

乔·B.霍伊尔 (Joe B. Hoyle)
〔美〕托马斯·F.谢弗 (Thomas F. Schaefer) 著
蒂莫西·S.杜尼克 (Timothy S. Douplik)
王鑫 改编

会计学精选教材·双语注释版

高级会计学

ADVANCED ACCOUNTING

11E

第11版



北京大学出版社
PEKING UNIVERSITY PRESS

双语
注释
版

高级会计学

11E ADVANCED ACCOUNTING

乔·B.霍伊尔 (Joe B. Hoyle)

〔美〕托马斯·F.谢弗 (Thomas F. Schaefer) 著

蒂莫西·S.杜尼克 (Timothy S. Douplik)

王鑫 改编

第11版



北京大学出版社
PEKING UNIVERSITY PRESS

著作权合同登记号 图字: 01-2013-4064

图书在版编目(CIP)数据

高级会计学:第11版/(美)乔·B.霍伊尔,(美)托马斯·F.谢弗,(美)蒂莫西·S.杜尼克著;王鑫改编. —北京:北京大学出版社,2016.10

(会计学精选教材·双语注释版)

ISBN 978-7-301-27583-2

I. ①高… II. ①乔… ②托… ③蒂… ④王… III. ①会计学—双语教学—高等学校—教材 IV. ①F230

中国版本图书馆CIP数据核字(2016)第226370号

Joe B. Hoyle, Thomas F. Schaefer, Timothy S. Doupnik

Advanced Accounting, 11th edition

ISBN: 978-0-07-802540-2

Copyright © 2013 by McGraw-Hill Education.

All Rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical, including without limitation photocopying, recording, taping, or any database, information or retrieval system, without the prior written permission of the publisher.

This authorized Bilingual edition is jointly published by McGraw-Hill Education (Asia) and Peking University Press. This edition is authorized for sale in the People's Republic of China only, excluding Hong Kong, Macao SARs and Taiwan.

Copyright © 2013 by The McGraw-Hill Asia Holdings(Singapore)PTE. LTD and Peking University Press.

版权所有。未经出版人事先书面许可,对本出版物的任何部分不得以任何方式或途径复制或传播,包括但不限于复印、录制、录音,或通过任何数据库、信息或可检索的系统。

本授权双语版由麦格劳-希尔(亚洲)教育出版公司和北京大学出版社合作出版。此版本经授权仅限在中华人民共和国境内(不包括香港、澳门特别行政区和台湾地区)销售。

版权© 2013 由麦格劳-希尔(亚洲)教育出版公司与北京大学出版社所有。

本书封面贴有 McGraw-Hill Education 公司防伪标签,无标签者不得销售。

书 名: 高级会计学(第11版)

著作责任者: [美]乔·B.霍伊尔(Joe B. Hoyle) 托马斯·F.谢弗(Thomas F. Schaefer) 蒂莫西·S.杜尼克(Timothy S. Doupnik) 著 王鑫 改编

责任编辑:任京雪 刘京

标准书号: ISBN 978-7-301-27583-2

出版发行: 北京大学出版社

地 址: 北京市海淀区成府路205号 100871

网 址: <http://www.pup.cn>

电子信箱: em@pup.cn QQ: 552063295

新浪微博: @北京大学出版社 @北京大学出版社经管图书

电 话: 邮购部 62752015 发行部 62750672 编辑部 62752926

印 刷 者: 北京大学印刷厂

经 销 者: 新华书店

787毫米×1092毫米 16开本 37印张 739千字

2016年10月第1版 2016年10月第1次印刷

印 数: 0001—3000册

定 价: 79.00元

未经许可,不得以任何方式复制或抄袭本书之部分或全部内容。

版权所有,侵权必究

举报电话:010-62752024 电子信箱: fd@pup.pku.edu.cn

图书如有装订质量问题,请与出版部联系,电话:010-62756370

出版者序

作为一家致力于出版和传承经典、与国际接轨的大学出版社,北京大学出版社历来重视国际经典教材,尤其是经管类经典教材的引进和出版。自2003年起,我们与圣智、培生、麦格劳-希尔、约翰·威利等国际著名教育出版机构合作,精选并引进了一大批经济管理类的国际优秀教材。其中,很多图书已经改版多次,得到了广大读者的认可和好评,成为国内市面上的经典。例如,我们引进的世界上最流行的经济学教材——曼昆的《经济学原理》,已经成为国内最受欢迎、使用面最广的经济学经典教材。

呈现在您面前的这套引进版精选教材,是主要面向国内经济管理类各专业本科生、研究生的教材系列。经过多年的沉淀和累积、吐故和纳新,这套教材在各方面正逐步趋于完善:在学科范围上,扩展为“经济学精选教材”“金融学精选教材”“国际商务精选教材”“管理学精选教材”“会计学精选教材”“营销学精选教材”“人力资源管理精选教材”七个子系列,每个子系列下又分为翻译版、英文影印/改编版和双语注释版。其中,翻译版以“译丛”的形式出版。在课程类型上,基本涵盖了经管类各专业的主修课程,并延伸到不少国内缺乏教材的前沿和分支领域;即便针对同一门课程,也有多本教材入选,或难易程度不同,或理论和实践各有侧重,从而为师生提供了更多的选择。同时,我们在出版形式上也进行了一些探索和创新。例如,为了满足国内双语教学的需要,我们改变了部分图书之前单纯影印的形式,而是在此基础上,由资深授课教师根据该课程的重点,添加重要术语和重要结论的中文注释,使之成为双语注释版。此次,我们更新了丛书的封面和开本,将其以全新的面貌呈现给广大读者。希望这些内容和形式上的改进,能够为教师授课和学生学习提供便利。

在本丛书的出版过程中,我们得到了国际教育出版机构同行们在版权方面的协助和教辅资料方面的支持。国内诸多著名高校的专家学者、一线教师,更是在繁重的教学和科研任务之余,为我们承担了图书的推荐、评审和翻译工作;正是每一位推荐

者和评审者的国际化视野和专业眼光,帮助我们书海拾慧,汇集了各学科的前沿和经典;正是每一位译者的全心投入和细致校译,保证了经典内容的准确传达和最佳呈现。此外,来自广大读者的反馈既是对我们莫大的肯定和鼓舞,也总能让我们找到提升的空间。本丛书凝聚了上述各方的心血和智慧,在此,谨对他们的热忱帮助和卓越贡献深表谢意!

“千淘万漉虽辛苦,吹尽狂沙始到金。”在图书市场竞争日趋激烈的今天,北京大学出版社始终秉承“教材优先,学术为本”的宗旨,把精品教材的建设作为一项长期的事业。尽管其中有探索、有坚持、有舍弃,但我们深信,经典必将长远传承,并历久弥新。我们的事业也需要您的热情参与!在此,诚邀各位专家学者和一线教师为我们推荐优秀的经济管理图书(em@pup.cn),并期待来自广大读者的批评和建议。您的需要始终是我们为之努力的目标方向,您的支持是激励我们不断前行的动力源泉!让我们共同引进经典、传播智慧,为提升中国经济管理教育的国际化水平做出贡献!

北京大学出版社
经济与管理图书事业部

改编者前言

呈现在读者面前的是由美国 Hoyle、Schaefer 和 Doupnik 三位教授合著的《高级会计学》(第 11 版),选取本教材源于我在中央财经大学会计学院承担“高级财务会计”的双语教学工作。在双语授课时,首先遇到的就是教材选取的问题。我几乎翻阅了所有国内能够找到的原版教材,如 Beams 的 *Advanced Accounting*、Larson 的 *Modern Advanced Accounting*、Ficher 的 *Advanced Accounting*、Baker 的 *Advanced Financial Accounting* 等,但发现这些教材的出版时间较早,对美国合并报表等准则的介绍相对滞后。而后,我又在网络上查遍了美国出版的所有高级会计教材,经过仔细筛选,最终选择了 Hoyle、Schaefer 和 Doupnik 教授合著的这本教材。

本版教材的最大特点在于内容新颖,紧跟国际前沿。本版教材第一时间将美国合并的最新进展容纳到合并报表内容的讲解当中,使读者在掌握美国最新合并准则的同时,能够把握我国会计准则中有关企业合并等准则的未来发展方向。

本版教材的另一特点是教材中的内容自始至终紧扣美国财务会计准则公告,这在高级会计的教材中并不多见。如涉及合并报表、分部报告及外币交易内容时,都包含财务会计准则公告的相应原文,使读者能够依据准则规定来理解相应知识。同时,本版教材每章中增加了美国会计准则与国际财务报告准则(IFRS)内容的比较,使读者能够比较全面地了解相应的国际发展趋势。

此外,本版教材的体例安排充分体现了作者的独具匠心。在每一章的开始,作者都是以案例的形式引入本章所介绍的主题,容易激发学生的学习兴趣。同时,每一章后都附有一道完整的综合练习题(Comprehensive Illustration),该综合练习题体现了学生在这一章所需掌握的重点知识,并且对教材内容有进一步的深化和拓展,极大地加深了学生对教材内容的理解。

本版教材的原版信息量较大,内容相对丰富,但由于受教学学时所限,删减了原

版教材的部分章节。具体如下:删除原版教材第13章至第19章的内容,包括重组与清算、合伙会计、州和地方政府会计、私立非营业组织会计以及地产和信托会计等内容。

改编后的教材整体为第1章至第12章,内容如下:第1章 投资的权益法会计处理;第2章 合并财务信息;第3章 购并日之后的合并;第4章 合并财务报表与外部所有权;第5章 合并财务报表——实体间资产交易;第6章 可变利益实体、公司间债务、合并现金流量表和其他问题;第7章 合并财务报表——所有权形式与所得税;第8章 分部与中期报告;第9章 外汇交易与外汇交易风险套期保值;第10章 外币财务报表折算;第11章 全球会计多样化和国际准则;第12章 财务报告和证券交易委员会。

本版教材的第9版曾于2009年由北京大学出版社改编出版。此外,本版教材的不同版本在中央财经大学会计学院高级财务会计课程已使用近10年,收到了良好的教学效果。

本版教材由中央财经大学会计学院教师王鑫主持译注工作。各章译注人员如下:第1章,张舒雯;第2章,赵阳;第3章,何懿敏;第4章,李方怡;第5章,张双妹;第6章,谭力维;第7章,靳婉钰;第8章,王科心;第9章,朱雨;第10章,徐翊焜;第11章,刘茜毓;第12章,吴林颖。文前本版更新的内容由李赫翻译。

在本版教材的改编过程中,北京大学出版社的叶楠编辑和任京雪编辑多次与我沟通,同时给予了诸多建议,在此深表谢意!

高级会计的难点在于合并财务报表的编制,通过对本版教材的学习,相信读者能够领略到合并报表编制的精髓与魅力!

王 鑫

中央财经大学会计学院

2016年9月8日

关于本书

适用对象

本书适合会计学专业高年级本科生、研究生及教师和其他相关人士使用。

内容简介

本书重点围绕合并财务报表的编制展开阐述,以使读者深入学习美国最新颁布的合并准则,掌握前沿的合并理论及方法;同时,本书还详述了分部报告与中期报告、外币交易与外币报表折算、全球会计多样化和国际准则及财务报告和证券交易委员会等内容。

主要特色

- 内容紧跟国际前沿,并自始至终紧扣美国财务会计准则公告。
- 体例新颖,每章均以案例形式引入本章主题,且每章章后都有一道完整的综合练习题。
- 模拟 CPA 考试。McGraw-Hill 公司和 Kaplan 公司联合开发了 CPA 模拟考试来测试学生对书中各章节所讨论概念的理解、实际联系职业生涯所必需的执业技能以及为计算机化的 CPA 考试作准备。

本版更新

整体来说,本书提供了美国财务会计准则委员会(FASB)及会计准则法典(ASC)中最新的会计准则参考。

章节变动情况:

第 1 章:

- 调整了结构,溢价摊销部分改为直接按照权益法基础核算。
- 更新了真实案例及引文。
- 增加了问题 14,加入了对投资对象其他综合收益的核算。
- 更新了章末分析案例,鉴于并购后可口可乐公司(Coca-cola)对可口可乐制造企业(Coca-cola Enterprises)享有控制权,投资对象不再采用权益法核算。
- 增加了两道与 CPA 考试同类型的模拟练习。

第 2 章:

- 加入了近期三家企业合并案例的叙述——美国联合航空与大陆航空合并(United and Continental Airlines)、默克与先灵葆雅合并(Merck and Schering-Plough)及耐克与茵宝合并(Nike and Umbro)。这些合并为我们了解合并动机、合并特有的财务影响及企业合并的潜在风险提供了真实范例。

● 更新了其他章节的真实案例及引文,包括国际会计准则委员会和国际会计准则理事会(IASB)对控制的最新定义。

- 增加了 6 个新的章末问题和 2 个新的案例。第一个案例是会计准则法典中关于企业合

并中取得的防御性无形资产的研究案例,第二个案例要求学生研究近期发生的雅培(Abbot Labs)收购苏威制药(Solvay Pharmaceuticals)事件。

- 增加了与 CPA 考试同类型的模拟练习。

- 鉴于会计准则法典对并购方法的核算要求已是老生常谈,将购买法和权益结合法的内容移到了附录。

- 增加了新的章末问题,简要回顾了传统方法。

第 3 章:

- 更新了商誉减值的内容,以反映美国财务会计准则委员会及会计准则法典在 2011 年对 305 话题的修改,该话题允许企业首先针对报告单元的公允价值是否可能低于账面价值做出定性分析。

- 增加了 4 个章末问题及 1 个研究案例,该案例对比了国际财务报告准则(IFRS)及美国公认会计原则(GAAP)中商誉减值测试程序。

第 4 章:

- 更新了真实案例及引文。

- 增加了 5 个章末问题。

- 增加了 2 个新的研究案例。第一个是关于可口可乐公司对可口可乐制造企业的收购,主要研究了企业合并中对员工更换奖会计处理问题。第二个案例要求学生研究会计准则法典中关于企业合并的基本财务报告问题。另外还有两个额外的问题,要求学生研究国际财务报告准则及美国公认会计原则下合并日非控制权益估值选择方法的差异。

- 删除了基于现行合并方法要求的购买法和权益结合法下合并后财务报表的编制内容,但在第 2 章的附录中加入了这些合并方法的内容。

第 5 章:

- 修改了合并过程中企业内部存货转移问题的阐述顺序,首先给出了母公司运用权益法的例子,然后阐述了初值法和不完全权益法。

- 针对母公司运用权益法时企业期初存货内部顺销利润,合并底稿分录中借方科目由对子公司投资改为对子公司投资收益。针对期初存货内部交易利润的认定,更新的脚注讨论了子公司投资收益账户的借方平衡。

- 修改了章末问题 18,关注了合并净收益在控制权和在不具控制权下的确认和分配。

第 6 章:

- 更新了真实案例及引文,包括对新国际会计准则、国际财务报告准则(IFRS)第 10 号和第 12 号关于企业合并和相关披露的讨论。

- 增加了问题 25,该问题考察了母公司和各利益实体合并日合并财务报表的编制。

- 修改了合并利益实体的文字范例,加入了合并日估值分别计算的问题。

- 修改了内部企业债券的文字范例(及相关章末问题),加入了针对债券溢价和折价的合并底稿科目,以及母公司在权益法下,关于有效债券清偿对下一年影响的底稿科目。

- 整理了不具控制权下内部企业债券的内容,强调了母公司唯一分配收益的基本问题。

第 7 章:

- 重述了部分内容,使其更加清晰明了。

● 修改了部分章末问题,包括本章最后递延税金的案例。此案例的内容是可口可乐公司对可口可乐制造企业的收购问题及其对可口可乐递延税金的影响。

第 8 章:

- 更新了所有年度报告的摘录及范例。
- 加入了关于应披露经营分部认定的流程图。

第 9 章:

- 加入了总结外汇风险套期保值的会计处理表格。
- 针对范例中外币计价的资产和负债及外币包销承诺的套期保值的会计处理,解释了其会计分录。

- 加入了国际会计准则理事会 2011 年发布的关于套期保值会计处理的征求意见稿。
- 更新了要求使用实际汇率的年度报告摘录、范例及章末案例。

第 10 章:

- 更新了国际兼并与并购的引文。
- 加入了对近期被指定为高通货膨胀经济体的讨论。
- 针对存在不止一种汇率的国家(即将本地货币转换为不止一种外币),加入了关于适当汇率的讨论。

- 加入了非当地货币账户余额换算的范例。

第 11 章:

- 更新了所有年度报告摘录及相关的讨论。
- 更新了关于国际财务报告准则(IFRS)的表格,及全球采用国际财务报告准则编制合并财务报表的表格。

- 加入了各国基于国际财务报告准则对财务报告披露的要求,以及对两种基本方法运用的讨论。

- 删掉了国际会计准则理事会美国财务会计准则委员会统一过程的大部分细节。

- 加入了 2011 年发布的美国证券交易委员会成员讨论文件总结,该文件提出了将国际财务报告准则并入美国财务报告系统的可能框架。

第 12 章:

- 加入了对《多德—弗兰克华尔街改革及消费者保护法案》(Dodd-Frank Wall Street Reform and Consumer Protection Act)的简要描述及引文。

- 更新了美国证券交易委员会的各方面数据。
- 阐明了美国证券交易委员会的部门信息。
- 重新检查了脚注中的网页链接,并进行适当更新。
- 补充了脚注中的网页链接或增加了额外的脚注。
- 对章末问题及解决方案手册做了微小调整。

教辅资料说明

1. 教师教辅资料

- 教师手册

- 习题库
- PowerPoint 幻灯片
- ExcelTemplate 作业题及答案

欲获得本书相关资料的老师,请填写并反馈本书后面所附的《教学支持说明》,McGraw-Hill 出版公司将提供相应的教辅资料。

2. 学生教辅资料

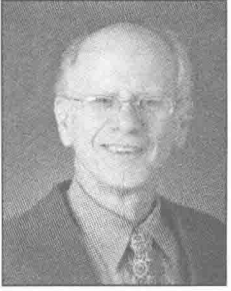
- ExcelTemplate 作业题
- PowerPoint 幻灯片

欲获得本书相关资料的学生,请登录 <http://www.mhhe.com/hoylelle>。

改编说明

鉴于原书篇幅过大,为便于教学安排,我们在出版过程中对原书中的部分内容进行了删减。感谢中央财经大学会计学院教师王鑫为本书提供了审慎而细致的改编方案。欢迎广大读者在使用中提出意见和建议。

About the Authors



Joe B. Hoyle, *University of Richmond*

Joe B. Hoyle is Associate Professor of Accounting at the Robins School of Business at the University of Richmond, where he teaches Intermediate Accounting and Advanced Accounting. In 2009, he was named one of the 100 most influential people in the accounting profession by *Accounting Today*. He was named the 2007 Virginia Professor of the Year by the Carnegie Foundation for the Advancement of Teaching and the Center for Advancement and Support of Education. He has been named a Distinguished Educator five times at the University of Richmond and Professor of the Year on two occasions. Joe recently authored a book of essays titled *Tips and Thoughts on Improving the Teaching Process in College*, which is available without charge at <http://oncampus.richmond.edu/~jhoyle/>.



Thomas F. Schaefer, *University of Notre Dame*

Thomas F. Schaefer is the KPMG Professor of Accounting at the University of Notre Dame. He has written a number of articles in scholarly journals such as *The Accounting Review*, *Journal of Accounting Research*, *Journal of Accounting & Economics*, *Accounting Horizons*, and others. His primary teaching and research interests are in financial accounting and reporting. Tom is active with the Association for the Advancement of Collegiate Schools of Business International and is a past president of the American Accounting Association's Accounting Program Leadership Group. Tom received the 2007 Joseph A. Silvos Faculty Merit Award from the Federation of Schools of Accountancy.



Timothy S. Douppnik, *University of South Carolina*

Timothy S. Douppnik is Vice Provost and Professor of Accounting at the University of South Carolina, where he teaches Financial and International Accounting. Tim has published extensively in the area of international accounting in journals such as *The Accounting Review*; *Accounting, Organizations, and Society*; *Abacus*; *International Journal of Accounting*; and *Journal of International Business Studies*. Tim is a past president of the American Accounting Association's International Accounting Section, and he received the section's Outstanding International Accounting Educator Award in 2008.

简 明 目 录

作者简介	x
第 1 章 投资的权益法会计处理	1
第 2 章 合并财务信息	39
第 3 章 购并日之后的合并	85
第 4 章 合并财务报表与外部所有权	145
第 5 章 合并财务报表——实体间资产交易	199
第 6 章 可变利益实体、公司间债务、合并现金流量表和其他问题	247
第 7 章 合并财务报表——所有权形式与所得税	301
第 8 章 分部与中期报告	343
第 9 章 外汇交易与外汇交易风险套期保值	385
第 10 章 外币财务报表折算	449
第 11 章 全球会计多样化和国际准则	505
第 12 章 财务报告和证券交易委员会	549

Contents

Chapter 1

The Equity Method of Accounting for Investments 1

The Reporting of Investments in Corporate Equity Securities 1

Fair-Value Method 2

Consolidation of Financial Statements 2

Equity Method 3

Discussion Question: Did the Cost Method Invite Earnings Manipulation? 4

International Accounting Standard 28—Investments in Associates 4

Application of the Equity Method 5

Criteria for Utilizing the Equity Method 5

Accounting for an Investment—The Equity Method 7

Equity Method Accounting Procedures 9

Excess of Investment Cost Over Book Value Acquired 9

Discussion Question: Does the Equity Method Really Apply Here? 10

The Amortization Process 11

Equity Method—Additional Issues 14

Reporting a Change to the Equity Method 14

Reporting Investee Income from Sources Other Than

Continuing Operations 15

Reporting Investee Losses 16

Reporting the Sale of an Equity Investment 17

Deferral of Unrealized Profits in Inventory 18

Downstream Sales of Inventory 19

Upstream Sales of Inventory 20

Financial Reporting Effects and Equity

Method Criticisms 21

Equity Method Reporting Effects 21

Criticisms of the Equity Method 22

Fair-Value Reporting Option for Equity

Method Investments 22

Discussion Question: Should Investor-Investee Relations Determine Investor Accounting for Investee? 24

Summary 24

Chapter 2

Consolidation of Financial Information 39

Expansion through Corporate Takeovers 40

Reasons for Firms to Combine 40

United Airlines and Continental Airlines 42

Merck and Schering-Plough 42

Nike and Umbro 43

The Consolidation Process 43

Business Combinations—Creating a Single Economic Entity 44

Control—An Elusive Quality 45

Consolidation of Financial Information 46

Financial Reporting for Business Combinations 47

The Acquisition Method 47

Consideration Transferred for the Acquired Business 47

Assets Acquired and Liabilities Assumed 48

Goodwill, and Gains on Bargain Purchases 49

Procedures for Consolidating Financial Information 49

Acquisition Method When Dissolution Takes Place 50

Related Costs of Business Combinations 53

The Acquisition Method When Separate Incorporation Is Maintained 54

Acquisition-Date Fair-Value Allocations—Additional Issues 58

Intangibles 58

Preexisting Goodwill on Subsidiary's Books 59

Acquired In-Process Research and Development 60

Convergence Between U.S. and International Accounting Standards 62

Summary 62

Appendix: Legacy Methods of Accounting for Business Combinations 67

Chapter 3

Consolidations—Subsequent to the Date of Acquisition 85

Consolidation—The Effects Created by the Passage of Time 85

Investment Accounting by the Acquiring Company 86

Internal Investment Accounting Alternatives—The Equity Method, Initial Value Method, and Partial Equity Method 86

Subsequent Consolidation—Investment Recorded by the Equity Method 88

Acquisition Made During the Current Year 88

Determination of Consolidated Totals 90

Consolidation Worksheet 92

Consolidation Subsequent to Year of Acquisition—Equity Method 95

Subsequent Consolidations—Investment Recorded Using Initial Value or Partial Equity Method 98

Acquisition Made During the Current Year 98

Consolidation Subsequent to Year of Acquisition—Initial Value and Partial Equity Methods 102

Goodwill Impairment 107

Discussion Question: How Does a Company Really Decide Which Investment Method to Apply? 109

- Assigning Goodwill to Reporting Units* 109
- Qualitative Assessment Option* 110
- Testing Goodwill for Impairment—Steps 1 and 2* 111
- Illustration—Accounting and Reporting for a Goodwill Impairment Loss* 112
- Reporting Units with Zero or Negative Carrying Amounts* 113

Comparisons with International Accounting Standards 113

- Goodwill Allocation* 113
- Impairment Testing* 114
- Determination of the Impairment Loss* 114

Amortization and Impairment of Other Intangibles 114

Contingent Consideration 115

- Accounting for Contingent Consideration in Business Combinations* 115

Push-Down Accounting 116

- External Reporting* 116
- Internal Reporting* 117

Summary 118

Chapter 4

Consolidated Financial Statements and Outside Ownership 145

Consolidated Financial Reporting in the Presence of a Noncontrolling Interest 146

- Subsidiary Acquisition—Date Fair Value in the Presence of a Noncontrolling Interest* 147

Allocating the Subsidiary's Net Income to the Parent and Noncontrolling Interests 150

Partial Ownership Consolidations (Acquisition Method) 150

Discussion Question 151

- Consolidated Financial Statement Presentations of Noncontrolling Interest* 160

Alternative Fair-Value Specification—Evidence of a Control Premium 160

- Effects Created by Alternative Investment Methods* 164

Revenue and Expense Reporting for Midyear Acquisitions 165

- Consolidating Postacquisition Subsidiary Revenue and Expenses* 165
- Acquisition Following an Equity Method Investment* 167

Step Acquisitions 167

- Control Achieved in Steps—Acquisition Method* 167
- Example: Step Acquisition Resulting in Control—Acquisition Method* 168
- Worksheet Consolidation for a Step Acquisition (Acquisition Method)* 170
- Example: Step Acquisition Resulting After Control Is Obtained* 170
- Parent Company Sales of Subsidiary Stock—Acquisition Method* 172

- Cost-Flow Assumptions* 173
- Accounting for Shares That Remain* 173

Comparisons with International Accounting Standards 174

Summary 174

Chapter 5

Consolidated Financial Statements—Intra-Entity Asset Transactions 199

Intra-Entity Inventory Transactions 200

- The Sales and Purchases Accounts* 200
- Unrealized Gross Profit—Year of Transfer (Year 1)* 201

Discussion Question: Earnings Management 202

- Unrealized Gross Profit—Year Following Transfer (Year 2)* 203
- Unrealized Gross Profit—Effect on Noncontrolling Interest* 205
- Intra-Entity Inventory Transfers Summarized* 206
- Intra-Entity Inventory Transfers Illustrated: Parent Uses Equity Method* 207
- Effects of Alternative Investment Methods on Consolidation* 215

Discussion Question: What Price Should We Charge Ourselves? 218

Intra-Entity Land Transfers 220

- Accounting for Land Transactions* 220
- Eliminating Unrealized Gains—Land Transfers* 220
- Recognizing the Effect on Noncontrolling Interest—Land Transfers* 222

Intra-Entity Transfer of Depreciable Assets 222

- Deferral of Unrealized Gains* 223
- Depreciable Asset Transfers Illustrated* 223
- Depreciable Intra-Entity Asset Transfers—Downstream Transfers When the Parent Uses the Equity Method* 225
- Effect on Noncontrolling Interest—Depreciable Asset Transfers* 226

Summary 226

Chapter 6

Variable Interest Entities, Intra-Entity Debt, Consolidated Cash Flows, and Other Issues 247

Consolidation of Variable Interest Entities 247

- What Is a VIE?* 248
- Consolidation of Variable Interest Entities* 249
- Procedures to Consolidate Variable Interest Entities* 253
- Consolidation of a VIE Illustrated* 253
- Other Variable Interest Entity Disclosure Requirements* 255
- Proposed Accounting Standards Update on Variable Interest Entities* 255

Comparisons with International Accounting Standards 256

Intra-Entity Debt Transactions 256

- Acquisition of Affiliate's Debt from an Outside Party* 257
- Accounting for Intra-Entity Debt Transactions—Individual Financial Records* 258

Effects on Consolidation Process 259
Assignment of Retirement Gain or Loss 260
Intra-Entity Debt Transactions—Subsequent to Year of Acquisition 260

Discussion Question: Who Lost This \$300,000? 261

Subsidiary Preferred Stock 264

Consolidated Statement of Cash Flows 266
Acquisition Period Statement of Cash Flows 266
Statement of Cash Flows in Periods Subsequent to Acquisition 267

Consolidated Earnings per Share 270

Subsidiary Stock Transactions 273
Changes in Subsidiary Value—Stock Transactions 273
Subsidiary Stock Transactions—Illustrated 276

Summary 280

Chapter 7

Consolidated Financial Statements—Ownership Patterns and Income Taxes 301

Indirect Subsidiary Control 301
The Consolidation Process When Indirect Control Is Present 302
Consolidation Process—Indirect Control 304

Indirect Subsidiary Control—Connecting Affiliation 310

Mutual Ownership 312
Treasury Stock Approach 312
Mutual Ownership Illustrated 313

Income Tax Accounting for a Business

Combination 315
Affiliated Groups 315
Deferred Income Taxes 316
Consolidated Tax Returns—Illustration 317
Income Tax Expense Assignment—Consolidated Return 318
Filing of Separate Tax Returns 319
Temporary Differences Generated by Business Combinations 322
Business Combinations and Operating Loss Carryforwards 324

Income Taxes and Business Combinations—Comparisons with International Accounting Standards 325
 Summary 325

Chapter 8

Segment and Interim Reporting 343

Segment Reporting 344

Operating Segments 344
The Management Approach 344

Determination of Reportable Operating Segments 345

Quantitative Thresholds 345

Testing Procedures—Complete Illustration 347

Other Guidelines 349

Information to Be Disclosed by Reportable Operating Segment 350

Reconciliations to Consolidated Totals 352
Explanation of Measurement 353

Examples of Operating Segment Disclosures 354

Entity-Wide Information 355
Information about Products and Services 355
Information about Geographic Areas 356
Information about Major Customers 357

Discussion Question: How Does a Company Determine Whether a Foreign Country Is Material? 358

IFRS—Segment Reporting 359

Interim Reporting 359
Revenues 360
Inventory and Cost of Goods Sold 360
Other Costs and Expenses 361
Extraordinary Items 362
Income Taxes 362
Change in Accounting Principle 363
Seasonal Items 365

Minimum Disclosures in Interim Reports 365

Segment Information in Interim Reports 366

IFRS—Interim Reporting 366

Summary 367

Chapter 9

Foreign Currency Transactions and Hedging Foreign Exchange Risk 385

Foreign Exchange Markets 385

Exchange Rate Mechanisms 386
Foreign Exchange Rates 386
Spot and Forward Rates 388
Option Contracts 388

Foreign Currency Transactions 389

Accounting Issue 390
Accounting Alternatives 390
Balance Sheet Date Before Date of Payment 391

Hedges of Foreign Exchange Risk 393

Derivatives Accounting 393
Fundamental Requirement of Derivatives Accounting 394
Determination of Fair Value of Derivatives 394
Accounting for Changes in the Fair Value of Derivatives 394

Hedge Accounting 395

Nature of the Hedged Risk 395
Hedge Effectiveness 396
Hedge Documentation 396
Hedging Combinations 396

Hedges of Foreign Currency Denominated Assets and Liabilities 399

Cash Flow Hedge 399
Fair Value Hedge 399

Forward Contract Used to Hedge a Foreign Currency Denominated Asset 399

- Forward Contract Designated as Cash Flow Hedge* 401
- Forward Contract Designated as Fair Value Hedge* 404

Discussion Question: Do We Have a Gain or What? 406

- Cash Flow Hedge versus Fair Value Hedge* 407
- Foreign Currency Option Used to Hedge a Foreign Currency Denominated Asset 408
 - Option Designated as Cash Flow Hedge* 409
 - Option Designated as Fair Value Hedge* 411
- Hedges of Unrecognized Foreign Currency Firm Commitments 413

- Forward Contract Used as Fair Value Hedge of a Firm Commitment* 414
- Option Used as Fair Value Hedge of Firm Commitment* 416

Hedge of Forecasted Foreign Currency Denominated Transaction 418

- Forward Contract Cash Flow Hedge of a Forecasted Transaction* 418
- Option Designated as a Cash Flow Hedge of a Forecasted Transaction* 420

- Use of Hedging Instruments 422
 - The Euro* 423

- Foreign Currency Borrowing 423
 - Foreign Currency Loan* 424

- IFRS—Foreign Currency Transactions and Hedges 424
- Summary 425

Chapter 10

Translation of Foreign Currency Financial Statements 449

- Exchange Rates Used in Translation 450

Discussion Question: How Do We Report This? 451

- Translation Adjustments* 452
- Balance Sheet Exposure* 452
- Translation Methods 453
 - Current Rate Method* 453
 - Temporal Method* 453
 - Translation of Retained Earnings* 455
- Complicating Aspects of the Temporal Method 456
 - Calculation of Cost of Goods Sold* 456
 - Application of the Lower-of-Cost-or-Market Rule* 456
 - Fixed Assets, Depreciation, and Accumulated Depreciation* 457
 - Gain or Loss on the Sale of an Asset* 457
- Treatment of Translation Adjustment 458
- U.S. Rules 458
 - Two Translation Combinations* 459
 - Highly Inflationary Economies* 460
 - Appropriate Exchange Rate* 462
- The Process Illustrated 462

- Translation of Financial Statements—Current Rate Method 464

- Translation of the Balance Sheet* 465
- Translation of the Statement of Cash Flows* 466
- Remeasurement of Financial Statements—Temporal Method 467
 - Remeasurement of the Income Statement* 467
 - Remeasurement of the Statement of Cash Flows* 469
 - Nonlocal Currency Balances* 470
- Comparison of the Results from Applying the Two Different Methods 471
 - Underlying Valuation Method* 472
 - Underlying Relationships* 472
- Hedging Balance Sheet Exposure 472
- Disclosures Related to Translation 474
- Consolidation of a Foreign Subsidiary 474
 - Translation of Foreign Subsidiary Trial Balance* 475
 - Determination of Balance in Investment Account—Equity Method* 476
 - Consolidation Worksheet* 477
- IFRS—Translation of Foreign Currency Financial Statements 478
- Summary 480

Chapter 11

Worldwide Accounting Diversity and International Standards 505

- Evidence of Accounting Diversity 506
- Reasons for Accounting Diversity 510
 - Legal System* 510
 - Taxation* 511
 - Financing System* 511
 - Inflation* 511
 - Political and Economic Ties* 512
 - Culture* 512
- A General Model of the Reasons for International Differences in Financial Reporting 513
- Problems Caused by Diverse Accounting Practices 514
- International Harmonization of Financial Reporting 515
 - European Union* 515
- International Accounting Standards Committee 516
 - The IOSCO Agreement* 516
- International Accounting Standards Board 517
 - International Financial Reporting Standards (IFRS)* 517
 - Use of IFRS* 519
- FASB—IASB Convergence 520
- SEC Acceptance of IFRS 521
 - IFRS Roadmap* 522
 - A Possible Framework for Incorporating IFRS into U.S. Financial Reporting* 523
- First-Time Adoption of IFRS 524
 - IFRS Accounting Policy Hierarchy* 527
- Differences Between IFRS and U.S. GAAP 528
 - Recognition Differences* 528
 - Measurement Differences* 528