

清华MBA核心课程英文版教材

# Accounting

Fifth Edition

# 会计学

(第5版)

Charles T. Horngren  
Walter T. Harrison Jr.  
Linda Smith Bamber

著



清华大学出版社

<http://www.tup.tsinghua.edu.cn>

Prentice  
Hall

Prentice Hall

<http://www.prenhall.com>



F230

56

清华 MBA 核心课程英文版教材

# 会计学

第 5 版

## Accounting

**【Fifth Edition】**

Charles T. Horngren  
*Stanford University*

Walter T. Harrison Jr.  
*Baylor University*

Linda Smith Bamber  
*University of Georgia*

清华大学出版社

Prentice Hall

<http://www.tup.tsinghua.edu.cn>

<http://www.prenhall.com>

(京)新登字 158 号

Accounting, 5th/Charles T. Horngren, Walter T. Harrison Jr., Linda Smith Bamber

Copyright © 2002, 1999, 1996, 1993, 1992 by Prentice Hall, Inc.

Original English Language Edition Published by Prentice Hall, Inc.

本书英文影印版由 Prentice Hall 出版公司授权清华大学出版社在中国境内（不包括中国香港、澳门特别行政区和台湾地区）独家出版发行。未经出版者书面许可，不得以任何方式复制或抄袭本书的任何部分。

本书封面贴有 Prentice Hall 出版公司激光防伪标签，无标签者不得销售。

北京市版权局著作权合同登记号：01-2001-3225

版权所有，翻印必究。

书 名：会计学(第 5 版)

作 者：Charles T. Horngren Walter T. Harrison Jr. Linda Smith Bamber

出版者：清华大学出版社(北京清华大学学研大厦，邮编 100084)

<http://www.tup.tsinghua.edu.cn>

印刷者：北京丰华印刷厂

发行者：新华书店总店北京发行所

开 本：850 × 1168 1/16 印张：77

版 次：2001 年 9 月第 1 版 2001 年 9 月第 1 次印刷

书 号：ISBN 7-302-04776-6/F · 352

印 数：0001~5000

定 价：79.00 元

# 出 版 说 明

---

为了适应经济全球化的发展趋势,满足国内广大读者了解、学习和借鉴国外先进的管理经验和掌握经济理论的前沿动态,清华大学出版社与国外著名出版公司合作影印出版一系列英文版经济管理方面的图书。我们所选择的图书,基本上是已再版多次、在国外深受欢迎、并被广泛采用的优秀教材,绝大部分是该领域中较具权威性的经典之作。在选书的过程中,我们得到了很多专家、学者的支持、帮助和鼓励,在此表示谢意!清华MBA核心课程英文版教材由清华大学经济管理学院毛波、刘丽文、朱武祥、朱岩、李东红、李明志、吴志明、钱小军、瞿卫菁等老师审阅,在此一并致谢!

由于原作者所处国家的政治、经济和文化背景等与我国不同,对书中所持观点,敬请广大读者在阅读过程中注意加以分析和鉴别。

我们期望这套影印书的出版对我国经济科学的发展能有所帮助,对我国经济管理专业的教学能有所促进。

欢迎广大读者给我们提出宝贵的意见和建议;同时也欢迎有关的专业人士向我们推荐您所接触到的国外优秀图书。

清华大学出版社第三编辑室

2001.8

# 总序

世纪之交, 中国与世界的发展呈现最显著的两大趋势——以网络为代表的信息技术的突飞猛进, 以及经济全球化的激烈挑战。无论是无远弗界的因特网, 还是日益密切的政治、经济、文化等方面的国际合作, 都标示着 21 世纪的中国是一个更加开放的中国, 也面临着一个更加开放的世界。

教育, 特别是管理教育总是扮演着学习与合作的先行者的角色。改革开放以来, 尤其是 20 世纪 90 年代之后, 为了探寻中国国情与国际上一切优秀的管理教育思想、方法和手段的完美结合, 为了更好地培养高层次的“面向国际市场竞争、具备国际经营头脑”的管理者, 我国的教育机构与美国、欧洲、澳洲以及亚洲一些国家和地区的大量的著名管理学院和顶尖跨国企业建立了长期密切的合作关系。以清华大学经济管理学院为例, 2000 年, 学院顾问委员会成立, 并于 10 月举行了第一次会议, 2001 年 4 月又举行了第二次会议。这个顾问委员会包括了世界上最大的一些跨国公司和中国几家顶尖企业的最高领导人, 其阵容之大、层次之高, 超过了世界上任何一所商学院。在这样高层次、多样化、重实效的管理教育国际合作中, 教师和学生与国外的交流机会大幅度增加, 越来越深刻地融入到全球性的教育、文化和思想观念的时代变革中, 我们的管理教育工作者和经济管理学习者, 更加真切地体验到这个世界正发生着深刻的变化, 也更主动地探寻和把握着世界经济发展和跨国企业运作的脉搏。

我国管理教育的发展, 闭关锁国、闭门造车是绝对不行的, 必须同国际接轨, 按照国际一流的水准来要求自己。正如朱镕基总理在清华大学经济管理学院成立十周年时所发的贺信中指出的那样: “建设有中国特色的社会主义, 需要一大批掌握市场经济的一般规律, 熟悉其运行规则, 而又了解中国企业实情的经济管理人才。清华大学经济管理学院就要敢于借鉴、引进世界上一切优秀的经济管理学院的教学内容、方法和手段, 结合中国的国情, 办成世界第一流的经管学院。”作为达到世界一流的一个重要基础, 朱镕基总理多次建议清华的 MBA 教育要加强英语教学。我体会, 这不仅因为英语是当今世界交往中重要的语言工具, 是连接中国与世界的重要桥梁和媒介, 而且更是中国经济管理人才参与国际竞争, 加强国际合作, 实现中国企业的国际战略的基石。推动和实行英文教学并不是目的, 真正的目的在于培养学生——这些未来的企业家——能够具备同国际竞争对手、合作伙伴沟通和对抗的能力。按照这一要求, 清华大学经济管理学院正在不断推动英语教学的步伐, 使得英语不仅是一门需要学习

的核心课程，而且渗透到各门专业课程的学习当中。

课堂讲授之外，课前课后的大量英文原版著作、案例的阅读对于提高学生的英文水平也是非常关键的。这不仅是积累相当的专业词汇的重要手段，而且是对学习者思维方式的有效训练。

我们知道，就阅读而言，学习和借鉴国外先进的管理经验和掌握经济理论动态，或是阅读翻译作品，或是阅读原著。前者属于间接阅读，后者属于直接阅读。直接阅读取决于读者的外文阅读能力，有较高外语水平的读者当然喜欢直接阅读原著，这样不仅可以避免因译者的疏忽或水平所限而造成的纰漏，同时也可以尽享原作者思想的真实表达。而对于那些有一定外语基础，但又不能完全独立阅读国外原著的读者来说，外文的阅读能力是需要加强培养和训练的，尤其是专业外语的阅读能力更是如此。如果一个人永远不接触专业外版图书，他在获得国外学术信息方面就永远会比别人差半年甚至一年的时间，他就会在无形中减弱自己的竞争能力。因此，我们认为，有一定外语基础的读者，都应该尝试一下阅读外文原版，只要努力并坚持，就一定能过了这道关，到那时就能体验到直接阅读的妙处了。

在掌握大量术语的同时，我们更看重读者在阅读英文原版著作时对于西方管理者或研究者的思维方式的学习和体会。我认为，原汁原味的世界级大师富有特色的表达方式背后，反映了思维习惯，反映了思想精髓，反映了文化特征，也反映了战略偏好。知己知彼，对于跨文化的管理思想、方法的学习，一定要熟悉这些思想、方法所孕育、成长的文化土壤，这样，有朝一日才能真正“具备国际战略头脑”。

以往，普通读者购买和阅读英文原版还有一个书价的障碍。一本外版书少则几十美元，多则上百美元，一般读者只能望书兴叹。随着全球经济合作步伐的加快，目前在出版行业有了一种新的合作出版的方式，即外文影印版，其价格几乎与国内同类图书持平。这样一来，读者可以不必再为书价发愁。清华大学出版社这些年在这方面一直以独特的优势领先于同行，早在1997年，清华大学出版社敢为人先，在国内最早推出一批优秀商学英文版教材，规模宏大，在企业界和管理教育界引起不小的轰动，更使国内莘莘学子受益良多。

为了配合清华大学经济管理学院推动英文授课的急需，也为了向全国更多的MBA试点院校和更多的经济管理学院的教师和学生提供学习上的支持，清华大学出版社再次隆重推出与世界著名出版集团合作的英文原版影印商学教科书，也使广大工商界人士、经济管理类学生享用到最新最好质优价廉的国际教材。

祝愿我国的管理教育事业在社会各界的大力支持和关心下不断发展、日进日新；祝愿我国的经济建设在不断涌现的大批高层次的面向国际市场竞争、具备国际经营头脑的管理者的勉力经营下早日中兴。

赵纯均 教授

清华大学经济管理学院院长  
全国工商管理硕士教育指导委员会副主任



# About the Authors

**Charles T. Horngren** is the Edmund W. Littlefield Professor of Accounting, Emeritus, at Stanford University. A graduate of Marquette University, he received his MBA from Harvard University and his Ph.D. from the University of Chicago. He is also the recipient of honorary doctorates from Marquette University and DePaul University.

A Certified Public Accountant, Horngren served on the Accounting Principles Board for six years, the Financial Accounting Standards Board Advisory Council for five years, and the Council of the American Institute of Certified Public Accountants for three years. For six years, he served as a trustee of the Financial Accounting Foundation, which oversees the Financial Accounting Standards Board and the Government Accounting Standards Board.

Horngren is a member of the Accounting Hall of Fame.

A member of the American Accounting Association, Horngren has been its President and its Director of Research. He received its first annual Outstanding Accounting Educator Award.

The California Certified Public Accountants Foundation gave Horngren its Faculty Excellence Award and its Distinguished Professor Award. He is the first person to have received both awards.

The American Institute of Certified Public Accountants presented its first Outstanding Educator Award to Horngren.

Horngren was named Accountant of the Year, Education, by the national professional accounting fraternity, Beta Alpha Psi.

Professor Horngren is also a member of the Institute of Management Accountants, where he has received its Distinguished Service Award. He was a member of the Institute's Board of Regents, which administers the Certified Management Accountant examinations.

Horngren is the author of other accounting books published by Prentice-Hall: *Cost Accounting: A Managerial Emphasis*, Tenth Edition, 2000 (with George Foster and Srikant Datar); *Introduction to Management Accounting*, Twelfth Edition (with Gary L. Sundem and William Stratton); *Introduction to Financial Accounting*, Eighth Edition, 2002 (with Gary L. Sundem and John A. Elliott); and *Financial Accounting*, Fourth Edition, 2001 (with Walter T. Harrison, Jr.).

Horngren is the Consulting Editor for the Charles T. Horngren Series in Accounting.



**Walter T. Harrison, Jr.** is Professor of Accounting at the Hankamer School of Business, Baylor University. He received his B.B.A. degree from Baylor University, his M.S. from Oklahoma State University, and his Ph.D. from Michigan State University.

Professor Harrison, recipient of numerous teaching awards from student groups as well as from university administrators, has also taught at Cleveland State Community College, Michigan State University, the University of Texas, and Stanford University.

A member of the American Accounting Association and the American Institute of Certified Public Accountants, Professor Harrison has served as Chairman of the Financial Accounting Standards Committee of the American Accounting Association, on the Teaching/Curriculum Development Award Committee, on the Program Advisory Committee for Accounting Education and Teaching, and on the Notable Contributions to Accounting Literature Committee.

Professor Harrison has lectured in several foreign countries and published articles in numerous journals, including *The Accounting Review*, *Journal of Accounting Research*, *Journal of Accountancy*, *Journal of Accounting and Public Policy*, *Economic Consequences of*



*Financial Accounting Standards, Accounting Horizons, Issues in Accounting Education, and Journal of Law and Commerce.* He is coauthor of *Financial Accounting*, Fourth Edition, 2001 (with Charles T. Horngren and *Accounting*, Fifth Edition, 2002 (with Charles T. Horngren and Linda S. Bamber) published by Prentice Hall. Professor Harrison has received scholarships, fellowships, research grants or awards from PriceWaterhouseCoopers, Deloitte & Touche, the Ernst & Young Foundation, and the KPMG Foundation.



**Linda Smith Bamber** is Professor of Accounting at the J.M. Tull School of Accounting at the University of Georgia. She graduated summa cum laude from Wake Forest University, where she was a member of Phi Beta Kappa. She is a certified public accountant. For her performance on the CPA examination, Professor Bamber received the Elijah Watt Sells Award in addition to the North Carolina Bronze Medal. Before returning to graduate school, she worked in cost accounting at RJR Foods. She then earned an MBA from Arizona State University, and a Ph.D. from The Ohio State University.

Professor Bamber has received numerous teaching awards from The Ohio State University, the University of Florida, and the University of Georgia, including selection as Teacher of the Year at the University of Florida's Fisher School of Accounting.

She has lectured in Canada and Australia in addition to the U.S., and her research has appeared in numerous journals, including *The Accounting Review*, *Journal of Accounting Research*, *Journal of Accounting and Economics*, *Journal of Finance*, *Contemporary Accounting Research*, *Auditing: A Journal of Practice and Theory*, *Accounting Horizons*, *Issues in Accounting Education*, and *CPA Journal*. She provided the annotations for the *Annotated Instructor's Edition* of Horngren, Foster, and Datar's *Cost Accounting: A Managerial Emphasis*, Seventh, Eighth, and Ninth Editions.

A member of the Institute of Management Accounting, the American Accounting Association (AAA), and the AAA's Management Accounting Section and Financial Accounting and Reporting Section, Professor Bamber has chaired the AAA New Faculty Consortium Committee, served on the AAA Council, the AAA Research Advisory Committee, the AAA Corporate Accounting Policy Seminar Committee, the AAA Wildman Medal Award Committee, the AAA Nominations Committee, and has chaired the Management Accounting Section's Membership Outreach Committee. She served as Associate Editor of *Accounting Horizons*, and is serving as editor of *The Accounting Review* from 1999 to 2002.



# preface

## TARGET STUDENT SUCCESS

---

*This is what I especially like about this textbook. There are always ways of checking yourself to make sure you are understanding what you are reading. I am really impressed with the book. It is so well put together that all the subjects seem to flow together and offer a complete knowledge of the accounting world.*

—Lisa Cronauer, student, Saint Leo University

*[This textbook is] easy to understand and made me feel that accounting could possibly be my major. . . . This textbook [is] a valuable learning tool that will aid me in the future.*

—Carrie Hupp, student, Middle Tennessee State University

---

Teaching accounting today means helping students navigate a changing business world. It means helping them succeed in the classroom and in their careers. Whether this is the first or only accounting course students take, learning the fundamentals of accounting can help them make better decisions, evaluate real-world situations, and understand the value of “crunching the numbers.”

In **Accounting, fifth ed.**, publisher, authors, faculty, and students target a common goal: improving student success and understanding of accounting concepts. This edition provides:

- The most motivational text and writing style
- The best assessment and reinforcement tools
- The widest assortment of technology resources
- The best free student resources
- The best service and support for faculty

We believe **Accounting, fifth ed.**, offers the best possible system for student success, and we invite you to learn more about it. We welcome your comments and suggestions.

CHARLES T. HORNGREN © WALTER T. HARRISON, JR. © LINDA SMITH BAMBER  
STANFORD UNIVERSITY BAYLOR UNIVERSITY UNIVERSITY OF GEORGIA

# TARGET STUDENT SUCCESS: MOTIVATE LEARNING

## Chapter Opening Vignettes and On Location! Videos

The chapter-opening vignettes thrust students into the real world of accounting—where business decisions affect the future of actual organizations. Vignettes provide the real business context for chapter topics. Companies include Target, NetGenesis, Lucent and MCI WorldCom, McDonald's, AOL Time Warner, and more.

Many of the chapter-opening vignettes are linked to our unique, custom-created *On Location! Videos*. Each 5- to 10-minute video provides a "plant tour" introducing students to the business professionals who are using accounting information to enhance the success of their organizations. *NEW segments* include Cisco, Nantucket Nectars, Teva Sandals, Oracle, and others.

You probably recognize the bulls'-eye logo. You may even do your shopping at a **Target**, **Mervyn**, **Marshall Field**, **Dayton**, or **Hudson** store. All these companies are part of the retail empire known as **Target Corporation**. It is a pacesetter in retailing: Target stores are currently the place to find the latest fashions at the best prices. Target is also a pacesetter in philanthropy and community relations. Through its Five Percent Club, the company donates 5% of its taxable income to support charities in the communities where it operates. In 2000, Target gave more than \$1 million every week to local communities. The company, which employs about 189,000 people nationwide, is considered a good employer. *Working Mother* magazine has recognized Target as a "Top Work Place for Women." Target sells its merchandise through nearly 900 stores in 44 states, and through its Web site on the Internet. It is one of the largest mass-merchandise retailers in the United States, ringing up sales of over \$33 billion in the year ended January 31, 2000.



## NEW Featured Company: Target

The fifth edition includes the **Target Annual Report** both as an appendix within the text and as a separate booklet shrinkwrapped with each copy. We also highlight Target in Chapter 5 and in financial statement cases throughout the book.

### e-Accounting

#### Varsitybooks.com: A Textbook Case on the Fulfillment Cost Conundrum

Order the fifth edition of *Accounting* from **Varsitybooks.com** and the company arranges for **Baker & Taylor**—book distributors—to ship it to you immediately. Varsitybooks doesn't have a warehouse or any inventory, but it does have to pay Baker & Taylor for this convenient arrangement. How does the fledgling dot.com account for these costs?

As you know from personal experience, e-commerce has revolutionized business. It has bent certain accounting rules in the process. One such rule is that the cost of goods sold to customers is usually considered the "cost of goods sold." Yet, on-line powerhouse like Amazon.com and eToys, Inc. count some of this cost as "sales and marketing expenses" because they never own the inventory. By listing these "fulfillment costs" as marketing expense, new-age companies don't have to subtract the costs from their gross profit. This seemed like a good idea to Varsitybooks, and its managers announced to their auditor, KPMG, that they wanted to do the same.

After all, Varsitybooks argued, mail-order companies have always done this. And the practice would allow the new agers to keep from reporting razor-thin profit margins. For instance, if the SEC tightens the rules and makes Amazon.com account for fulfillment cost as "cost of sales," gross profit margins for the last quarter of 1999 would go from 15% to -3%. The company's sales and net profit or net loss amounts would remain the same, but analysts looked at the gross profit figure to see how well a company can make money from basic business operations.

Small wonder that this approach is controversial! Varsitybooks.com fired KPMG when the auditors objected to it. They hired **PricewaterhouseCoopers** instead, but in the end Varsitybooks had to follow the traditional accounting procedures anyway. The auditors knew best after all.

Source: Based on Shannon Henry, "An E-Tail Identity Crisis," *The Washington Post*, May 4, 2000, p. B01. Anonymous, "Web Retailers' 'Gross Profit' Questioned: E-commerce: The SEC may make some firms account for distribution costs, possibly turning their profits into losses," *The Los Angeles Times*, February 19, 2000, p. B.




Exhibits 5-10 and 5-11 tell an interesting story at a low price.

## NEW e-Accounting Boxes

Nothing has changed business more in recent years than the Internet. Horngren/Harrison/Bamber's new e-Accounting boxes focus on the accounting issues affecting companies doing business on the World Wide Web, such as CDNow, Priceline.com, and DHL.

## Work It Out Boxes

These exercises allow students to work out problems related to text concepts. Answers are provided for immediate reinforcement.




Calculate the rate of inventory turnover for Safeway, Inc., the large grocery chain (amounts in millions).

Beginning inventory .....	\$ 1,856
Ending inventory .....	2,445
Cost of goods sold .....	20,349

*Answer*      **Inventory turnover** =  $\frac{\text{Cost of goods sold}}{(\text{Beginning inventory} + \text{Ending inventory})/2}$

=  $\frac{20,349}{(\$1,856 + \$2,445)/2} = 9.5 \text{ times per year}$



How much did Proctor & Gamble (P&G) borrow from the bank? \$98,000 or \$100,000? How much will they pay back?

*Answers*  
P&G borrowed \$98,000, the amount of cash the company received. They will pay back \$100,000 at maturity.

## Think It Over Boxes

These exercises ask students to reflect on and apply concepts they've just learned. Again, answers are provided for immediate reinforcement.

## Decision Guidelines with *NEW* Excel Application Problems

Why should English or engineering majors care about accounting? Easy! **Decision Guidelines** are designed to show *when, why, and how* all managers—not just accountants—use accounting information to make good business decisions. Many of the Decision Guidelines now include **optional Excel Application Problems** for a hands-on approach. Excel is the single piece of applications software every business professional must master. These problems give students a step-by-step guide to creating Excel templates to solve accounting and financial dilemmas.

### DECISION GUIDELINES

#### Merchandising Operations and the Accounting Cycle

**DECISION**

How do merchandising operations differ from service operations?

How do a merchandiser's financial statements differ from the financial statements of a service business?

**Income Statement:**

**Merchandiser**

Sales revenue .....	\$ XXX
– Cost of goods sold .....	(X)
= Gross profit .....	XX
– Operating expenses .....	(X)
= Net income .....	<u>\$ X</u>

**Statements of Owner's Equity:**

Which type of inventory system to use?

How do the adjusting and closing processes of merchandisers and service entities differ?

**GUIDELINES**

- Merchandisers buy and sell *merchandise inventory*
- Service entities perform a *service*

**Balance sheet:**

- Merchandiser has *inventory*, an asset.
- Service business has no inventory

**Service Business**

Service revenue .....	\$XX
– Operating expenses .....	(X)
= Net income .....	<u>\$ X</u>

No difference

- Perpetual system* shows the amount of *inventory* on hand (the asset) and the cost of goods sold (the expense) at all times.
- Periodic system* shows the correct balances of inventory and cost of goods sold only after a physical count of the inventory, which occurs at least once each year.

Very little. The merchandiser may have to add an inventory account for spoilage and

## NEW "Lessons Learned"

At the end of each chapter, this feature gives students the key "takeaway" lessons from the chapter that they should retain in preparation for testing.

### LESSONS LEARNED

1. **Use sales and gross profit to evaluate a company.** The major revenue of a merchandising business is *sales revenue*, or *sales*. The major expense is *cost of goods sold*. Net sales minus cost of goods sold is *gross profit*, or *gross margin*. This amount measures the business's success or failure in selling its products at a higher price than it paid for them.
2. **Account for the purchase and sale of inventory.** The merchandiser's major asset is inventory. In a merchandising entity, the accounting cycle is from cash to inventory as the inventory is purchased for resale, and back to cash as the inventory is sold. The *invoice* is the business document generated by a purchase or sale transaction. Most merchandising entities allow customers to *return* unsuitable merchandise and to offer discounts for early payment.
4. **Prepare a merchandise income statement.** A merchandise income statement may appear in *single-step* or *multiple-step* format. A single-step income statement has one section—one for revenue and one for expenses. A multiple-step income statement has three sections: one for revenue, one for cost of goods sold, and one for operating expenses. The gross profit is the difference between sales revenue and cost of goods sold.
5. **Use the gross profit percentage to evaluate a business.** The gross profit percentage is calculated as  $\frac{\text{gross profit}}{\text{sales revenue}}$ . The gross profit percentage is a measure of the profitability of a business. The gross profit percentage is used to compare the profitability of different businesses.

## UNIQUE Concept Links

To keep previously covered material fresh in students' minds, concept links appear in the margins of the text. They explain how earlier topics are relevant to the new material being introduced. For students who need to go back and review, the margin links include a page cross reference.

## Running Glossary

Is terminology important to student success? You bet! All key terms are boldface within the text at introduction, with a definition in the margin.

## MORE Internet Exercises

**Internet Exercises** now appear in every chapter, and include such companies as eBay, Intuit Inc., Southwest Airlines, General Motors, FedEx, and Amazon.com. To do these exercises, students go first to the book Web site, and then use hotlinks to the company sites to complete the work.

## NEW CyberCoach

At three points in each chapter, the CyberCoach icon directs the student to exercises on the text Web site at [www.prenhall.com/horngren](http://www.prenhall.com/horngren)

- At the beginning of each chapter, to see if they have mastered concepts covered in the previous chapter. (*Readiness Assessment*)
- At mid-chapter, to see if they have learned chapter topics up to this point. (*Mid-Chapter Assessment*)
- At the end of each chapter, to see if they have mastered the chapter as a whole. (*End-of-Chapter Assessment*)

With CyberCoach, students can check their answers and monitor their progress as they learn. Now they're better prepared for class, for homework assignments, and for examinations.



[www.prenhall.com/horngren](http://www.prenhall.com/horngren)

# TARGET STUDENT SUCCESS: REINFORCEMENT

In addition to CyberCoach, the fifth edition offers other unique, targeted student self-evaluation materials, plus a full program of assignment exercises, problems, and cases for each chapter.

## Daily Exercises

These unique, single-concept exercises appear in the end-of-chapter assignment material. Daily Exercises serve as warm-ups or confidence builders. Each is linked to the text material so that students may refer back for additional assistance. Each is also cited in the margin at the appropriate point in the text.

### ASSESS YOUR PROGRESS

#### DAILY EXERCISES

**DES-1** Refer to Exhibit 5-1, page 192, Target Corporation's income statement. Identify the title and the amount of Target's

- Revenue before subtracting any expenses
- Excess of sales revenue over cost of goods sold
- Bottom-line operating performance

**DES-2** Compare the income statements of two

- Target Corporation (Exhibit 5-1, page 192)
- Target Corporation (Exhibit 5-1, page 192)

**EXHIBIT 5-1 A Leading Merchandiser's Income Statement**

**TARGET CORPORATION  
Income Statement (Adapted)  
Year Ended January 31, 2000**

	Millions
Net sales revenue [same as Net Sales] .....	\$33,212
Cost of goods sold [same as Cost of sales] .....	<u>23,029</u>
Gross profit [same as Gross margin] .....	<u>10,183</u>
Selling, general, and administrative expenses .....	7,490
Depreciation expense .....	854
Interest expense .....	393
Other expenses, net .....	<u>302</u>
Total operating expenses .....	<u>\$ 9,039</u>
Net earnings [same as Net income] .....	<u>\$ 1,144</u>

**SALES REVENUE.** The amount that a merchandiser earns from selling its inventory. Also called **sales**.

## Enhanced PH ReEnforcer Tutorial Software\*

This Windows-based tutorial software enables students to test their understanding of key concepts through a variety of exercises, with immediate feedback. A "Quick Tour" tutorial provides an overview of the program. New and enhanced exercise types include:

- *Multiple Choice Questions*
- *Financial Statement Analysis Questions* (Students manipulate a financial statement by entering transactions.)
- *T-account Problems* (Students complete journal entries, then select the T-accounts, and then enter numbers.)
- *General Problems* (Students integrate accounting terms into their vocabulary by writing journal entries, using terms from the text.)

## Enhanced PHAS General Ledger Tutorial\*

This Windows-based software reinforces accounting procedures through hands-on activity. Problem templates allow students to enter their own problems and complete the entire accounting cycle: journalize, post, print multiple reports, and close. A "Quick Tour" overviews the program and offers online help.

\*The software is free to students when downloaded from the text Web site. Students may also purchase a CD-ROM containing the software packaged to their book.

# TARGET STUDENT SUCCESS: WHAT'S NEW IN THIS EDITION

Every topic, every sentence, every word in every chapter has been carefully reviewed to

- 
- **Streamline the exposition** to make text clearer and more direct.
  - **Enhance readability** to make the text as accessible as possible to students taking accounting for the first time.
  - **Place exhibits** as close to the introductory text reference as possible to make them easier for students to use and learn from.
  - **Integrate e-commerce, Internet, and technology** information and examples wherever possible.
  - **Add new real-company examples**, including hi-tech companies like Lucent Technologies and Cisco Systems, MCI WorldCom, Dell Computer, and dot.coms like Priceline.com, and Amazon.com.
- 

Here are the major chapter changes:

## Chapter 1: Accounting and the Business Environment

- **NEW** Chapter vignette: Texas Tobacco Lawyers
- **NEW** Continuing example of sole proprietorship: Gay Gillen eTravel
- **NEW** e-Accounting box: Microstrategy: A Cautionary Tale for the New Economy

## Chapter 2: Recording Business Transactions

- **NEW** Chapter vignette: e-Retailers
- **NEW** e-Accounting box: The Seven Trillion Dollar Mistake (the Pentagon's accounting problems)

## Chapter 3: Measuring Business Income: The Adjusting Process

- **NEW** e-Accounting box: Grossing up the Revenue: Priceline.com and Venture
- **NEW** Decision Guidelines Excel exercise

## Chapter 4: Completing the Accounting Cycle

- **NEW** Vignette: NetGenesis
- **NEW** e-Accounting box: A Forced Debt Ratio for South Korea's Companies
- **NEW** Decision Guidelines Excel exercise

## Chapter 5: Merchandising Operations and the Accounting Cycle

- **NEW** Vignette: Target (annual report company), also used throughout chapter
- **NEW** e-Accounting box: Varsitybooks.com: A Textbook Case on the Fulfillment Cost Conundrum
- **NEW** Comparison of service entities vs. merchandisers for ease of understanding

## Chapter 6: Accounting Information Systems

- **NEW** e-Accounting box: Accounting Pioneers on the Virtual Frontier (virtual/online accountants)

## Chapter 7: Internal Control, Managing Cash, and Making Ethical Judgments

- **NEW** e-Accounting box: The Barings Bank Debacle
- **NEW** section on Internal Controls for e-Commerce



## **Chapter 8: Accounts and Notes Receivable**

- **NEW** Vignette: NYJets/Oracle
- **NEW** e-Accounting box: Merchant Beware: Credit Cards Boom with Online Sales . . . But So Does Fraud

## **Chapter 9: Merchandise Inventory**

- **NEW** Vignette: Deckers Outdoor (Teva)
- **NEW** e-Accounting box: It's a Bird . . . It's a Plane . . . It's a Warehouse! DHL Worldwide Express
- **NEW** Decision Guidelines Excel exercise

## **Chapter 10: Plant Assets and Intangible Assets**

- **NEW** e-Accounting box: Singapore International Airlines: Ratcheting Up the Value of Tangibles and Intangibles
- Intangibles: expanded and updated section to reflect fact that intangibles are sometimes now more important than tangibles.

## **Chapter 11: Current Liabilities and Payroll**

- **NEW** e-Accounting box: A Taxing Dilemma: Sales Tax Liability and the Internet
- Simplified and revised section on Contingent Liabilities with new and current example of Sun Microsystems and Microsoft lawsuit

## **Chapter 12: Partnerships**

- **NEW** Vignette: Arthur Andersen
- **NEW** e-Accounting box: The Limited But Lively Life of a Dot.Com Partnership
- Updated and expanded section on S Corporations

## **Chapter 13: Corporations: Paid-in Capital and the Balance Sheet**

- **NEW** e-Accounting box: UPS Delivers the Dough at Record-breaking IPO
- **NEW** Work It Out boxes using IHOP

## **Chapter 14: Retained Earnings, Treasury Stock, and the Income Statement**

- **NEW** Vignette: America OnLine and TimeWarner
- **NEW** e-Accounting box: Stock Buybacks Catch On in Europe
- Streamlined and revised: Recording Stock Dividends, Stock Splits, Treasury Stock

## **Chapter 15: Long-Term Liabilities**

- **NEW** Vignette on Internet startups and online information
- **NEW** e-Accounting box: Borrowers OnLine: Click Here to Lend Us \$6 Billion
- Extensive example material using Amazon.com and eBay throughout chapter
- Internet startups like Vista.com

## **Chapter 16: Investments and International Operations**

- **NEW** Vignette: McDonald's
- **NEW** e-Accounting box: Avon Products Inc.: Staying Up When the Currency Goes Down
- Streamlined coverage of Accounting for International Operations, with new examples such as Infosys and Nokia

## **Chapter 17: The Statement of Cash Flows**

- **NEW** Vignette: drkoop.com's and MotherNature.com's cash flow problems
- **NEW** e-Accounting box: Cash Crunch Turns CDNow into CDTeh

## **Chapter 18: Financial Statement Analysis**

- **NEW** Vignette: Lucent and MCI WorldCom
- **NEW** e-Accounting box: Peer Performance: Benchmarking on the Web
- **NEW** Decision Guidelines Excel exercise

## **Chapter 19: Introduction to Management Accounting**

- **NEW** e-Accounting box: Refining Dining with Data Mining
- **NEW** section on Time-Based Competition including updated e-commerce and JIT discussion
- **NEW** Decision Guidelines Excel exercise

## **Chapter 20: Job Costing**

- **NEW** e-Accounting box: Radio-frequency Identification System: Smart Tags for Tracking Parts and Products
- **NEW** Think It Over exercises on how managers can use job costing information
- **NEW** section: "How Technology Has Affected Job Costing"

## **Chapter 21: Process Costing**

- **NEW** e-Accounting box: Using Overseas Labor to Cut Process Costs
- Step-by-step explanation of conversion costs and equivalent units in "Building Blocks of Process Costing," with detailed example

## **Chapter 22: Cost-Volume-Profit Analysis**

- **NEW** e-Accounting box: Kozmo.com and Urbanfetch.com: Can They Continue to Deliver the Goods for Free?
- **NEW** continuing CVP example: e-retailer
- **NEW** discussion of ERP and CVP analysis
- **NEW** Financial Statement Case, using Target
- **NEW** Decision Guidelines Excel exercise

## **Chapter 23: The Master Budget and Responsibility Accounting**

- **NEW** Vignette: Habitat for Humanity
- **NEW** section: Budgeting, Sensitivity Analysis, and Information Technology
- Responsibility Accounting revised to highlight role of budget in performance evaluation
- **NEW** Financial Statement case linked to Target annual report

## **Chapter 24: Flexible Budgets and Standard Costs**

- Setting Standards: Completely revised, with new discussion of effects of e-commerce on price standards
- **NEW** Think It Over with user emphasis
- **NEW** examples of how real companies use variance information

## **Chapter 25: Activity-Based Costing and Other Cost Management Tools**

- **NEW** e-Accounting box: Point, Click, Buy, Sell: Businesses Cut Costs by Buying and Selling Online
- Heavily revised to provide more and better coverage of ABC, including numerical examples and more user focus, plus more and better coverage of JIT
- More real-world examples and survey evidence
- **NEW** Discussion of supply chain management and JIT

## **Chapter 26: Special Business Decisions and Capital Budgeting**

- **NEW** e-Accounting box: We Brand It, You Make It: The Outsourcing Trend
- Expanded discussion of outsourcing, including Web's role in outsourcing decisions
- **NEW** Decision Guidelines Excel exercise

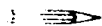
# TARGET STUDENT SUCCESS: THE TEACHING AND LEARNING PACKAGE

## TEXT ICONS



[www.prenhall.com/horngren](http://www.prenhall.com/horngren)

CyberCoach



WRITING ASSIGNMENT



EXCEL SPREADSHEET TEMPLATES



STUDENT RESOURCE CD  
INSTRUCTOR COURSE ORGANIZER CD

**ACCOUNTING, FIFTH ED., OFFERS A COMPLETE TEACHING AND LEARNING PACKAGE TO PROVIDE STUDENTS AND INSTRUCTORS WITH THE BEST AIDS TO SUCCESS. AND DEPENDING ON HOW YOU TEACH YOUR COURSE, WE OFFER ACCOUNTING, FIFTH ED., IN SEVERAL VERSIONS: HARD COVER CHAPTERS 1–26; PAPERBACKS CHAPTERS 1–13 AND CHAPTERS 12–26; AND A NEW! HARDCOVER CHAPTERS 1–18, THE FINANCIAL ACCOUNTING CHAPTERS.**

### Instructor Resources

- Annotated Instructor's Edition
- Instructor's Manual and Video Guide
- Solutions Manual with Transparencies
- Four-Color Teaching Transparencies
- Test Item File
- Prentice Hall Test Manager
- **NEW Free** Instructor's CD-ROM (contains all print and technology resources on CD-ROM)
- Accounting and Taxation Services Hotline (call your PH representative for hotline number and e-mail address)
- Prentice Hall Accounting Faculty Directory (call your PH representative for information)

### Student Resources

- **NEW Free** Target Annual Report
- **NEW** Student CD-ROM (contains all PowerPoint slides, tutorial, and general ledger software)
- **NEW Free** *e-BIZ: The Prentice Hall Guide to e-Business and e-Commerce in Accounting*
- **Free** *How to Study Accounting* Guidebook
- **NEW** *The Wall Street Journal* discount subscription offer
- **NEW** MoviesDoorToDoor.com by Mark Beasley and Frank Buckless
- Working Papers
- Study Guides
- Practice Sets

### Technology Resources

- **NEW Free** Standard Online Distance Learning Course (WebCT, Blackboard, Pearson CourseCompass)
- **NEW** Premium Online Distance Learning Course (WebCT, Blackboard, Pearson CourseCompass)
- **NEW Free** myPHLIP companion Web site available at [www.prenhall.com/horngren](http://www.prenhall.com/horngren)
- **Enhanced Free** ReEnforcer Tutorial Software\*
- **Free** General Ledger Software\*
- **Enhanced Free** Excel Spreadsheet Templates with Excel Tutorial
- **Free** Powerpoint Slides/Ready Notes\*
- **NEW Free** "Getting Started with Peachtree" Guidebook
- **NEW Free** "Getting Started with QuickBooks" Guidebook
- **NEW Free** "Getting Started with Simply Accounting" Guidebook
- **NEW** Peachtree Software
- **NEW** Mastering Accounting CD-ROM
- *On Location!* Videos with **NEW** segments on Cisco, Nantucket Nectars (The Juice Guys!), Teva Sandals, Oracle, Amy's Ice Cream, and more
- PHACTS Tutorial Videos
- Accounting Made Easy CD-ROM (available in two CDs)

\*All may be downloaded at no charge from the text Web site by adopters. These items are also available on our Student CD-ROM, at a nominal price, with text purchase.

xvii