in *Connect* are marked with an icon.



- Problems supported by the Sage 50 Complete Accounting or Quickbooks are marked with an icon.



mhhe.com/wildFAP21e

- Problems supported with Microsoft Excel template assignments are marked with an icon.



- Assignments that focus on global accounting practices and companies are often identified with an icon.

# Enhancements in This Edition

This edition's revisions are driven by instructors and students. General revisions to the entire book follow (including chapter-by-chapter revisions):

- Revised and updated assignments throughout
- Updated ratio/tool analysis and data for each chapter
- New material on International Financial Reporting Standards (IFRS) in most chapters, including global examples
- New and revised entrepreneurial examples and elements
- Revised serial problem through nearly all chapters
- New art program, visual info-graphics, and text layout
- New **Polaris** (maker of ATVs, snowmobiles, motorcycles, and electric vehicles) annual report with comparisons to **Arctic Cat**, **KTM** (IFRS), and **Piaggio** (IFRS) with new assignments
- Updated graphics added to each chapter's analysis section
- New technology content integrated and referenced in the book
- Updated Global View section in each chapter referencing international accounting including examples using global companies
- New innovative assignments sprinkled throughout the book

## Chapter 1

**Twitter NEW opener** with new entrepreneurial assignment  
Streamlined and reorganized discussion of the users of accounting information  
Updated salary information and new margin notes on the value of education  
New presentation on the 'fraud triangle' and its relevance to accounting and internal control  
New discussion on the joint role of the FASB and IASB in standard setting  
Revised layout for accounting principles and assumptions  
New information on the Dodd-Frank act and its relevance to accounting  
New survey data from executives on the impact of fraud in the economic downturn  
New world map on the adoption of IFRS or a variant of IFRS across countries  
New company (Dell) for the return on assets section of Decision Analysis

## Chapter 2

**Nom Nom Truck NEW opener** with new entrepreneurial assignment  
Reorganized discussion and presentation of assets, liabilities, and equity accounts  
Revised description of journalizing and posting of transactions  
New headings on each general journal for this chapter's major illustration introducing our unique four-step transaction analysis  
Revised global view and new Piaggio's (abbreviated) balance sheet  
Updated debt ratio discussion using recent Skechers's information

## Chapter 3

**ash&ans NEW opener** with new entrepreneurial assignment  
New layout for the types of adjustments  
New example of unearned revenues using USA Today  
Enhanced and emphasized the innovative three-step process for adjusting accounts  
Updated IFRS and FASB revenue recognition convergence

Added six new Quick Studies to directly apply the three-step adjustment process

## Chapter 4

**Girl Team Mobile NEW opener** with new entrepreneurial assignment  
Introduced Google Docs and Office Web Apps as ways to share accounting work sheets  
Revised and clarified several steps in preparing an accounting work sheet  
Expanded explanation of temporary and permanent accounts  
Revised visual display of four-step closing process  
Enhanced display of general ledger for ease in learning

## Chapter 5

**Faithful Fish NEW opener** with new entrepreneurial assignment  
Enhanced exhibit on transportation costs and FOB terms, with inclusion of entries  
New discussion of online ordering, tracking numbers, RFID, and FOB  
Revised the two-step explanation of recording merchandise sales  
New discussion on the importance and risks of accounting for sales returns  
Revised visual display of a sales invoice  
Revised discussion of merchandising purchases and sales  
New Volkswagen example of IFRS income statement

## Chapter 6

**Feverish Ice Cream NEW opener** with new entrepreneurial assignment  
Enhanced exhibit that visually shows cost flows from inventory to financial statements, with superior info-graphics  
Added new discussion on inventory controls  
New explanatory boxes added to selected exhibits as learning aids  
Expanded assignments covering perpetual and periodic inventory measurement  
New material on IFRS and inventory methods

## Chapter 7

**Happy Family Brands NEW opener** with new entrepreneurial assignment  
Expanded discussion and examples of hackers and internal controls  
New mnemonic tool for system principles  
Enhanced exhibit on system components  
New discussion on voice recognition controls  
New discussion on cloud computing, its implications to accounting, and its risks  
New references to XBRL, Great Plains, and QuickBooks in accounting  
Updated discussion and examples for ERP  
Streamlined chapter by moving Appendix 7A, 'Special Journals under a Periodic System' and its assignments, to the textbook Website

## Chapter 8

**CHEESEBOY NEW opener** with new entrepreneurial assignment  
New discussion of payroll controls  
Expanded presentation of 'Hacker's Guide'  
New discussion of the lock box and its purpose  
New data on sources of fraud complaints  
New evidence on methods to override controls  
New visual on document to bond (insure) an employee  
New example of MLB controls, or lack thereof

## Chapter 9

**Under Armour NEW opener** with new entrepreneurial assignment  
Added explanation of credit card sales  
New discussion of mobile payment systems using mini-card-readers and iPads  
New illustration comparing bad debts recognition under the allowance method versus the direct write-off method  
Revised exhibit on aging of accounts receivable, including all detailed accounts  
New illustration on why the banker's rule is commonly applied

## Chapter 10

**BizChair.com NEW opener** with new entrepreneurial assignment  
New learning boxes added to selected exhibits identifying salvage value  
New explanation on how asset purchases occurring on different days of the month are commonly processed  
New example of extraordinary repairs applied to the stealth bomber  
New notes added to emphasize that depreciation is cost allocation, and not valuation  
New explanation on how drugmakers fight patent expirations  
New information on the Mickey Mouse Protection Act for intangibles  
New goodwill example using Google's purchase of YouTube

## Chapter 11

**SmartIT Staffing NEW opener** with new entrepreneurial assignment  
Revised unearned revenues example based on Rihanna ticket sales  
Added explanation on the role of sellers as tax collection 'agents' for the government  
New information on franchise costs and how they are accounted for  
Added select formulas to enhance the exhibit on payroll deductions  
Updated payroll rates to 2012 with discussion on likely adjustments for 2013 and 2014  
Added discussion on maximum withholding allowances claimed  
New discussion on IRS actions against companies that fail to pay employment taxes  
New evidence on payroll fraud, its median loss, and time taken to uncover such frauds

## Chapter 12

**College Hunks Hauling Junk NEW opener** with new entrepreneurial assignment  
New examples of LLPs and their prevalence among professional services  
New discussion of the potential for multiple drawing accounts in practice  
Revised and streamlined three-step process to liquidate a partnership



# For Better Learning

## Chapter 13

**Groupon NEW opener** with new entrepreneurial assignment  
New discussion of Facebook's IPO and the role of accounting information  
New reference to corporate governance  
New reference to state laws and where companies incorporate  
New examples using Target for stock quotes and Google for stock splits  
New discussion of fraudulent information dissemination and stock prices  
Updated the global view on equity accounting

## Chapter 14

**barley & birch NEW opener** with new entrepreneurial assignment  
New explanation on why debt (credit) financing is less costly than equity financing  
New margin graphics (four) illustrating how a debt's carrying value is periodically adjusted until it equals maturity value at the end of its life  
New margin boxes on calculator functions to compute the price of bonds  
New explanation of what is investment grade debt  
New discussion on the role of unreported liabilities and the 2008-2009 financial crisis  
Reference to changes in lease accounting  
New discussion of collateral and its role in debt financing  
New separate appendix learning objectives on amortizing a discount or a premium using effective interest

## Chapter 15

**myYearbook (MeetMe Inc.) NEW opener** with new entrepreneurial assignment  
New discussion of the two optional presentations for comprehensive income per FASB guidance in 2012  
Revised discussion of accounting for securities  
New reference to Greek debt in the context of international operations

## Chapter 16

**TOMS NEW opener** with new entrepreneurial assignment  
Revised graphics to better illustrate cash inflows and outflows for operating, investing, and financing activities  
Revised graphic to better reflect cash and cash equivalents  
Added discussion on the use of T-accounts for reconstructing transactions impacting cash  
New margin clarification for

computing free cash flow  
New discussion on the potential for IASB and FASB to issue guidance for the statement of cash flow that would require the direct method... stay tuned

## Chapter 17

**Motley Fool REVISED opener** with new entrepreneurial assignment  
New companies—Polaris, Arctic Cat, KTM and Piaggio—data throughout the chapter, exhibits, and illustrations  
New boxed discussion on the role of financial statement analysis to fight and prevent fraud  
Enhanced horizontal, vertical, ratio analysis using new companies and industry data  
Streamlined global view section

## Chapter 18

**Back to the Roots NEW opener** with new entrepreneurial assignment  
New analytical learning objective  
Updated ACFE statistics on fraud costs  
New exhibit and discussion on fraud occurrence and average fraud loss by industry  
Revised discussion of direct and indirect costs and related exhibit for added clarity  
New summary of cost classifications and associated managerial decisions  
New Decision Analysis to focus on raw materials inventory turnover and days' sales in raw materials inventory  
Moved discussion of types of manufacturing costs to appear before presentation of manufacturer's financial statements  
Expanded discussion of financial statements for service companies  
New end of chapter assignments on raw materials inventory management and cost classification for service companies  
Moved cycle time discussion to Chapter 24

## Chapter 19

**Astor and Black NEW opener** with new entrepreneurial assignment  
Reorganized discussion of job order costing for service companies  
New discussion of accounting for nonmanufacturing costs and their role in pricing decisions  
Added new journal entries for indirect materials and indirect labor for improved learning

## Chapter 20

**Three Twins Ice Cream NEW opener** with new entrepreneurial assignment  
Revised comparison of job order and process costing systems  
New comparison of reports produced from job order and process costing systems  
Added details for accounts used in the entry to record sales in process costing  
Added new process costing assignments  
Revisions to two learning objectives

## Chapter 21

**Leather Head Sports NEW opener** with new entrepreneurial assignment (Was Chapter 22 in prior edition)  
New graphics on relations between per-unit fixed and variable costs and volume  
Revised discussion of per-unit fixed and variable costs  
Moved discussion of margin of safety to section on break-even  
Revised discussion of assumptions in CVP analysis  
Enhanced the formatting and layout of several key exhibits  
New discussion and examples of using the contribution margin income statement to perform sensitivity analyses and compute sales needed for target income  
Revised data for estimating cost behavior  
New discussion on the use of RFID tags to control inventory costs and for error-reduction

## Chapter 22

**Freshii NEW opener** with new entrepreneurial assignment (Was Chapter 23 in prior edition)  
New discussion on incentive compensation and budgeting  
Expanded global view on foreign currency exchange rates and budgeting  
Updated discussion on Apple's cash cushion  
Added new end of chapter assignments

## Chapter 23

**Folsom Custom Skis NEW opener** with new entrepreneurial assignment (Was Chapter 24 in prior edition)  
New discussion on budgeting for service providers  
Revised several exhibits for learning clarity  
Revised discussion of predicting activity levels  
New enhanced exhibit on framework for understanding total overhead variance, including formulas  
Revised discussion of controllable and volume variances

## Chapter 24

**United By Blue NEW opener** with new entrepreneurial assignment  
(Was Chapter 21 in prior edition)  
Moved section on two-stage allocation and activity-based costing methods to (new) Appendix C  
Revised discussion linking direct and indirect expenses to controllable and uncontrollable costs  
Highlighted four-step process to prepare departmental income statements  
Moved discussion and illustration of profit margin and investment turnover to main body of chapter  
Added discussion on cycle time and cycle efficiency  
New exhibit on how to prepare departmental performance reports  
Edited discussion of example on preparing departmental performance reports  
New discussion on issues in computing return on (assets) investment and residual income  
New discussion on the link between executive compensation and company performance  
Updated global view on division reporting and its explanation for added clarity

## Chapter 25

**Charlie's Brownies NEW opener** with new entrepreneurial assignment  
Updated graphic on industry cost of capital estimates  
New discussion on outsourcing of information and technology services  
New presentation on payback periods for health care providers  
New discussion on link between CEO compensation and IRR  
Simplified computation of the accounting rate of return  
New example showing calculation of net present value with salvage value  
New exhibit showing formula for computing average investment  
Simplified discussions and exhibits for several examples of managerial decisions  
Enhanced graphics on NPV and IRR decision rules

## Appendix C

New appendix; consisting of selected materials from Chapter 21 in prior edition  
Replaced two-stage cost allocation discussion with single plantwide rate method  
Streamlined examples and several exhibits  
New end of chapter assignments

# Instructor Supplements

## **Instructor's Resource CD-ROM**

*Chapters 1-25*

ISBN13: 9780077525118

ISBN10: 0077525116

This is your all-in-one resource. It allows you to create custom presentations from your own materials or from the following text-specific materials provided in the CD's asset library:

- **Instructor's Resource Manual**

*Written by Barbara Chiappetta, Nassau Community College, and Patricia Walczak, Lansing Community College.*

This manual contains (for each chapter) a Lecture Outline, a chart linking all assignment materials to Learning Objectives, and additional visuals with transparency masters.

- **Solutions Manual**

*Written by John J. Wild, Ken W. Shaw, and Anita Kroll, University of Wisconsin–Madison.*

- **Test Bank, Computerized Test Bank**

*Revised by Jeanine Metzler, Northampton Community College.*

- **PowerPoint® Presentations**

*Prepared by Jon Booker, Charles Caldwell, Cindy Rooney, and Susan Galbreth.*

Presentations allow for revision of lecture slides, and includes a viewer, allowing screens to be shown with or without the software.

# Student Supplements

## **Excel Working Papers CD**

ISBN13: 9780077525101

ISBN10: 0077525108

*Written by John J. Wild.*

Working Papers (for Chapters 1-25) delivered in Excel spreadsheets. These Excel Working Papers are available on CD-ROM and can be bundled with the printed Working Papers; see your representative for information.

## **Working Papers**

*Vol. 1, Chapters 1-12*

ISBN13: 9780077525231

ISBN10: 007752523X

*Vol. 2, Chapters 12-25*

ISBN13: 9780077525217

ISBN10: 0077525213

*Principles of Financial Accounting  
Chapters 1-17*

ISBN13: 9780077525224

ISBN10: 0077525221

*Written by John J. Wild.*

## **Study Guide**

*Vol. 1, Chapters 1-12*

ISBN13: 9780077525187

ISBN10: 0077525183

*Vol. 2, Chapters 12-25*

ISBN13: 9780077525200

ISBN10: 0077525205

*Written by Barbara Chiappetta, Nassau Community College, and Patricia Walczak, Lansing Community College.*

Covers each chapter and appendix with reviews of the learning objectives, outlines of the chapters, summaries of chapter materials, and additional problems with solutions.

## **Connect Accounting with LearnSmart Two Semester Access Code Card**

ISBN13: 9780077525064

ISBN10: 007752506X

## **Connect Plus Accounting with LearnSmart Two Semester Access Code Card**

ISBN13: 9780077525088

ISBN10: 0077525086

## **Carol Yacht's Sage 50 Complete Accounting 2013 Student Guide and Templates**

ISBN13: 9780077778972

ISBN10: 0077778979

*Prepared by Carol Yacht.*

To better prepare students for accounting in the real world, selected end-of-chapter material in the text is tied to Sage 50 Complete Accounting 2013 software (formerly Peachtree). The accompanying student guide provides a step-by-step walkthrough for students on how to complete the problem in the software.

## **QuickBooks Pro 2013 Student Guide and Templates**

ISBN13: 9780077525156

ISBN10: 0077525159

*Prepared by Carol Yacht.*

To better prepare students for accounting in the real world, selected end-of-chapter material in the text is tied to QuickBooks software. The accompanying student guide provides a step-by-step walkthrough for students on how to complete the problem in the software.



### Assurance of Learning Ready

Many educational institutions today are focused on the notion of assurance of learning, an important element of some accreditation standards. *Fundamental Accounting Principles* is designed specifically to support your assurance of learning initiatives with a simple, yet powerful solution. Each test bank question for *Fundamental Accounting Principles* maps to a specific chapter learning objective listed in the text. You can use our test bank software, EZ Test Online or *Connect Accounting* to easily query for learning objectives that directly relate to the learning objectives for your course. You can then use the reporting features of EZ Test to aggregate student results in similar fashion, making the collection and presentation of assurance of learning data simple and easy.

"FAP... is an old friend, dependable and true over time, with enough pizzazz and modernity to keep the relationship interesting and ongoing. The authors and publisher are dedicated to producing quality instructional materials in a variety of formats to meet the educational requirements and learning styles of a diverse audience. Hooray for them!"

— Beverly R. Beatty, Anne Arundel Community College



### AACSB Statement

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# Acknowledgments

John J. Wild, Ken W. Shaw, Barbara Chiappetta, and McGraw-Hill/Irwin would like to recognize the following instructors for their valuable feedback and involvement in the development of *Fundamental Accounting Principles* 21e. We are thankful for their suggestions, counsel, and encouragement.

**Khaled Abdou**, Penn State University - Berks

**Anne Marie Anderson**, Raritan Valley Community College

**Elaine Anes**, Heald College -Fresno

**Jerome Apple**, University of Akron

**Jack Aschkenazi**, American Intercontinental University

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**Charles Baird**, University of Wisconsin-Stout

**Richard Barnhart**, Grand Rapids Community College

**Beverly R. Beatty**, Anne Arundel Community College

**Judy Benish**, Fox Valley Tech College

**Patricia Bentley**, Keiser University

**Teri Bernstein**, Santa Monica College

**Jaswinder Bhangal**, Chabot College

**Susan Blizzard**, San Antonio College

**Marvin Blye**, Wor-Wic Community College

**Patrick Borja**, Citrus College

**Anna Boulware**, St. Charles Community College

**Gary Bower**, Community College of Rhode Island-Flanagan

**Leslee Brock**, Southwest Mississippi Community College

**Gregory Brookins**, Santa Monica College

**Regina Brown**, Eastfield College

**Tracy L. Bundy**, University of Louisiana at Lafayette

**Roy Carson**, Anne Arundel Community College

**Deborah Carter**, Coahoma Community College

**Roberto Castaneda**, DeVry University Online

**Amy Chataginer**, Mississippi Gulf Coast Community College

**Gerald Childs**, Waukesha County Technical College

**Colleen Chung**, Miami Dade College- Kendall

**Shifei Chung**, Rowan University

**Robert Churchman**, Harding University

**Marilyn Ciolino**, Delgado Community College

**Thomas Clement**, University of North Dakota

**Oyinka Coakley**, Broward College

**Susan Cockrell**, Birmingham-Southern College

**Lisa Cole**, Johnson County Community College

**Robbie R. Coleman**, Northeast Mississippi Community College

**Christie Comunale**, Long Island University – C.W. Post Campus

**Jackie Conrecode**, Florida Gulf Coast University

**Debora Constable**, Georgia Perimeter College

**Susan Cordes**, Johnson County Community College

**Anne Cordozo**, Broward College

**Cheryl Corke**, Genesee Community College

**James Cosby**, John Tyler Community College

**Ken Couvillion**, Delta College

**Loretta Darche**, Southwest Florida College

**Judy Daulton**, Piedmont Technical College

**Dorothy Davis**, University of Louisiana-Monroe

**Walter DeAguero**, Saddleback College

**Mike Deschamps**, MiraCosta College

**Pamela Donahue**, Northern Essex Community College

**Steve Doster**, Shawnee State University

**Larry Dragosavac**, Edison Community College

**Samuel Duah**, Bowie State University

**Robert Dunlevy**, Montgomery County Community College

**Jerrilyn Eisenhauer**, Tulsa Community College-Southeast

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<b>David Flannery</b> , Bryant and Stratton College	<b>James Hurst</b> , National College
<b>Hollie Floberg</b> , Tennessee Wesleyan College	<b>Constance Hylton</b> , George Mason University
<b>Linda Flowers</b> , Houston Community College	<b>Christine Irujo</b> , Westfield State University
<b>Jeannie Folk</b> , College of DuPage	<b>Fred Jex</b> , Macomb Community College
<b>Rebecca Foote</b> , Middle Tennessee State University	<b>Gina M. Jones</b> , Aims Community College
<b>Paul Franklin</b> , Kaplan University	<b>Jeff Jones</b> , College of Southern Nevada
<b>Tim Garvey</b> , Westwood College	<b>Rita Jones</b> , Columbus State University
<b>Barbara Gershman</b> , Northern Virginia Community College-Woodbridge	<b>Dmitriy Kalyagin</b> , Chabot College
<b>Barbara Gershowitz</b> , Nashville State Technical Community College	<b>Thomas Kam</b> , Hawaii Pacific University
<b>Mike Glasscock</b> , Amarillo College	<b>Naomi Karolinski</b> , Monroe Community College
<b>Diane Glowacki</b> , Tarrant County College	<b>Shirly A. Kleiner</b> , Johnson County Community College
<b>Ernesto Gonzalez</b> , Florida National College	<b>Kenneth A. Koerber</b> , Bucks County Community College
<b>Gloria Grayless</b> , Sam Houston State University	<b>Tamara Kowalczyk</b> , Appalachian State University
<b>Ann Gregory</b> , South Plains College	<b>Anita Kroll</b> , University of Wisconsin-Madison
<b>Rameshwar Gupta</b> , Jackson State University	<b>David Krug</b> , Johnson County Community College
<b>Amy Haas</b> , Kingsborough Community College	<b>Christopher Kwak</b> , DeAnza College
<b>Pat Halliday</b> , Santa Monica College	<b>Jeanette Landin</b> , Empire College
<b>Keith Hallmark</b> , Calhoun Community College	<b>Beth Lasky</b> , Delgado Community College
<b>Rebecca Hancock</b> , El Paso Community College-Valley Verde	<b>Neal Leviton</b> , Santa Monica College
<b>Mechelle Harris</b> , Bossier Parish Community College	<b>Danny Litt</b> , University of California Los Angeles
<b>Tracey Hawkins</b> , University of Cincinnati-Clermont College	<b>James L. Lock</b> , Northern Virginia Community College
<b>Thomas Hayes</b> , University of Arkansas-Ft. Smith	<b>Steve Ludwig</b> , Northwest Missouri State University
<b>Laurie Hays</b> , Western Michigan University	<b>Debra Luna</b> , El Paso Community College
<b>Roger Hehman</b> , University of Cincinnati-Clermont College	<b>Amado Mabul</b> , Heald College
<b>Cheri Hernandez</b> , Des Moines Area Community College	<b>Lori Major</b> , Luzerne County Community College
<b>Margaret Hicks</b> , Howard University	<b>Jennifer Malfitano</b> , Delaware County Community College
<b>Melanie Hicks</b> , Liberty University	<b>Maria Mari</b> , Miami Dade College-Kendall
<b>James Higgins</b> , Holy Family University	<b>Thomas S. Marsh</b> , Northern Virginia Community College-Annandale
<b>Patricia Holmes</b> , Des Moines Area Community College	<b>Karen Martinson</b> , University of Wisconsin-Stout
<b>Barbara Hopkins</b> , Northern Virginia Community College-Manassas	<b>Brenda Mattison</b> , Tri-County Technical College
<b>Wade Hopkins</b> , Heald College	<b>Stacie Mayes</b> , Rose State College
<b>Aileen Huang</b> , Santa Monica College	<b>Jeanine Metzler</b> , Northampton Community College
<b>Les Hubbard</b> , Solano College	<b>Theresa Michalow</b> , Moraine Valley Community College
	<b>Kathleen Michele</b> , WECA – Madison



**Julie Miller**, Chippewa Valley Tech College  
**Tim Miller**, El Camino College  
**John Minchin**, California Southern University  
**Edna C. Mitchell**, Polk State College  
**Jill Mitchell**, Northern Virginia Community College  
**Lynn Moore**, Aiken Technical College  
**Angela Mott**, Northeast Mississippi Community College  
**Timothy Murphy**, Diablo Valley College  
**Kenneth F. O'Brien**, Farmingdale State College  
**Kathleen O'Donnell**, Onondaga Community College  
**Ahmed Omar**, Burlington County College  
**Robert A. Pacheco**, Massasoit Community College  
**Margaret Parilo**, Cosumnes River College  
**Paige Paulsen**, Salt Lake Community College  
**Yvonne Phang**, Borough of Manhattan Community College  
**Gary Pieroni**, Diablo Valley College  
**David Ravetch**, University of California Los Angeles  
**Ruthie Reynolds**, Howard University  
**Cecile Roberti**, Community College of Rhode Island  
**Morgan Rockett**, Moberly Area Community College  
**Patrick Rogan**, Cosumnes River College  
**Paul Rogers**, Community College of Beaver County  
**Helen Roybark**, Radford University  
**Alphonse Ruggiero**, Suffolk County Community College  
**Arjan Sadhwani**, South University  
**Gary K. Sanborn**, Northwestern Michigan College  
**Kin Kin Sandhu**, Heald College  
**Marcia Sandvold**, Des Moines Area Community College  
**Gary Schader**, Kean University  
**Darlene Schnuck**, Waukesha County Technical College  
**Elizabeth Serapin**, Columbia Southern University  
**Geeta Shankhar**, University of Dayton  
**Regina Shea**, Community College of Baltimore County—Essex  
**James Shelton**, Liberty University  
**Jay Siegel**, Union County College  
**Gerald Singh**, New York City College of Technology  
**Lois Slutsky**, Broward College-South  
**Gerald Smith**, University of Northern Iowa

**Kathleen Sobieralski**, University of Maryland University College  
**Charles Spector**, State University of New York at Oswego  
**Diane Stark**, Phoenix College  
**Thomas Starks**, Heald College  
**Carolyn L. Strauch**, Crowder College  
**Latazia Stuart**, Fortis University Online  
**Gene Sullivan**, Liberty University  
**David Sulzen**, Ferrum College  
**Dominique Svarc**, William Rainey Harper College  
**Linda Sweeney**, Sam Houston State University  
**Margaret Tanner**, University of Arkansas—Ft. Smith  
**Ulysses Taylor**, Fayetteville State University  
**Anthony Teng**, Saddleback College  
**Paula Thomas**, Middle Tennessee State University  
**Teresa Thompson**, Chaffey Community College  
**Leslie Thysell**, John Tyler Community College  
**Melanie Torborg**, Globe University  
**Shafi Ullah**, Broward College  
**Bob Urell**, Irvine Valley College  
**Adam Vitalis**, University of Wisconsin-Madison  
**Patricia Walczak**, Lansing Community College  
**Terri Walsh**, Seminole State College-Oviedo  
**Shunda Ware**, Atlanta Technical College  
**Dave Welch**, Franklin University  
**Jean Wells-Jessup**, Howard University  
**Christopher Widmer**, Tidewater Community College  
**Andrew Williams**, Edmonds Community College  
**Kenneth L. Wild**, University of London  
**John Woodward**, Polk State College  
**Gail E. Wright**, Stevenson University  
**Wanda Wong**, Chabot College  
**Patricia Worsham**, Norco College, Riverside Community College  
**Lynnette Yerbury**, Salt Lake Community College  
**Judy Zander**, Grossmont College  
**Mary Zenner**, College of Lake County  
**Jane Zlojutro**, Northwestern Michigan College

**The authors extend a special thank you to our contributing and technology supplement authors:**

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**Interactive Presentations:** Jeannie Folk, College of DuPage

**PowerPoint:** Jon Booker, Charles Caldwell, Cindy Rooney, and Susan Galbreth

**Instructor Resource Manual and Study Guide:** Barbara Chiappetta, Nassau Community College; and Patricia Walczak, Lansing Community College

**QuickBooks and Sage 50 Complete Accounting:** Carol Yacht

**Excel Templates:** Jack Terry

"I am always impressed with the simplicity, accuracy, and elegance of the writing of the... *Fundamental Accounting Principles* text. I can always count on the text to be properly updated and the overall attention to detail is appreciated as well. Thank you"

— Patricia Feller, Nashville State Community College

In addition to the helpful and generous colleagues listed above, we thank the entire McGraw-Hill/Irwin *Fundamental Accounting Principles* 21e team, including Tim Vertovec, Steve Schuetz, Christina Sanders, Aaron Downey of Matrix Productions, Lori Koettters, Matthew Baldwin, Carol Bielski, Patricia Plumb, Jeremy Cheshareck, Ron Nelms, Xin Lin, and Brian Nacik. We also thank the great marketing and sales support staff, including Michelle Heaster and Kathleen Klehr. Many talented educators and professionals worked hard to create the supplements for this book, and for their efforts we're grateful. Finally, many more people we either did not meet or whose efforts we did not personally witness nevertheless helped to make this book everything that it is, and we thank them all.

*John J. Wild    Ken W. Shaw    Barbara Chiappetta*



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