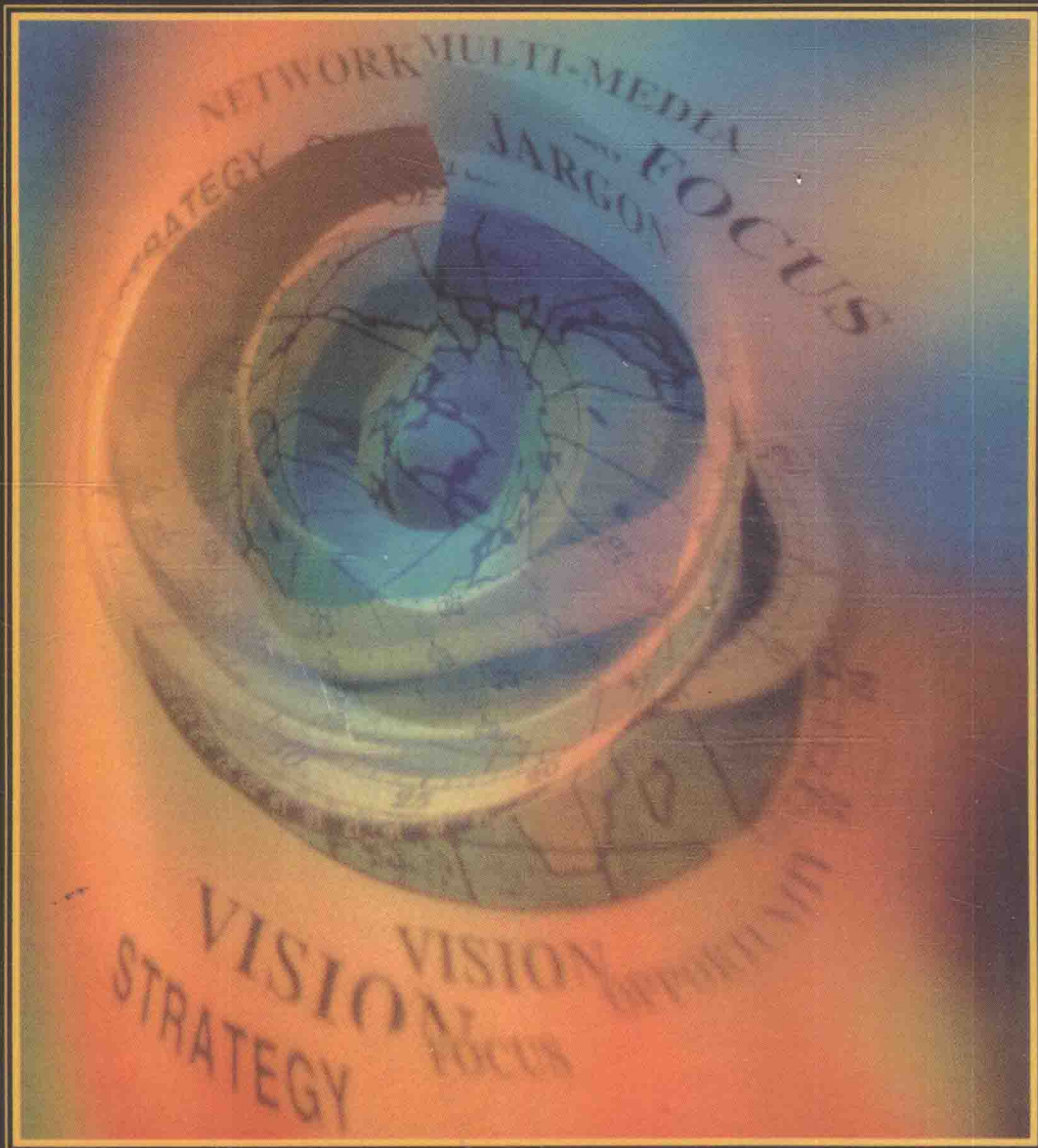


WANDA A. WALLACE

MASTERY OF THE
FINANCIAL ACCOUNTING RESEARCH SYSTEM
(FARS) *Through Cases*
ABRIDGED



<http://www.wiley.com/college/wallace>



WILEY
CUSTOM SERVICES

**MASTERY OF THE
FINANCIAL ACCOUNTING RESEARCH SYSTEM**
(FARS) Through Cases

ABRIDGED

WANDA A. WALLACE

for use in the
Department of Accountancy
University of Illinois at Urbana-Champaign

ACQUISITIONS EDITOR
MARKETING MANAGER
EDITORIAL ASSISTANT

Mark Bonadeo
Keari Bedford
Brian Kamins

This book contains citations from various FASB pronouncements. Copyright by Financial Accounting Standards Board, 401 Merritt 7, P.O. Box 5116, Norwalk, CT 06856.

This book was set in Times New Roman by Wanda A. Wallace and printed and bound by Hamilton Printing Company. The cover was printed by Phoenix Color Corporation.

This book is printed on acid-free paper. ∞

The paper in this book was manufactured by a mill whose forest management programs include sustained yield harvesting of its timberlands. Sustained yield harvesting principles ensure that the numbers of trees cut each year does not exceed the amount of new growth.

Copyright ©2003 John Wiley & Sons, Inc. All rights reserved.

No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, scanning or otherwise, except as permitted under Sections 107 or 108 of the 1976 United States Copyright Act, without either the prior written permission of the Publisher, or authorization through payment of the appropriate per-copy fee to the Copyright Clearance Center, 222 Rosewood Drive, Danvers, MA 01923, (508) 750-8400, fax (508) 750-4470. Requests to the Publisher for permission should be addressed to the Permissions Department, John Wiley & Sons, Inc., 605 Third Avenue, New York, NY 10158-0012, (212) 850-6011, fax (212) 850-6008, E-Mail: PERMREQ@WILEY.COM.

ISBN 0471-20073-5

Printed in the United States of America

10 9 8 7 6 5 4 3 2 1

PREFACE

The Financial Accounting Research System (FARS) is a powerful tool for gaining an understanding of generally accepted accounting principles (GAAP). The ability to search the standards and associated guidance using Boolean logic, in addition to reasoning through indices as to where certain types of questions might be addressed, needs to be developed as an essential competency. This resource provides the rudiments, then develops application skills. Specifically, easy-to-assign introductory exercises, tied to topics common in financial accounting require accessing FARS to build business vocabulary. Then intermediate assignments appropriately called “Brain Teasers” use an active dialogue approach of individuals discussing a conceptual or practice problem that needs to be analyzed. Search phrases must be designed to identify the resources that can shed light on the issue at hand. In addition, you are asked to explore a number of resources beyond FARS. Responding to such requests is facilitated through a five-part case that draws upon interactive databases including resources for searching the literature, Internet, web sites, public filings, legal cases, and both financial statement and financial markets information.

GAAP are filled with areas of judgment that require a clear understanding of context in order to analyze the alternative reporting practices that are acceptable and their consequences. FARS is a powerful tool for gaining an understanding of how GAAP apply to a particular case setting. Cases draw on actual financial statements and events involving real companies and not-for-profit entities, to provide realistic applications of FARS. Particular case settings integrate requirements that call upon expertise in FARS, the Internet, and the general literature. Analytical abilities and reasoning processes are honed through consideration of real company events and reporting practices, as well as debates in the media.

By mastering the use of FARS, you will be better equipped to address the challenges that will arise in the course of your careers. All professions are affected by standard setting and regulation and call upon the individual to exercise judgment in their interpretation and application. An increasing number of databases are becoming available that use Boolean logic—the search infrastructure found in FARS. You can hone your ability to properly identify the scope of relevant guidance, the differences between a particular setting and the circumstances that may be illustrated in available guidance, and implied directions for ‘uncharted territories.’

These resources in combination offer you the opportunity to be introduced to FARS in an effective and productive manner at the introductory level and then build on those skills to achieve mastery. Education in business is committed to building reasoning skills that facilitate the exercise of effective judgment when addressing unstructured problems. FARS provides a particularly appropriate resource for pedagogical use. Professionals in business are increasingly accessing multiple information bases using Boolean logic and coping with ever-changing guidance in regulation and business practices. The development of an appreciation of how to access, analyze, apply, and discern why contradictions might arise and be resolved will be an invaluable competency upon which to draw in the course of your professional career.

One of the opportunities with FARS that is taken advantage of in developing resource materials is the role of dissents in often highlighting the core conceptual issue on

which decision makers disagreed, even as they moved forward to provide various forms of guidance. Among the lessons learned will be an appreciation for (1) the variety of pronouncements that speak to even basic accounting concepts and issues, just in different contexts, (2) the diversity of business transactions that must be accounted for in business settings, and (3) the nature of changes over time in guidance (highlighted as gray sections or superseded guidance within the FARS materials).

Every hard copy of the casebook includes a FARS CD-ROM. Installation instructions for FARS CD is included in the slipcase pocket containing the CD, found inside the front cover of the casebook. The CD is the academic version of FARS, which is updated once a year. Students gain automatic access to the online version with the purchase of a new casebook. The functionality of the online versions permit students to work entirely on the Internet. This eases access for use in a variety of courses throughout the curriculum. As an example, the Primer could be used to introduce the resource to entering business students, at both the undergraduate and graduate level, in tandem with the vocabulary assignments. The brain teasers can similarly be a focus in Intermediate Accounting and advanced graduate coursework—with some integration of the vocabulary assignments. The cases could be used in financial statement analysis courses at both the undergraduate and graduate levels. The Resources Beyond FARS is a case that facilitates integration of diverse research tools and is an invaluable beginning step in any course setting that calls upon students to perform research using a variety of technologically-based resources.

Many cases have discussions of related issues that span a variety of business topics associated with economics, finance, management, marketing, and analytics. Strategy courses and financial reporting courses, as one example, could coordinate the use of cases within a curriculum to revisit a familiar setting as a framework for exploring related business measurement and management dimensions. The courses interested in not-for-profit entities will find the comparison of Universal Health Services to St. Jude Children's Research Hospital/ALSAC to be an effective means of comparing sources of capital accessible to organizations of differing legal form. A tax class might want to explore more deeply the tax dimensions of the United Parcel Service case, integrating the actual tax court case findings, beyond the disclosure emphasis explored in an earlier financial accounting course. Internet-specific considerations such as the growing role of barter transactions might have relevance in an e-commerce or marketing course, and the case first discussed from an accounting perspective could be revisited to discuss marketing strategy implications. Similarly, a finance course on valuation will find the research and development cases of substantial relevance to acquainting students with the practice issues common in acquisitions.

I am committed to placing cases involving current practice developments into the classroom as expeditiously as possible. Hence, I will continuously author additional cases that will be added to the Web collection and made accessible for classroom use, while time elapses between editions of hard-bound case books. This takes advantage of three particularly unique aspects of the Internet: ease of accessibility, tailoring of that subset of cases you wish to use in a particular course, and timeliness of access without the common delay of the publication process. Yet, periodically, new cases will be folded into future editions of this bound casebook, for those preferring the published collection for

classroom use. I welcome suggestions for areas in which you would like additional case materials developed.

Instructor resources include detailed instructor notes and Powerpoint slideshows, for each requirement, table, brain teaser, and case within chapters two through five. Condensed versions of Instructor Notes are provided for both Chapters 3 and 4 for ease of reference, in addition to longer versions that contain each of the FARS cites identified.

The support of the staffs of John Wiley & Sons is greatly appreciated. Mark Bonadeo and David Kear have worked toward the effective integration of this hard copy of the casebook with Internet capabilities. Cheryl Ferguson as copyeditor made a number of creative suggestions. The cooperation of the Financial Accounting Standards Board has permitted the development of this educational resource that is expressly designed to support the use of FARS.

My partner in life, James J. Wallace, has been, as usual, indispensable. A sounding board for ideas, first drafts, and multiple iterations, Jim has encouraged, improved upon, and selflessly contributed to this book.

Wanda A. Wallace
Williamsburg, Virginia
January 30, 2002

CONTENTS

PAGE

Chapter 1 – The Financial Accounting Research System (FARS) Primer	1-1
Getting Started With FARS: The Basics	
Where Am I Going to Look?	1-1
Navigating in FARS	1-3
Linkages	1-4
How Do I Search?	1-5
Search Alternatives	1-5
Boolean Logic	1-7
What Results Can I Expect?	1-10
Views Available	1-11
Tailoring Your Search and Results	1-12
What Can I Do with the Results?	1-12
Tagging	1-12
Exporting	1-13
Printing	1-14
Copying and Pasting	1-15
Where Can I Go for Additional Direction?	1-15
Help Capability: Online User's Guide	1-15
FARS Reference Guide	1-16
Folio Views 4 Getting Started	1-16
Self-Review and Cross-Checks	1-17
 Chapter 2 - Resources Beyond the Financial Accounting Research System (FARS)	 2-1
Researching Accounting and Business Issues	
Introduction	2-1
Literature Searches	2-2
Interactive Databases	2-3
Examples of Search Approaches	2-3
Exercise A	2-4
Internet Search Engines	2-4
Site-Specific Searches	2-4
Exercise B	2-4
Internet Resources	2-5
Company Site	2-5
Business Sites	2-6
Popular Accounting Sites	2-7
Exercise C	2-8
EDGAR: http://www.sec.gov	2-9
Exercise D	2-9
Special-Purpose Databases	2-9
LEXIS/NEXIS	2-10
COMPUSTAT	2-11
CRSP	2-12
FARS	2-13
Exercise E	2-15

Chapter 4 – Brain Teasers: Using FARS to Untangle the Mystery	4-1
1: Dissents portending future?	4-2
2: Hybrid historical cost and market value: Why the mix?	4-4
3: Cash basis or accrual basis?	4-6
4: Where are charitable donations on corporate income statements?	4-8
5: Deferred debits and deferred credits	4-10
6: Time value of money: gone today but here tomorrow?	4-11
7: What do we record when interest rates diverge?	4-13
8: Inventoriable costs?	4-15
9: Valuation of inventory and purchase commitments	4-17
10: Are capital expenditure numbers comparable?	4-19
11: Why the proposed Staff Accounting Bulletin (SAB)?	4-21
12: Is goodwill indefinite or indeterminate?	4-23
13: Expected to be refinanced?	4-25
14: Extinguishing debt is extraordinary?	4-27
15: What happens when you barter with stock?	4-29
16: What is the substance of an appropriation of retained earnings?	4-31
17: Stock option compensation dilutes earnings per share?	4-33
18: Why do transfers among portfolios of investments affect accounting?	4-35
19: When does channel stuffing transform sales into consignment sales?	4-37
20: Why can the same company have both a tax asset and a tax liability?	4-39
21: Isn't the corridor approach for pensions and postretirement benefits smoothing?	4-41
22: Lease accounting: Why is it asymmetrical?	4-44
23: How are changes in warranties to be recorded?	4-46
24: Does the statement of cash flows give the full picture?	4-48
25: Why are segment disclosures non-GAAP?	4-50

CHAPTER 1 – THE FINANCIAL ACCOUNTING RESEARCH SYSTEM (FARS) PRIMER

Getting Started With FARS: The Basics

FARS PRIMER OUTLINE

Where Am I Going to Look?

Navigating in FARS

Linkages

How Do I Search?

Search Alternatives

Boolean Logic

What Results Can I Expect?

Views Available

Tailoring Your Search and Results

What Can I Do with the Results?

Tagging

Exporting

Printing

Copying and Pasting

Where Can I Go for Additional Direction?

Help Capability: Online User's Guide

FARS Reference Guide

Folio Views 4 Getting Started

Self-Review and Cross-Checks

Where Am I Going to Look?

The Financial Accounting Standards Board's (FASB's) Financial Accounting Research System (FARS) is a PC-based tool for accounting research that uses software for efficient and effective access to databases (infobases) of FASB literature. It is a research tool commonly used to identify guidance regarding how transactions and events are to be reported, in order for financial presentations to be in conformance with generally accepted accounting principles (GAAP).

The first question to answer as you access this PC-based tool is where should you look? Within the Financial Accounting Research System (FARS) are six major information bases from which to choose. These may differ over time, depending on the development of new types of guidance and the stage of completion at the point in time that a new version of FARS becomes available. In addition, the FARS Reference Guide contains an Overview of the PC-based tool, alongside files named: Getting Started, FARS Basics, Searching the Infobases, Printing and Exporting Text, and Glossary. That machine-readable resource, available by clicking on the

menu of FARS, provides the basis for this description of FARS, complementing this PRIMER as you use the software. The FARS main menu acronyms for each of the six major information bases, with a description of the content of each follows:

- FASB-OP *Original Pronouncements*—All AICPA and FASB pronouncements, even if superseded (i.e., replaced by newer rulings): Accounting Research Bulletins (ARB), Accounting Principles Board Opinions (APB), AICPA Accounting Interpretations (AIN), Accounting Principles Board Statements (APS), Accounting Terminology Bulletins (ATB), FASB Statements (FAS), FASB Interpretations (FIN), FASB Technical Bulletins (FTB), and FASB Concepts Statements (CON). Note that superseded materials are shaded, with red diamonds that when clicked link to an explanation of what material applies in lieu of the superseded sections.
- FASB-CT *Current Text*—General Standards, Industry Standards, and the Current Text sections that have been superseded but are still applicable due to delays in effective dates: an appendix lists current AICPA Practice Bulletins, Statements of Position, and Audit and Accounting Guides.
- EITF *Abstracts*—The Emerging Issues Task Force infobase includes the full text of each abstract for every issue discussed by the EITF since its inception in 1984, the introduction to EITF Abstracts, a list of task force members (Appendix A), announcements of general and administrative matters (Appendix C), discussions of other technical matters (Appendix D), and the EITF topical index.
- FASB-Q&A *Implementation Guides*—The infobase contains staff special reports and other published implementation guidance on FAS 80 (Accounting for Futures Contracts); 86 (Accounting for the Costs of Computer Software to Be Sold, Leased, or Otherwise Marketed); 87 (Employers' Accounting for Pensions), 88 (Employers' Accounting for Settlements & Curtailments of Defined Benefit Pension Plans and for Termination Benefits), 91 (Nonrefundable Fees & Costs Associated with Originating or Acquiring Loans and Initial Direct Costs of Leases); 96 (Accounting for Income Taxes); 109 (Accounting for Income Taxes); 113 (Accounting and Reporting for Reinsurance of Short-Duration and Long-Duration Contracts); 116 (Accounting for Contributions Received and Contributions Made); and 117 (Financial Statements of Not-for-Profit Organizations). It also contains illustrations of financial instrument disclosure requirements in FAS 105 (Disclosure of Information about Financial Instruments with Off-Balance-Sheet Risk and Concentrations of Credit Risk), 107 (Disclosures about Fair Value of Financial Instruments), and 119 (Disclosure about Derivative Financial Instruments and Fair Value of Financial Instruments).
- FASINDEX *Topical Index*—This is the combined topical index for FASB-OP, FASB-CT, EITF, and FASB-Q&A infobases. Each reference in the index is linked to the appropriate paragraph(s), EITF issue, or questions in the relevant infobase. All "See" references (e.g., See Income Taxes) are linked to that section within the index.

DERIVCOD *Derivative Instruments and Hedging Activities*—This is an aid to implementing FASB Statement 133 (Accounting for Derivative Instruments and Hedging Activities), amended by Statements 137 (Deferral of the Effective Date of FASB Statement No. 133) and 138 (Accounting for Certain Derivative Instruments and Certain Hedging). It also includes the full text of issues related to the implementation of Statement 133 that were discussed by the Derivatives Implementation Group and cleared by the FASB prior to September 25, 2000.

FARS is updated approximately five times a year, as appropriate, to ensure that the infobases contain the latest FASB pronouncements and abstracts of EITF issues.

Although you can look in multiple databases, it is probably preferable to learn FARS by accessing one infobase at a time and proceeding with your analysis. As you become more adept with the system, you can open multiple databases and apply your search to all of them at one time. However, you will find that a number of the FARS capabilities (such as *query templates* and *clear query*) are not applicable to multiple infobases and that the Hits button affects only the current view. Also, the tag function must be applied to each infobase separately. Given the cluttered display that can result from multiple open infobases, you may well find it more effective to work on a single infobase at a time.

Navigating in FARS

Select FARS from the Start menu to begin the program. You should see a screen with the following icon at the top and buttons corresponding to the infobases linked to the FARS Menu in Figure 1.1.

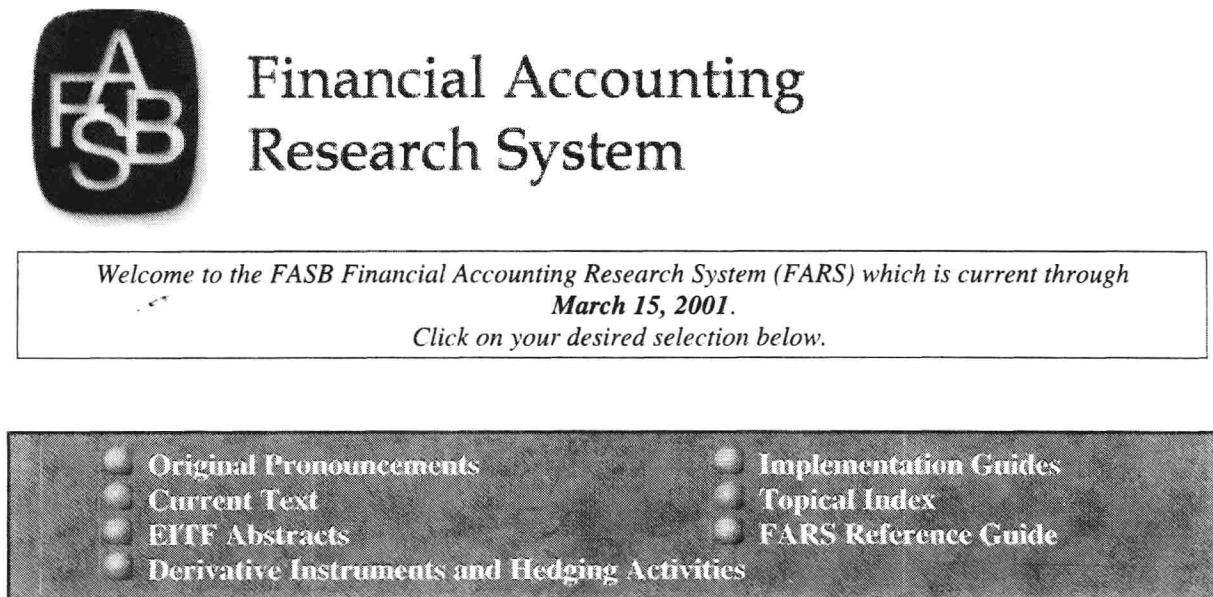


Figure 1.1 Opening screen in FARS

Note that these buttons correspond to each of the infobases already described. If you click on any of the buttons, you will be connected with the respective infobase. For example, you can click the button beside Original Pronouncements, and the introductory screen in Figure 1.2 will appear.

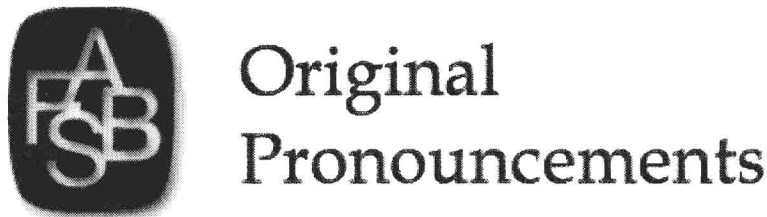


Figure 1.2 Icon for the Original Pronouncements infobase

If you click on Window at the top menu bar, you should see an indication that you are looking at the FASB-OP infobase. Any infobase can be opened by clicking your choice at the bottom of the FARS menu screen and then clicking Go Back on the toolbar or using the F6 key to permit clicking on more than a single infobase. Alternatively, to open the infobases on which you wish to search, click on the menu bar File, which will provide a pull-down menu, and click on Open. [In some settings, if FARS is on a network, you may need to click on Programs and FARS to reach the choice that presents Nfo.] Then click on the folder Nfo, and choose the infobase of interest by clicking on it. You can repeat the sequence to open multiple infobases. To check which are open, click Window on the menu bar and see what are listed as open infobases. If you have RAM constraints below 12 megabytes, the opening multiple infobases might cause your system to crash. This is one more reason to focus on one infobase at a time. The toolbar for FARS (which can vary across versions) is depicted in Figure 1.3.

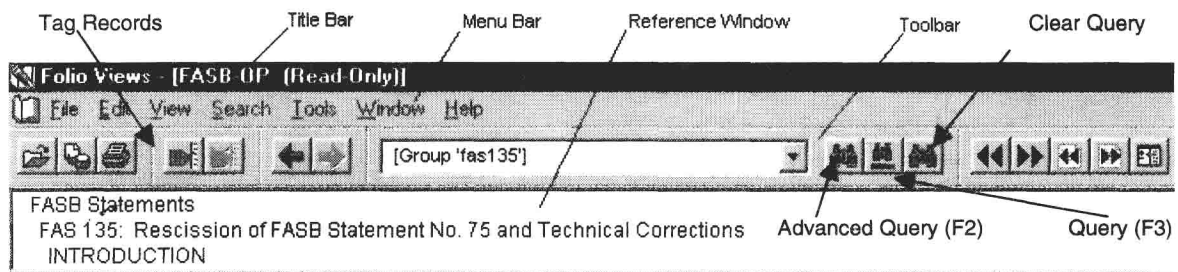


Figure 1.3 FARS toolbar

Linkages

Keep in mind that as you access an infobase, a number of embedded links are of interest. Specifically, you begin with *query* links from the FARS menu to the infobases connecting menu items, document references, and topical index references to the related information in the appropriate infobase. A query is a search for information within an infobase. Within infobases,

you will find diamonds at the start of any superseded material (indicated by gray shading) that will link to explanations of what guidance applies in place of that material.

In other words, in FASB-OP links connect superseded or amended material in one document with the superseding or amending language in another document. At times you will find that materials you locate through a diamond will likewise include diamonds. That is because with the passage of time, amendments themselves may be amended or superseded. That is the nature of standard-setting activities. Within the text of both FASB-OP and FASB-CT, you will also notice diamonds to the left side of certain words; these will link glossary terms with their definitions. When footnotes appear, you can click on the number (the cursor will change to a hand image) and a pop-up screen will appear with the content of that footnote. This is known as a *pop-up link*. If you export text, remember that links may not be easily interpreted by the word-processing application selected. Reformatting may be required, and symbols relating to the links may be deleted.

How Do I Search?

You can search the infobases using any of three general techniques. One approach is to use the index, much as you would in a printed book. The second approach is to use a *query template*. The third is to query for particular words or phrases using either Query or Advanced Query capabilities.

Search Alternatives

To access the index, you may go to the FARS menu and click on *Topical Index*, which will link to the following screen. Alternatively, you can go to the menu bar and click File, select from the pull-down menu Open, select the Nfo folder, and then Open FASINDEX. Also note that the FARS toolbar, depicted in Figure 1.3, has an icon at the far left that appears as a folder and can be used to open a folder and infobase. Figure 1.4 shows what appears at the top of the screen of FASINDEX:



Figure 1.4 Icon for the Topical Index infobase

Red diamonds appear to the left of each letter. If clicked, a diamond will take you to an index of topics that begin with that letter of the alphabet. You will note that the cites appear in three columns, incorporating (1) the original pronouncements, (2) the current text, and (3) the EITF/Other infobases. The third column would include EITF abstracts, as well as the Staff

Implementation Guides. By clicking on the cite, the link will be made to the underlying pronouncement listed.

To use a *query template*, it is likewise necessary to open an infobase. This can be accomplished by selecting one of the buttons on the FARS menu (recall Figure 1.1). Alternatively, you can go to the menu bar and click on File, select Open from the pull-down menu, choose the folder Nfo, and then open an infobase. Either approach will have an open infobase on which you can search. Proceed to click on Search at the menu bar and select from among the *query template* alternatives in that pull-down menu: search by issue date; search only current documents; search within a single OP document title; or search within a single OP document type. The boxes that will be displayed guide you in requesting that you specify a date or range of dates, that you select from among a menu of titles or documents, and that you then proceed to specify your search in terms of words or phrases. If you select the *query template* to search within a single OP title, scroll through the choices in the Heading window and click to place the result in the document title. Then move to the Query window and type the search term and click OK. If you merely wanted to locate the document and not perform a search, then after selecting the document title, click OK and move to the Document pane:

To perform a search of a given infobase, once you click on File, Open, Nfo, and an infobase, you can click on Search and then select Query from the pull-down menu and enter a command. Query can be accessed by pressing F3, and Advanced Query can be accessed by pressing F2. Alternatively, you can click on the Query button on the toolbar, which is a set of binoculars icon (the smaller icon with the underscore is the simple query, whereas the larger binoculars on the icon represents the advanced query; the binoculars with a large red X through it is the Clear Query button). Figure 1.3 has these three icons shown to the right.

Words or phrases you type will be searched on the open infobase. If instead you choose to click on Advanced Query, you will obtain information on word counts that can assist your search. In addition, you will have the option of using the Apply to All capability that will search all open infobases, permitting multiple infobases to be concurrently searched. Note that multiple infobases when opened can be viewed by pressing Ctrl+Tab (in other words, hold the control key down and press the tab key to cycle through the views). Do not forget to clear the query when you are finished, before proceeding to the next search. Just click Search on the toolbar and then select Clear Query from the pull-down menu; this must be done per infobase.

Figures 1.5 and 1.6 show examples of the screens that appear when you click on Search and select Query or Advanced Query from the pull-down menu. Merely type in the search word or phrase and click OK.

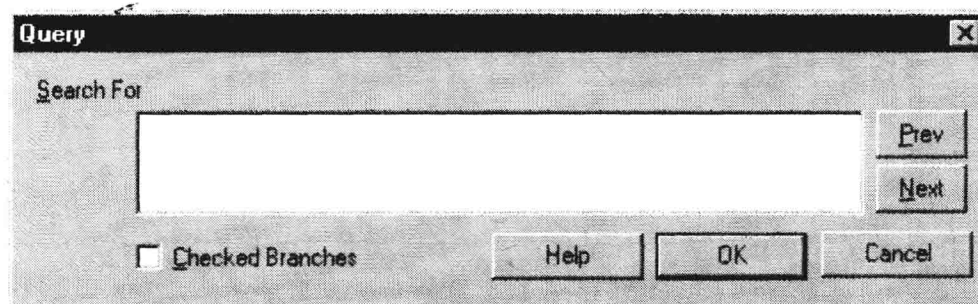


Figure 1.5 Query Screen

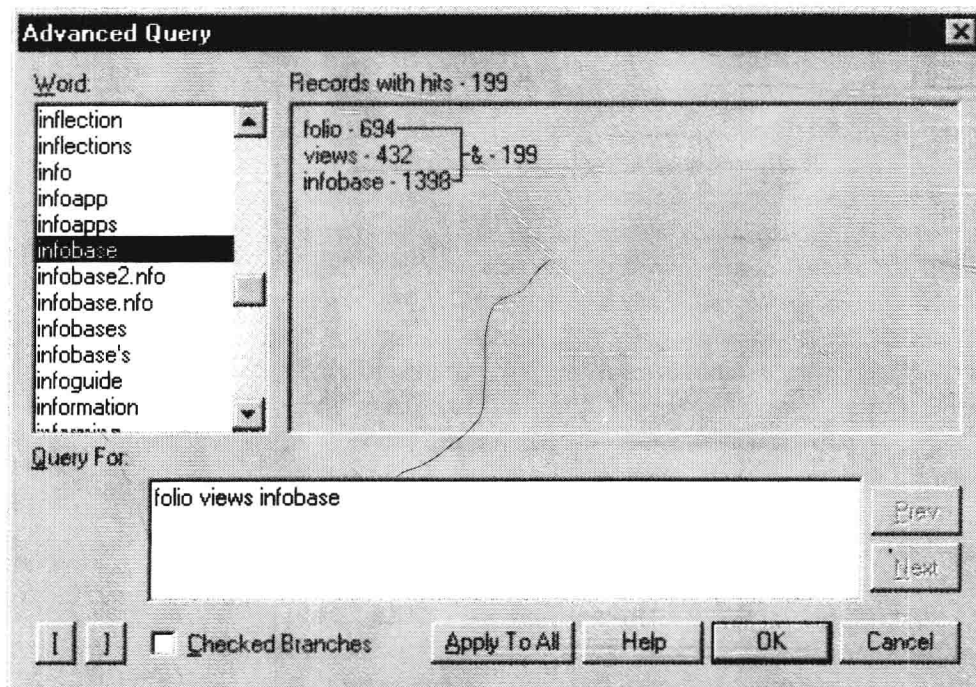


Figure 1.6 Advanced Query Screen

Boolean Logic

There are many ways to conduct a search. A *keyword search* finds all records that contain the word(s) you want to specify. If you search for more than one word, separate the words with a space. A *phrase search* finds all records that contain an exact phrase. This phrase must be enclosed in quotes. These two searches are the building blocks for all other types of searches. Table 1.1 lists search options available under Boolean logic. They are described in more detail in the following paragraphs.

Table 1.1 Search Options Using Boolean Logic

Option	Symbol	Example	Use
Precise quote	"n"	"current assets"	Find the exact phrase.
Proximity search			
Distance between words, order specific	/n	"current assets"/n	Find the word <i>assets</i> within <i>n</i> words of <i>current</i> , in order.
Distance between words, order not specific	@n	"current assets"@n	Find the word <i>assets</i> before or after <i>current</i> , within <i>n</i> words.
Across records	#n	"current assets"#n	Find the word <i>assets</i> within <i>n</i> records of <i>current</i> .

Option	Symbol	Example	Use
Wildcards			
Uncertain character	?	purch?se	Find any words that are spelled purch?se, with ? representing any letter.
Root word search	%	purchase%	Find words with the root word of <i>purchase</i> : purchasing, purchaser, purchased, purchases.
Letter pattern	*	purchas*	Find words that begin with the letters <i>purchas</i> : purchasing, purchaser, purchased. (Note that if <i>purchase*</i> were used, the word <i>purchasing</i> would not be a hit.)
Synonym	\$	purchase\$	Find synonyms: <i>buy</i> , <i>acquire</i> .
Boolean operators			
and	&	current&assets	Find records that contain both words.
		current and assets	Find records that contain both words.
or		current assets	Find records that contain either word.
		current or assets	Find records that contain either word.
not	^	current^assets	Find records that contain the first word but not the second word.
		current not assets	Find records that contain the first word but not the second word.
exclusive or (xor)	~	current~assets	Find records that contain either word but not both.
		current xor assets	Find records that contain either word but not both

Search phrasing can be a precise quote, which means you enter the command in quotes and that is the exact phrasing to be identified. It does not matter whether something is capitalized or lower case. Alternatively, you can apply what are termed *proximity searches*. This requires that

the search phrase be in quotes and then be followed by some symbols that instruct the software as to the distance between words and the order of the words required for a match to occur. Specifically, if you follow the quoted phrase with a forward slash and a number, then the words can appear anywhere within the specified number of words of each other but must be in the order you have indicated. Or you could follow the quoted words with @ and a number instead of a forward slash, and the words would have to appear within that specified number of word distance from one another, but they could appear in any order. The terms of /5 or @5 as examples are referred to as proximity conditions whereby the words are within five words of one another, with the first word in the quotes counting as a one and the other words having to appear before the sixth word. For example, you might specify "current assets"/5, which would mean these two words are within five words of one another in the order stated. Alternatively, if you indicated "current assets"@7, it would mean that the words *current* and *assets* appear within seven words of one another but may be in either order - *current assets* or *assets current*.

The search in the absence of a proximity indicator tends to be record based, which typically is defined as a paragraph. At times, you may wish the search process to consider more than a single record as the scope for the search. This can be accomplished by following the quotes of the search phrase with a # and a number representing the number of records you wish to consider as sufficient proximity. For example, "big business" on the FASB-OP infobase results in no hits. By adjusting the command to "big business"#3, it is possible to generate matches. Hence, rather than requiring two terms to be in the same record, one can tailor the search to finding the two terms within a certain number of records. Instead of constraining the space within a record as the scope of the search, this actually extends the search across records.

In addition to proximity conditions, Boolean logic permits the use of what are called wildcards, which facilitate more robust search phrasing. Specifically, if you were uncertain as to spelling, a question mark (?) could be inserted for any given letter. Then any word that has the letters you specified, along with any substitution of a letter for the question mark, would be selected. Multiple question marks for multiple letters can be used, but they must map one-to-one in terms of their number relative to the letters omitted. For example, if you were searching the word *uncollectible* and you were uncertain whether it should be spelled *uncollectable*, you could specify *uncollect?ble* and either spelling would be captured by the search.

A second wildcard capability is the percent sign, or % wildcard. This finds all forms of a specified root word. For example, if you are interested in variations of the root word *purchase*, such as *purchases*, *purchaser*, *purchasing*, and *purchased*, the search specification of *purchase%* would pick up all of these forms of that root word.

An alternative that is broader than the root word concept moves from guiding the search based on a root word to guiding the search based on the pattern of letters. Specifically, any multiple character substitution is captured by an asterisk. Note that if you specified *purchase** you would again obtain the *purchases*, *purchaser*, and *purchased*, but you would fail to access *purchasing* because the *e* is not found in the spelling and the asterisk only covers those letters omitted in the search. If instead you specified *purchas**, then the *purchasing* alternative spelling would be located. It should be apparent that you need to determine whether the better direction to your search can be gathered through root word guidance, or the pattern of letters. Then you can choose whether to use a % or an *.

One other wildcard capability can be particularly useful, and it is the synonym \$. For example, you may wish to find any reference to synonyms of *purchase*. By using the command *purchase\$* you will likewise find acquisition and buy among the search results - both synonyms for your specification.