



Seventeenth Edition

Volume I

Chapters 1 - 12

Fundamental Accounting Principles

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WILD

CHIAPPETTA

17
edition

Volume I Chapters 1–12

Fundamental Accounting Principles

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To my wife **Nancy**.

To my wife **Gail** and children, **Kimberly, Jonathan, Stephanie, and Trevor**.

To my husband **Bob**, my sons **Michael and David**, and my **mother**.



FUNDAMENTAL ACCOUNTING PRINCIPLES

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The first edition of Fundamental Accounting Principles was published fifty years ago, into a world very different from the one we live in today.

Technological tools that have reshaped the accounting profession—handheld computers, telecommunications, the Internet—could scarcely have been imagined by the men and women filling in ledgers or punching figures into adding machines. What they had were principles: tried-and-true rules and practices for collecting and interpreting information comprehensively, accurately, and responsibly.

Technology makes certain accounting functions easier, but students require a firm grounding in principles to become good business people—in any era. Teaching these principles in a way that is engaging to students while providing instructors with the support they need has been the goal of Fundamental Accounting Principles since the first copy rolled off the press.

Over the years instructors have turned to Fundamental Accounting Principles confident that they have selected the most accurate, best organized, and best written book on the market. Feedback on the book's pedagogy, real world examples, and assignment materials has always been outstanding. We've long believed in doing whatever it takes to keep students engaged, from creating interesting chapter opening vignettes to integrating leading-edge technology tools.

With fifty years of success and the expertise of our talented author team, **Fundamental Accounting Principles achieves new heights in student motivation, creative pedagogy, technology integration, and end-of-chapter material.**

Thank you for choosing Fundamental Accounting Principles. Here's to the next fifty years!



Fundamental Accounting Principles Rates #1

As with the past fifty years, we actively solicited your feedback when planning the 17th edition of Fundamental Accounting Principles (FAP). Independent research* confirmed what we already knew: **Instructors find FAP more satisfying to use than any other principles textbook.**

"It (FAP) is the best text I have ever used (in 15 years of teaching). It is the best resource text available for my students to keep and include in their professional library after the course."

— L. Hass,
Glen Oaks
Community College

Top Five Textbooks	Rated as Very Satisfied or Satisfied by Instructors	Mean Rating*
FAP, Larson/Wild/Chiappetta	100%	4.46
Competitor #1	75%	3.83
Competitor #2	64%	3.83
Competitor #3	60%	3.76
Competitor #4	47%	3.79

*Instructors ranked books from very dissatisfied (1) to very satisfied (5).

The choice is clear: of the five best-selling principles books, FAP scores consistently highest in user satisfaction.

Fundamental Accounting Principles also rates #1 with instructors surveyed[†] in each of the following key areas:

- #1 in Accuracy**
- #1 in Clarity**
- #1 in Pedagogy**
- #1 in Organization**
- #1 in Real-World Examples**
- #1 in Problems and Exercises**
- #1 in Supplements**

And remember, a book that satisfies your needs is that much more likely to satisfy your students' needs as well.

"With the help of the book, my instructor, and especially the FAP CD-ROM, I am excelling in the class and like it so much I am considering becoming an Accounting major myself! Thanks and keep up the good work!"

— Aimee Liddell, Student, Liberty University

[†]Independent study conducted by Professional Research Group, February 2003.

Kermit D. Larson is the Arthur Andersen & Co. Alumni Professor of Accounting Emeritus at the University of Texas at Austin. He served as chairman of the University of Texas, Department of Accounting and was visiting professor at Tulane University. His scholarly articles have been published in a variety of journals, including *The Accounting Review*, *Journal of Accountancy*, and *Abacus*. He is the author of several books, including *Financial Accounting* and *Fundamentals of Financial and Managerial Accounting*, both published by McGraw-Hill/Irwin.

Professor Larson is a member of the American Accounting Association, the Texas Society of CPAs, and the American Institute of CPAs. His positions with the AAA have included vice president, southwest regional vice president, and chairperson of several committees, including the Committee of Concepts and Standards. He was a member of the committee that planned the first AAA doctoral consortium and served as its director.

Professor Larson served as president of the Richard D. Irwin Foundation. He also served on the Accounting Accreditation Committee and on the Accounting Standards Committee of the AACSB. He was a member of the Constitutional Drafting Committee of the Federation of Schools of Accountancy and a member of the Commission on Professional Accounting Education. He has been an expert witness on cases involving mergers, antitrust litigation, consolidation criteria, franchise taxes, and expropriation of assets by foreign governments. Professor Larson served on the Board of Directors and Executive Committee of Tekcon, Inc., and on the National Accountants Advisory Board of Safe-Guard Business Systems. In his leisure time, he enjoys skiing and is an avid sailor and golfer.

John J. Wild is a professor of accounting and the Robert and Monica Beyer Distinguished Professor at the University of Wisconsin at Madison. He previously held appointments at Michigan State University and the University of Manchester in England. He received his BBA, MS, and PhD from the University of Wisconsin.

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

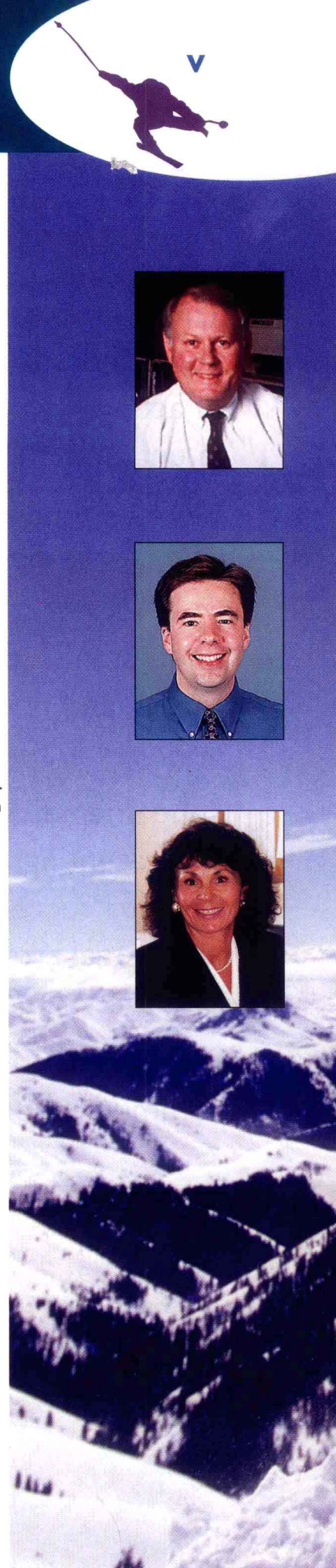
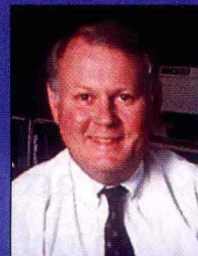
Professor Wild is an active member of the American Accounting Association and its sections. He has served on several committees of these organizations, including the Outstanding Accounting Educator Award, Wildman Award, National Program Advisory, Publications, and Research Committees. Professor Wild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

Professor Wild, his wife, and four children enjoy travel, music, sports, and community activities.

Barbara Chiappetta received her BBA in Accountancy and MS in Education from Hofstra University and is a tenured full professor at Nassau Community College. For the past 17 years, she has been an active executive board member of the Teachers of Accounting at Two-Year Colleges (TACTYC), serving 10 years as vice president and as president from 1993 through 1999. As an active member of the American Accounting Association, she has served on the Northeast Regional Steering Committee, chaired the Curriculum Revision Committee of the Two-Year Section, and participated in numerous national committees.

In 1998, Professor Chiappetta was inducted into the American Accounting Association Hall of Fame for the Northeast Region. She received the Nassau Community College dean of instruction's Faculty Distinguished Achievement Award in 1995. Professor Chiappetta was honored with the State University of New York Chancellor's Award for Teaching Excellence in 1997. As a confirmed believer in the benefits of active learning pedagogy, Professor Chiappetta has authored *Student Learning Tools*, an active learning workbook for a first-year accounting course, published by McGraw-Hill/Irwin.

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





Fundamental Accounting Principles, 17e

The principles course is crucial for accounting majors and non-majors alike. It is a student's first step into the world of accounting, one which quickly immerses them in unfamiliar and challenging new concepts.

Much of your students' future success in both accounting and business is determined in the time spent in the principles course. Will your students struggle with this new material? Or will they understand that accounting is a vital discipline relevant to any career, and use that knowledge to **achieve new heights of success** in business and throughout their lives?

Fundamental Accounting Principles has always been dedicated to presenting accounting concepts as vital tools that anyone can learn to successfully use. The 17th edition expands on this traditional strength by especially focusing on three areas: **student engagement, technology, and end-of-chapter material**.

FAP 17e portrays accounting as it truly is—a language of business communication that is vital to student success.

"FAP has good coverage for [the Principles course] and excellent exercises, problems, and end-of-chapter materials."

— S. McClure, Tri-County Tech



New heights in student engagement

Instructors repeatedly raise a common concern: the biggest hurdle they face is getting students interested and motivated in the materials. FAP provides solutions. It is more engaging and student-friendly than any competing book, from the book's eye-catching design to its comprehensive and stimulating end-of-chapter material. Each new book includes the actual shareholders' report from Krispy Kreme Doughnuts, which gets real financial data in students' hands. Moreover, engaging chapter-opening vignettes focus on small businesses and entrepreneurs to show how accounting knowledge is a springboard to success.



"I think FAP does a better job motivating and sustaining student interest in accounting."

— L. Kolar, Bucks County Community College

New heights in technology

Match our technology assets against those of any other book, and we're confident you'll agree: FAP's technology is, hands-down, the best in the market.

- Carol Yachts General Ledger and Peachtree Complete Accounting 2004
- ALEKS for Financial Accounting and ALEKS for the Accounting Cycle
- McGraw-Hill's Homework Manager
- Topic Tackler
- Online Learning Center

To learn more about these and other technology enhancements, see page xi.

New heights of end-of-chapter material

FAP's end-of-chapter content is tightly coordinated with the main body of the chapter. Icons for C.A.P. learning objectives make it easy for students to flip back in the chapter to a particular discussion, or to pick up the solution strategy for a specific assignment. In addition, FAP takes technology integration to a new level with two powerful and popular study aids, Homework Manager and Topic Tackler, both specifically written to coordinate with FAP. We also revised and expanded the two problem sets for every chapter of FAP, with a third set available on the text's Online Learning Center.

By addressing students in language that speaks to them, by providing your class with market-leading technology support, and by ensuring the textbook package is strong in the areas you rely on most, FAP helps you **achieve new heights of success** in the classroom—and beyond.

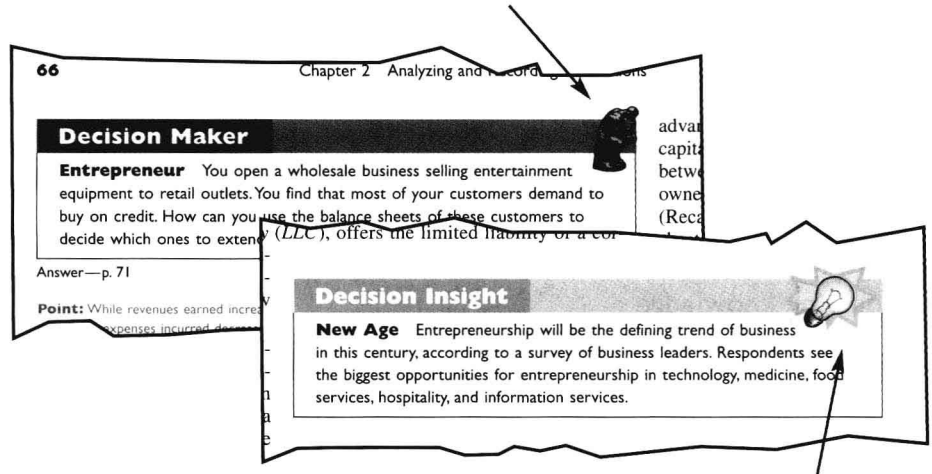




A decision icon calls out all relevant material within chapters, whether it's a boxed item or end-of-chapter item.

Decision Center

Whether we prepare, analyze, or apply accounting information, one skill remains essential: decision making. To help develop good decision-making habits *and* to illustrate the relevance of accounting, FAP uses a unique pedagogical framework called the Decision Center. This framework is comprised of a variety of approaches and subject areas, giving students insight into every aspect of business decision making. Answers to Decision Maker and Ethics boxes are at the end of each chapter.



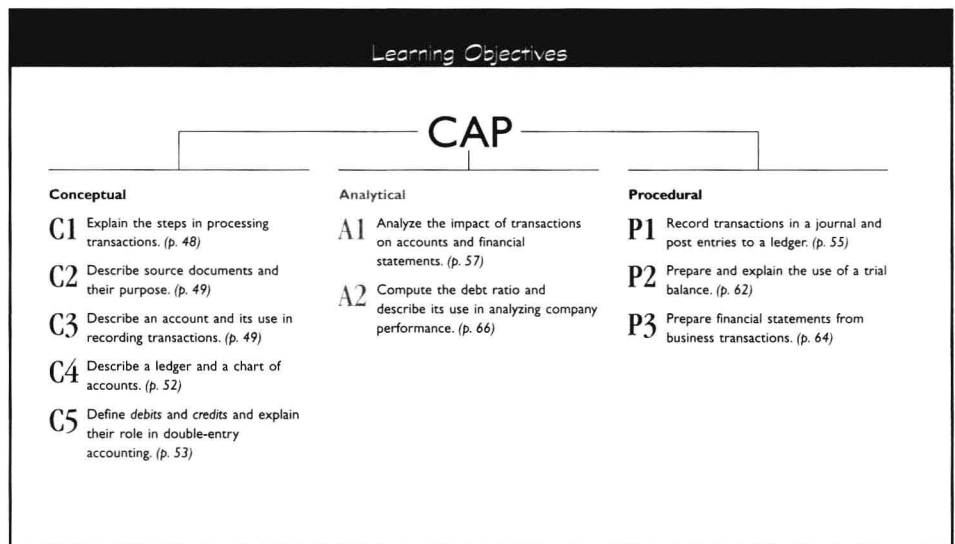
An entrepreneurial icon calls out all relevant material within chapters, whether it's an opening vignette, box, or end-of-chapter assignment.

"The Decision sidebars are one of the particular strengths of the text. They help the student stop and think about what he or she has read or can be used by the professor to stimulate discussion when introducing a topic. They are excellent tools!"

— M. Conway, Kingsborough Community College

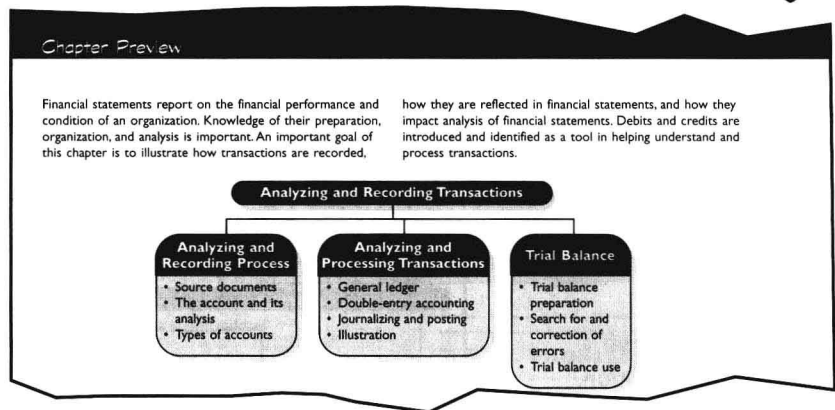
CAP Model

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



Chapter Preview Flow Chart

New to the 17th edition, this feature provides a handy textual/visual guide at the start of every chapter. Students can now begin their reading with a clear understanding of what they will learn and when, allowing them to stay more focused and organized along the way.



Quick Check

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

Quick Check

- What types of transactions increase equity? What types decrease equity?
- Why are accounting systems called *double entry*?
- For each transaction, double-entry accounting requires which of the following: (a) Debits to asset accounts must create credits to liability or equity accounts, (b) a debit to a liability account must create a credit to an asset account, or (c) total debits must equal total credits.
- An owner invests \$15,000 cash along with equipment having a market value of \$23,000 in a proprietorship. Prepare the necessary journal entry.
- Explain what a compound journal entry is.
- Why are posting reference numbers entered in the journal when entries are posted to ledger accounts?

Answers—p. 73

"I think FAP does a better job with learning objectives than my book because of the CAP learning objectives organization."

— S. McClure, Tri-County Tech

FastForward

FastForward is a case that takes students through the Accounting Cycle, chapters 1-4. The FastForward icon is placed in the margin at key points when this case is discussed.

1. Investment by Owner

Transaction	Assets	=	Liabilities	+	Equity
Analysis	Cash				Capital
	(1) 30,000				30,000
Double entry	(1) Cash				C. Taylor, Capital
	30,000				30,000
Statements affected	BLS and SCF				

FAST Forward

Marginal Student Annotations

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

cord for each cash meter, but for now, we
s and decreases in receivables in a sin-

ritten promise of another entity to pay a
the holder of the note. A company hold-
s an asset that is recorded in a Note (or

are assets that represent prepayments of
expenses are later incurred, the amounts
accounts. Common examples of prepaid

Point: A college parking fee is a prepaid account from the student's standpoint. At the beginning of the term, it represents an asset that entitles a student to park on or near campus. The benefits of the parking fee expire as the term progresses. At term-end, prepaid parking (asset) equals zero as it has been entirely recorded as parking expense.



Achieving New Heights in

Once a student has finished reading the chapter, how well he or she retains the material can depend greatly on the questions, exercises, and problems that reinforce it. FAP has consistently led the way in comprehensive, accurate end-of-chapter exercises. Independent survey research reports that instructors are more satisfied with FAP's end-of-chapter materials than any other textbook—and the 17th edition is no exception.

Demonstration Problems

present both a problem and a complete solution, allowing students to review the entire problem-solving process and achieve success in the principles course.

Demonstration Problem
(Note: This problem extends the demonstration problem of Chapter 1.)
a. On Aug 1, 2011, S. Horvath, Capital
b. On Aug 1, 2011, S. Horvath, Capital
c. On Aug 1, 2011, S. Horvath, Capital
d. On Aug 1, 2011, S. Horvath, Capital
e. On Aug 1, 2011, S. Horvath, Capital
f. On Aug 1, 2011, S. Horvath, Capital
g. On Aug 1, 2011, S. Horvath, Capital
h. On Aug 1, 2011, S. Horvath, Capital
i. On Aug 1, 2011, S. Horvath, Capital
j. On Aug 1, 2011, S. Horvath, Capital
k. On Aug 1, 2011, S. Horvath, Capital

Planning the Solution

- Analyze each transaction and use the debit and credit rules.
- Post each debit and each credit from journal entries to the each amount in the posting reference (PR) columns of the
- Calculate each account balance and list the accounts with a
- Verify that total debits in the trial balance equal total credits
- To prepare the income statement, identify revenues and expenses, compute the difference, and label the result as net income.
- Use information in the ledger to prepare the statement of owner's equity.
- Calculate the debt ratio by dividing total liabilities by total assets.
- Analyze the future transactions to identify the accounts affected and apply debit and credit rules.

Solution to Demonstration Problem
1. General journal entries:

Date	Account Titles and Explanation	DR	CR
Aug 1	Cash	101	3,000
	Store Equipment	165	15,000
	S. Horvath, Capital	301	18,000
	Owner's investment		
2	Furniture	161	600
	Cash	101	600
	Purchased furniture for cash		
3	Rent Expense	640	500
	Cash	101	500
	Paid rent for August		
4	Store Equipment	165	1,200
	Notes Payable	240	1,200
	Purchased additional equipment on credit		
15	Cash	101	825
	Hairston's Services Re		

Chapter Summaries

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

Key Terms are bolded in the text and repeated at the end of the chapter with page numbers indicating their location. The 17th edition now includes a Glossary of key terms at the back of the book. Key Terms are also available as online flash cards at the book's Website.

Key Terms
Key Terms are available at the book's Website for learning and testing.

Account (p. 49)	Debit (p. 53)
Account balance (p. 53)	Debt ratio (p. 67)
Balance column account (p. 56)	Double-entry accounting (p. 55)
Chart of accounts (p. 52)	General Journal (p. 55)
Compound journal entry (p. 59)	Journal (p. 55)
Credit (p. 53)	Journalizing (p. 55)
Creditors (p. 50)	Ledger (p. 49)

Quick Study are short exercises that often focus on one learning objective. The numerical ones are included in Homework Manager. There are usually 8-10 Quick Study assignments per chapter.

QUICK STUDY
Identify the items from the following list that are likely to serve as source documents:

a. Bank statement	d. Trial balance	g. Company revenue account
b. Sales ticket	e. Telephone bill	h. Balance sheet
c. Income statement	f. Invoice from supplier	i. Prepaid insurance

Exercises are one of FAP's ongoing strengths, and the 17th edition again shows its competitive advantage. There are about 10-15 per chapter and most are included in Homework Manager.

EXERCISES
Exercise 2-1
Identifying type and normal balances of accounts
C3 C5

Problem Sets A & B

are proven problems that can be assigned as homework or for in-class projects. Problem Set C is available on the book's Website. All problems are coded according to the CAP model (see page viii), and many are included in Homework Manager.

PROBLEM SET A
Problem 4-1A
Determining balance sheet classifications
C3
In the blank space, write the letter of its balance sheet classification.

A. Current liabilities	1. Interest payable
B. Long-term liabilities	2. Owner, Capital
C. Plant assets	3. Notes receivable (due in 120 days)
	4. Accumulated depreciation—Buildings
	5. Owner, Withdrawals
	6. Office equipment

PROBLEM SET B
Problem 4-1B
Determining balance sheet classifications
C3
172 Chapter 4 Completing the Accounting Cycle

PROBLEM SET C
Problem Set C is available on the book's Website to assess your learning.

End-of-Chapter Materials

xi



Beyond the Numbers exercises encourage your students to use the figures and understand their meaning, learning how accounting data applies to a variety of business situations. These creative and fun exercises are all new or updated, and are divided into 10 sections:

- Reporting in Action
- Comparative Analysis
- Ethics Challenge
- Communicating in Practice
- Taking It to the Net
- Teamwork in Action
- Hitting the Road—NEW
- Business Week Activity
- Entrepreneurial Decision
- Global Decision—NEW

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

BEYOND THE NUMBERS

Krispy Kreme's financial statements in Appendix A to answer the following:
Krispy Kreme's business segments.
Activities of each of Krispy Kreme's business segments.

REPORTING IN ACTION

AI

Annual report for fiscal years ending after February 2, 2003, from its
) or the SEC's EDGAR database (WWW.SEC.GOV). Has Krispy Kreme
regarding segment information?

SERIAL PROBLEM

Success Systems P2 P3



(This serial problem began in Chapter 1 and later segments were not completed, the serial necessary, that you use the Working Papers that a

The December 31, 2004, adjusted trial balance (October through December of 2004) follows:

No.	Account Title
101	Cash
106	Accounts receivable
126	Computer supplies
128	Prepaid insurance

"Some of the overall strengths of FAP include clearly stated learning objectives. Each chapter is written in a clear, concise language supported by a lot of exhibits and appropriate end-of-chapter materials to reinforce the learning process."

— M. Bentil, Pierce College

The End of the Chapter Is Only the Beginning

FAP's valuable and proven assignments aren't just confined to the book. From problems that require technological solutions to materials found exclusively online, FAP's end-of-chapter material is fully integrated with its technology package.



- Quick Studies, Exercises, and Problems available on Homework Manager (see page xii) are marked with an icon.



- Problems supported by the all-new General Ledger Application Software or Peachtree are marked with an icon.



- The Online Learning Center (OLC) includes more *Taking It To The Net* exercises, Personal Interactive Quizzes, more Excel template assignments, and Problem Set C.



- Problems supported with Microsoft Excel templates are marked with an icon.



- Material that receives additional coverage (slide shows, videos, audio, etc.) in Topic Tackler is marked with an icon.

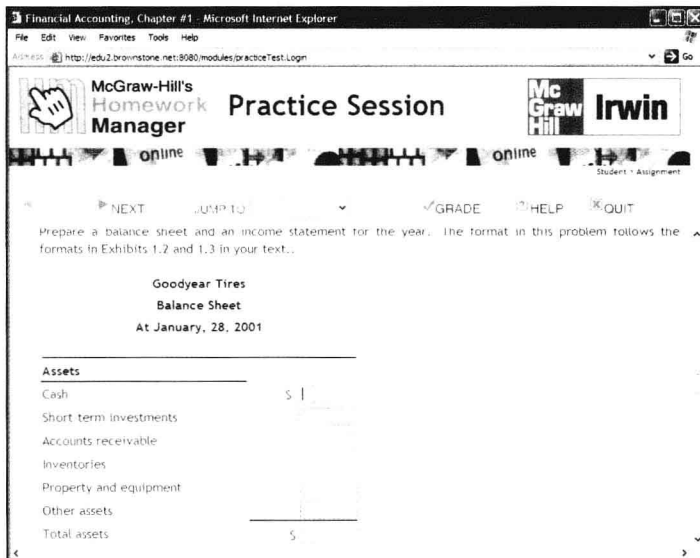
Put Away Your Red Pen

We've always prided ourselves on the accuracy of FAP's assignment materials, and the market confirms this. Independent research reports that instructors pointed to the accuracy of FAP's assignment materials as a key factor in their satisfaction with the book, much more than did instructors using competing books. The 17th edition continues that tradition of accuracy.

The authors extend special thanks to accuracy checkers **Marc Giullian**, Montana State University-Bozeman; **Suzanne King**, University of Charleston; **Barbara Schnathorst**, The Write Solution, Inc.; and **Jo Lynne Koehn**, Central Missouri State University.



In teaching and learning from FAP, the book itself is only the beginning. Our comprehensive technology package provides ample opportunity for both assessment and reinforcement, while offering valuable practice in learning and using the digital tools that are integral to the modern accounting and business workplace.



McGraw-Hill's Homework Manager

This Web-based study and review aid uses a sophisticated algorithm to generate “lookalike” versions of FAP’s assignment materials. These new exercises and problems contain different values but are structured identically to those in FAP, allowing students to practice and refine their skills. The algorithm can generate infinite variations of any selected assignments, which also discourages sharing of answers.

Instructors can use Homework Manager to build custom homework assignments, tests, or quizzes that can be completed either online or with pencil and paper. Online assignments are graded automatically and the results stored in a secure online gradebook. Tests and quizzes prepared from Homework Manager overcome any inconsistencies between “test bank drawn” problems and the language and approach in the book—now there is complete consistency!

Homework Manager gives you:

- Textbook-specific quick studies, exercises, and problems
- Automatically-graded assignments and analysis for instructors
- Immediate grading and feedback for students
- Algorithmic-generated quick studies, exercises, and problems
- Instructor course management tools
- 100% consistency between test problems and the textbook



Quick Studies, Exercises, and Problems appearing in FAP that are reproduced in Homework Manager are marked with an icon.

“On the whole, in my opinion, FAP’s activities are better and there are more of them.”

— J. Miller, Mercer County Community College

Technology for Assessment and Learning



ALEKS®

ALEKS® for the Accounting Cycle and ALEKS® for Financial Accounting

Available from McGraw-Hill over the World Wide Web, ALEKS (Assessment and LEarning in Knowledge Spaces) provides precise assessment and individualized instruction in the fundamental skills your students need to succeed in accounting.

ALEKS motivates your students because ALEKS can tell what a student knows, doesn't know, and is most ready to learn next. ALEKS does this using the ALEKS Assessment and Knowledge Space Theory as an artificial intelligence engine to exactly identify a student's knowledge of accounting. When students focus on precisely what they are ready to learn, they build the confidence and learning momentum that fuel success.

To learn more about adding ALEKS to your principles course, visit www.business.aleks.com.

Question #1

By the end of December, Morris Company has completed work, earning \$2,700. Morris company has neither billed the clients nor recorded any of the revenue.

Required:

Journalize the adjusting entry on December 31

Date	Description	Debit	Credit
Dec 31	Accounts Receivable	2,700	
	Service Revenue		2,700
	Service Revenue		
	Utilities Expense		
	Utilities Payable		

Clear Undo Help

Next >> I Don't Know



Achieving New Heights in

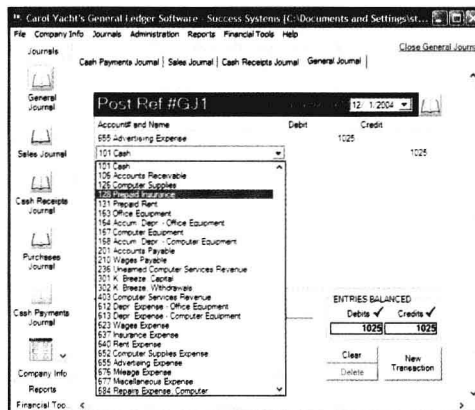


Carol Yacht's General Ledger and Peachtree Complete 2004 CD-ROM

Carol Yacht's General Ledger Software is McGraw-Hill/Irwin's custom-built general ledger package for FAP. Carol Yacht's General Ledger can help your students master every aspect of the general ledger, from inputting sales and cash receipts to calculating ratios for analysis or inventory valuations.

Carol Yacht's General Ledger allows students to review an entire report, and then double-click on any single transaction to review or edit it. All reports are immediately updated to reflect the revised figures. When it comes to learning how an individual transaction effects the outcome of financial reports, no other approach matches that of Carol Yacht's General Ledger.

Also on Carol Yacht's General Ledger CD, students receive the educational version of Peachtree Complete 2004, along with templates containing data for many of FAP's exercises and problems. Familiarity with Peachtree Complete is essential for many students entering the job market, and Carol Yacht's Peachtree templates that accompany FAP 17e makes sure they get plenty of practice.



Students can use Carol Yacht's General Ledger to solve numerous problems from FAP; the data for these problems are already included on the Carol Yacht's General Ledger CD-ROM. You can even populate Carol Yacht's General Ledger with your own custom data.

Online Learning Center (OLC) with PowerWeb

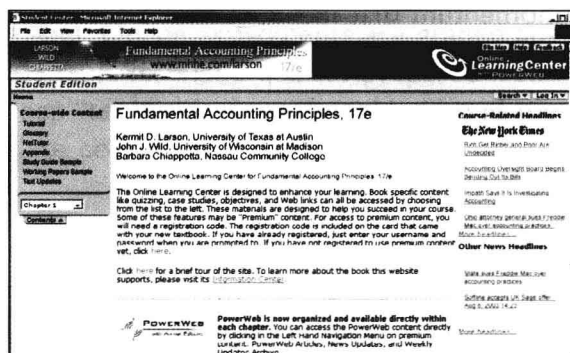
www.mhhe.com/larson



More students are using online learning aids. That's why we offer an Online Learning Center (OLC) that follows FAP chapter by chapter. It doesn't require any building or maintenance on your part; it's ready to go the moment your students type in the address.

As your students study and learn from FAP, they can visit the OLC Website and work with a multitude of helpful tools:

- Tutorial
- Glossary
- NetTutor
- PowerWeb
- Chapter Objectives
- Chapter Overview
- Text Company Links
- Interactive Quizzes A & B
- Key Term Flashcards
- PowerPoint Presentation
- Additional appendices
- Cogg Hill Practice Set
- Updates
- Mobile Resources
- Audio Narrated PowerPoint
- Excel Template Assignments
- More *Taking It To The Net*
- Problem Set C
- Business Week Articles



A secured Instructor Resource Center stores your essential course materials to save you prep time before class. Everything you need to run a lively classroom and an efficient course is included:

- Sample Syllabi
- Additional chapter materials
- Transition Notes
- Instructors Manual
- Solutions to Excel Template Assignments
- Cogg Hill Solutions Manual
- Updates
- Solutions Manual
- PowerPoint Presentations
- Textbook Company Links
- More *Taking It To The Net* Solutions
- Business Week Articles
- Problem Set C Solutions

Technology for Students

XV

PowerWeb provides high quality, peer-reviewed content including up-to-date articles from leading periodicals and journals, current news, weekly updates with assessment, interactive exercises, Web research guide, study tips, and much more. PowerWeb is free with your FAP adoption.

Topic Tackler—FREE with new book

This software is a complete tutorial focusing on those areas in the principles of accounting course that give students the most trouble. Providing help on at least 2 key topics per chapter, this program delves into the material using the following learning aids:

- Video clips
- PowerPoint slide-shows (many include animations and/or audio)
- Drag-and-drop, fill-in-the-blank exercises
- Self-test quizzes

The screenshot shows the 'TOPIC TACKLER' software interface for 'FUNDAMENTAL ACCOUNTING PRINCIPLES'. It is set to 'Chapter 1: Transaction Analysis Topic'. The 'PRACTICE' section displays financial information for the FastForward company for the month ended January 31, 200A. The information is organized into two columns: Assets and Liabilities/Equity. The Assets column includes Accounts payable, Cash, Consulting revenue, Equipment, Investment by owner, Net income, and Note payable. The Liabilities/Equity column includes Rent expense, Rental revenue, Salaries expense, Supplies, Total assets, Total expenses, Total liabilities, Total liabilities and owner's equity, Total revenues, and Withdrawal by owner. The FastForward Income Statement is shown on the right, with fields for Revenues, Expenses, and Net Income. Below the table, there is a section for 'Owner's Equity' with a 'Reset' button and a 'Solution' button. The interface also includes a 'Select a Chapter' dropdown, a 'VIDEO SLIDESHOW PRACTICE SELFTEST' button, and a 'Visit the Website' link.

This highly engaging presentation will put your students in control of the most fundamental aspects of principles of accounting.



Concepts appearing in FAP that receive additional treatment in Topic Tackler are marked with an icon at the appropriate location in the margin of the page.

NetTutor™

NetTutor

NetTutor allows tutors and students to communicate with each other in a variety of ways:

- The Live Tutor Center via NetTutor's WWWWhiteboard enables a tutor to hold an interactive on-line tutorial with several students, whose questions are placed in a queue and answered sequentially.
- The Q&A Center allows students to submit questions at any time and retrieve answers within 24 hours.
- The Archive Center allows students to browse for answers to previously asked questions. They can also search for questions pertinent to a particular topic. If they encounter an answer they do not understand, they can ask a follow-up question.

The screenshot shows the NetTutor v5.1 web interface in a Microsoft Internet Explorer browser window. The page has a header with the NetTutor logo and version number. Below the header, there is a 'Welcome to NetTutor' section with a 'Sales McGraw-Hill/Irwin' logo. The main content area is titled 'Welcome to the: MH: Accounting. We are currently offering the following services'. It lists the Live Tutor Center (available 9am to 12pm Monday-Thursday and 9am to 9pm on Fridays, all times Eastern Daylight Time (EDT), Holiday Hours) and the Archive Center (Bulletin and Q & A Center are open 24 hours a day). There is a 'Queue Size 48' indicator. The page also includes a 'Home' section with links to 'MH Accounting', 'Manage Account', 'Online Manual', 'About NetTutor', and 'About Link-Systems'. A 'Site Notes' section is also present. At the bottom, there is a 'Start Live Discussion' button and a link to 'Internet'.

Students are issued 5 hours of free NetTutor time when they purchase a new copy of FAP. Additional time can be purchased in 5-hour increments.



xvi

Achieving New Heights in

In today's learning environment, a computer is as indispensable a tool as a blackboard or an overhead projector. McGraw-Hill/Irwin continues to lead in innovative classroom technology, and FAP's teaching tools put it far ahead of any other book.

Course Management

PageOut

McGraw-Hill's Course Management System

PageOut

PageOut is the easiest way to create a Website for your accounting course.

There's no need for HTML coding, graphic design, or a thick how-to book. Just fill in a series of boxes with plain English and click on one of our professional designs. In no time, your course is online with a Website that contains your syllabus!

Should you need assistance in preparing your Website, we can help you. Our team of specialists is ready to take your course materials and build a custom Website to your specifications. Simply call a McGraw-Hill/Irwin PageOut specialist to start the process. (For information on how to do this, see "Superior Service" on page xvii.) Best of all, PageOut is **free** when you adopt FAP! To learn more, please visit www.pageout.net.

Third-Party Course Management Systems

For the ambitious instructor, we offer FAP content for complete online courses. To make this possible, we have joined forces with the most popular delivery platforms currently available. These platforms are designed for instructors who want complete control over course content and how it is presented to students. You can customize the FAP Online Learning Center content and author your own course materials. It's entirely up to you.

Products like WebCT, Blackboard, and eCollege all expand the reach of your course. Online discussion and message boards will now complement your office hours. Thanks to a sophisticated tracking system, you will know which students need more attention – even if they don't ask for help. That's because online testing scores are recorded and automatically placed in your grade book, and if a student is struggling with course-work, a special alert message lets you know.

Remember, FAP's content is flexible enough to use with any platform currently available. If your department or school is already using a platform, we can help. For information on McGraw-Hill/Irwin's course management supplements, including Instructor Advantage and Knowledge Gateway, see "Superior Service" on the next page.

