

清华会计学系列英文版教材

Financial
Accounting
Fourth Edition

财务
会计
(第4版)

Harrison • Horngren

著



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清华会计学系列英文版教材

财 务 会 计

第 4 版

Financial Accounting

【Fourth Edition】

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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!清华会计学系列英文版教材由清华大学经济管理学院会计系于增彪、卢俊、许秉岩、陈晓、郝振平等老师审阅,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

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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

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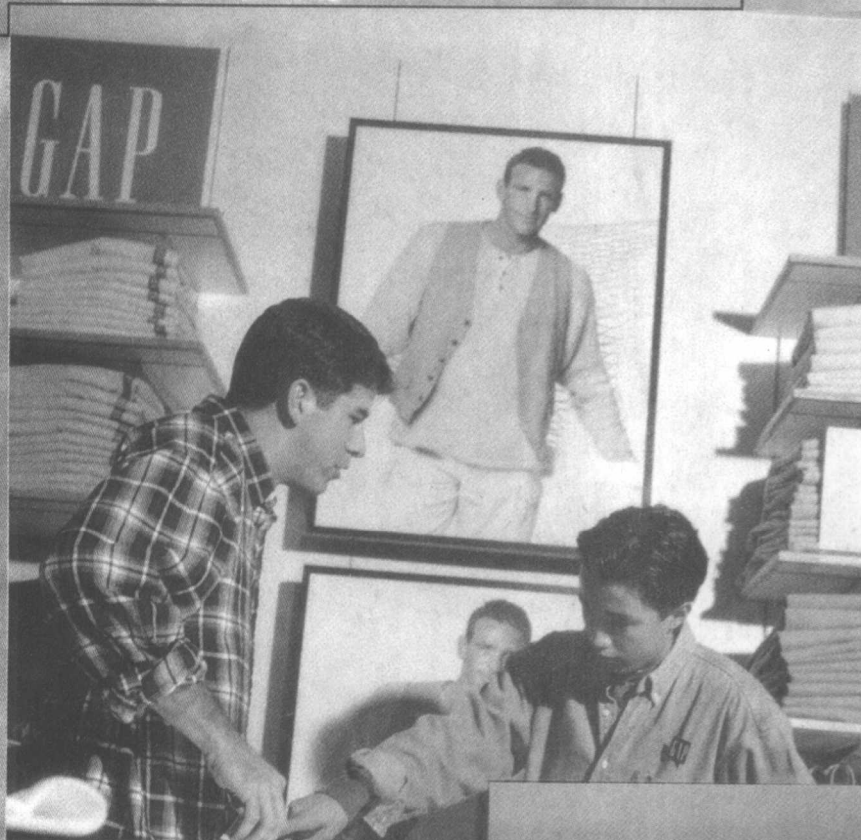
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1 The Financial Statements

LEARNING OBJECTIVES

After studying this chapter, you should be able to

1. Understand accounting vocabulary and use it in decision making
2. Analyze business activity with accounting concepts and principles
3. Use the accounting equation to describe an organization's financial position
4. Evaluate a company's operating performance, financial position, and cash flows
5. Explain the relationships among the financial statements



The Gap, Inc.
Anyone
Anywhere
Any time

revenue

investment

assets

FINANCIAL ACCOUNTING



The Gap, Inc.
Consolidated Statement of Earnings (adapted)

		<i>Year Ended January 30, 1999</i>	<i>Percentage of Sales</i>	<i>Year Ended January 31, 1998</i>	<i>Percentage of Sales</i>
	<i>(\$000)</i>				
1	Net sales revenue	\$9,054,462	100.0%	\$6,507,825	100.0%
2	Expenses				
3	Cost of goods sold	5,318,218	58.7	4,021,541	61.8
4	Advertising expense	419,000	4.6	175,000	2.7
5	Depreciation expense	326,036	3.6	269,706	4.1
6	Other operating expenses	1,658,329	18.3	1,190,311	18.3
7	Interest expense (revenue)	13,617	0.2	(2,975)	0.0
8	Earnings before income taxes	1,319,262	14.6	854,242	13.1
9	Income tax expense	494,723	5.5	320,341	4.9
10	Net earnings	\$ 824,539	9.1%	\$ 533,901	8.2%

From the streets of Philadelphia and Seattle, to the sidewalks of Boise and Tulsa, to the crowds of Tokyo and London, we want to be everywhere our customers are. One focus in 1998 was to bring our brands into our customers' homes. We expanded the convenience of shopping at our Gap Online Store at www.gap.com to bring the total brand — adults, kids, and babies — to online shoppers. Now customers anywhere in the United States can shop The Gap any time, day or night. It's perfect for people who just don't have time to get to our stores.

WHAT do advertising slogans such as "Anyone, Anywhere, Any time" have to do with accounting? A lot, because advertising leads to sales, and sales bring cash into **The Gap**. Also, advertising costs money, so businesses must budget their cash to pay for expensive ad campaigns. All these activities — advertising, buying merchandise, and selling products — are interesting to people outside The Gap because the information helps people make decisions about the company.

Accounting provides much of the information that people use to manage and evaluate businesses. In this course you will learn how to use accounting information just like investors on Wall Street and bankers on Main Street. In fact, the "Anyone, Anywhere, Any time" slogan of The Gap also applies to accounting: A person can make a wiser business decision if he or she knows how to use the information. In fact, the chances are good that accounting provided the right information for the decision. Let's begin our study of accounting by discussing some business decisions.

accounting 3

Managerial Decisions

In deciding how to operate the business, The Gap's managers must determine what merchandise they will sell and how to market it. Clearly, the company wants its revenues to exceed its expenses so that it will earn a profit. Accounting helps managers measure the revenues, expenses, and profit (or loss) of the business.

The income statement on page 14 reports that Gap, Inc., earned net sales revenue of over \$9 billion during 1999 (line 1). Cost of goods sold, an expense (line 3), consumed over \$5.3 billion. Additional expenses—advertising, depreciation, other operating expenses, and interest (lines 4–7 respectively)—totaled \$2.4 billion, leaving The Gap with net earnings, the bottom line, of \$825 million (line 10), after all expenses for the year ended January 30, 1999.

Gap managers must determine what types of assets to acquire for use in the business. For example, should they automate the warehouse and use robotic equipment to handle merchandise? If so, they will want to purchase equipment that moves goods rapidly and at the lowest cost. Accounting measures the cost of such equipment.

Finally, Gap managers must decide how the company will finance its operations. Which way of financing the business is better—selling stock (ownership shares) to the owners or borrowing from outsiders? There is no standard answer. Sometimes borrowing has the advantage. In other cases, it is better to issue stock. Accounting measures the cost of obtaining funds.

Investor Decisions

Suppose you have \$50,000 to invest. You can deposit the money in a bank and earn interest. This investment is safe because deposits in U.S. banks are insured, but it will not grow very fast in a bank account. Or you could invest in land on the outskirts of town. There has been some talk that The Gap may open a store in the vicinity, and the land may increase in value. If so, your investment may double or triple in value, but it is also quite risky because The Gap may not locate near your land. Besides, others also know of The Gap's plan, and you may have to pay a high price for the land.

A third possible investment is buying stock in The Gap. This investment is more risky than depositing money in a bank account but less risky than buying land in hopes of selling it at a higher price. What information would you need before deciding to invest in Gap stock? You would prefer that The Gap have a track record of profitable operations—earning a profit (net earnings or net income) year after year. The company would need a steady stream of cash coming in and a manageable level of debt. How would you determine whether the company meets these criteria? The company's financial statements provide the information you need.



CHECK POINT 1-1

Objective 1

Understand accounting vocabulary and use it in decision making

ACCOUNTING—THE BASIS OF DECISION MAKING

Accounting is the information system that measures business activities, processes that information into reports, and communicates the results to decision makers. For this reason, it is called “the language of business.” The better you understand this language, the better you can manage your finances and the better your decisions will be. Personal planning, education expenses, loans, car payments, and income taxes all use the information system we call accounting.

Accounting: The Language of Business

Accounting: An Information System

A key product of an accounting information system is the set of **financial statements**: the documents that report financial information about a business en-

1. People make decisions



2. Business transactions occur.



3. Businesses prepare reports to show the results of their operations.



EXHIBIT 1-1
The Flow of
Information in an
Accounting System

tity to decision makers. They tell us how well a business is performing in terms of profits and losses and where it stands in financial terms. In this chapter we focus on the financial statements of **The Gap**. As you complete this first chapter, you will be familiar with the financial statements that this well-known company uses to represent itself to the public. This book's major goal is to acquaint you with financial statements and to give you the expertise you need to use them for financial decision making.

Please don't mistake bookkeeping for accounting. Bookkeeping is the procedural element of accounting that processes the accounting data, just as arithmetic is a procedural element of mathematics. Exhibit 1-1 illustrates accounting's role in business. The process starts and ends with people making decisions.



CHECK POINT 1-2

Decision Makers Use Accounting Information

Decision makers need information. The more important the decision, the greater the need. All businesses and most individuals keep accounting records to aid in making decisions. The chapter-opening story reveals a key decision that Gap managers made in designing a slogan to expand the company. The result might be the company's income statement (page 14), which we also saw earlier. We will examine this and other financial statements in detail as we proceed through this chapter. First, however, let's look at some decision makers who use accounting information.

INDIVIDUALS. People use accounting information to manage their bank accounts, to evaluate job prospects, and to decide whether to rent an apartment or buy a house.

BUSINESSES. Managers of businesses use accounting information to set goals, to evaluate progress toward those goals, and to take corrective action if necessary. Decisions based on accounting information may include where to locate a Gap store, how many shirts to keep on hand, and how much cash to borrow.

INVESTORS AND CREDITORS. Investors and creditors provide the money a business needs to get started. When The Gap opened its first store, the company had no track record. To decide whether to help start a new venture, potential investors evaluate what income they can expect on their investment. This means analyzing the financial statements of the business. Before deciding to invest in The Gap, for example, you may examine the company's financial statements. Before making a loan to The Gap, banks evaluate the company's ability to meet scheduled payments.

GOVERNMENT REGULATORY AGENCIES. Most organizations face government regulation. For example, the Securities and Exchange Commission (SEC), a federal agency, requires businesses to report certain financial information to the investing

public. The Gap and other companies publish annual reports. The company's income statement on page 14 was taken from The Gap's annual report for the year ended January 30, 1999.

TAXING AUTHORITIES. Local, state, and federal governments levy taxes on individuals and businesses. The Gap pays property tax on its assets and income tax on its profits. The Gap also collects sales tax from customers and forwards the money to the government. Individuals pay income tax on their earnings. All of these taxes are based on accounting data.

NONPROFIT ORGANIZATIONS. Nonprofit organizations—such as churches, hospitals, and government agencies, which operate for purposes other than profit—use accounting information as profit-oriented businesses do. Both for-profit organizations and nonprofit organizations deal with payrolls, rent payments, and the like—information from the accounting system.

OTHER USERS. Employees and labor unions demand wages that come from the employer's reported income. And newspapers report "improved profit pictures" of companies. Such news, which depends on accounting, reports information that affects our standard of living.

Financial Accounting and Management Accounting

The users of accounting information are diverse, but they may be categorized as *external users* or *internal users*. This distinction allows us to classify accounting into two fields—financial accounting and management accounting.

Financial accounting provides information to managers and to people outside the firm, such as investors on Wall Street and creditors who lend money to the company. Government agencies, such as the SEC, and the general public are also external users of a firm's accounting information. Financial accounting information must meet certain standards of relevance and reliability. This book deals primarily with financial accounting.

Management accounting generates confidential information for internal decision makers, such as top executives and department heads. Management accounting information is tailored to the needs of managers and thus does not have to meet external standards of reliability.

Ethical Considerations in Accounting and Business

Ethical considerations pervade all areas of accounting and business. The Y2K problem of the 1990s provided an ethical challenge for virtually all companies everywhere. A large-scale computer failure could have shut down operations and led to large losses. The business challenge was to alter computer programs to avoid the Y2K problem. The *ethical challenge* for accountants was to provide investors and creditors with enough information about how companies were dealing with the Y2K problem to enable them to make informed judgements about these companies.

By what criteria do accountants address questions that challenge their ethical conduct? *The American Institute of Certified Public Accountants (AICPA)*, other professional accounting organizations, and most large companies have codes of ethics that require members and employees to honor high levels of ethical conduct. The AICPA is the country's largest organization of professional accountants, similar to the American Medical Association for physicians and the American Bar Association for attorneys.

STANDARDS OF PROFESSIONAL CONDUCT FOR ACCOUNTANTS. The Code of Professional Conduct was adopted by the members of the AICPA to provide guidance in per-