

清华会计学系列英文版教材

PEARSON

财务会计

Financial Accounting Seventh Edition

(美) 小沃尔特·T. 哈里森 (Walter T. Harrison Jr.) 著
查尔斯·T. 亨格瑞 (Charles T. Horngren)

第7版

清华大学出版社

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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的需要,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。

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

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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。正如朱镕基同志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，朱镕基同志多次建议清华的 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

Preface

The Accounting Cycle: Key to Success

Note to the Instructor: This financial accounting course builds on the first 3 chapters, which focus on accounting fundamentals and the accounting cycle. You've told us that mastering these chapters will guarantee your students' success as they move through the course. For this reason, *Financial Accounting, 7th edition* is focused on students' success in learning accounting basics. Our goal is for students to be motivated to excel throughout the course.

Review the inside front cover to see exactly what we offer your students.

Streamlined Design for the 7th Edition

The 7th edition has a streamlined design to aid student learning.

- Shorter chapter openers capture student interest.
- More diagrams and fewer words make the book easy to read.
- Shorter sections keep students from getting bogged down in unnecessary detail.
- 7E has no "boxes" because students skip them.
- All assignment materials list page references that help students use their homework time efficiently.
- Simpler figures in the assignment material enable students to focus on the learning, not on the numbers.

Learning Approach: Focus on Performance

Student success and performance go hand in hand. That's why we increased opportunities for you and your students to practice accounting throughout the course.

In-Text Practice Material

- **Stop and Think:** At critical junctures in each chapter we ask students to "Stop and Think" about what they've just learned.
- **Decision Guidelines:** This feature summarizes each chapter in terms of the decisions people make as they use accounting information.
- **Summary Problems:** Most chapters have 2 problems—at the mid-point and at the end—with worked-out solutions.
- **Chapter Review Quiz:** At the end of chapter, these multiple-choice questions include answers for quick self-assessment.
- **Practice Quiz:** Multiple-choice questions in the end-of-chapter assignments section have answers in the Check Figures appendix at the end of the book.

Practice Quiz

Test your understanding of the financial statements by answering the following questions. Select the best choice from among the possible answers given.

1. All of the following statements are true except 1. Which statement is false?
 - a. Bookkeeping is only a part of accounting.
 - b. A proprietorship is a business with several owners.
 - c. Professional accountants are held to a high standard of ethical conduct.
 - d. The organization that formulates generally accepted accounting principles is the Financial Accounting Standards Board.
2. The valuation of assets on the balance sheet is generally based on:
 - a. Historical cost
 - b. What it would cost to replace the asset
 - c. Current fair market value as established by independent appraisers
 - d. Selling price
3. The accounting equation can be expressed as:
 - a. $\text{Assets} + \text{Liabilities} = \text{Owners' Equity}$
 - b. $\text{Owners' Equity} + \text{Assets} = \text{Liabilities}$
 - c. $\text{Assets} = \text{Liabilities} - \text{Owners' Equity}$
 - d. $\text{Assets} - \text{Liabilities} = \text{Owners' Equity}$

Online Practice and Homework Material

- **Practice Material:** An open-access online practice environment enables students to master chapter material. Selected end-of-chapter problems are available for all learning objectives in Chapters 1–3. The problems (a) are algorithmic, giving students a chance to practice until they have mastery; (b) provide immediate feedback, giving students a chance to see how well they are doing right away; (c) mirror those in the book, giving students a chance to practice before doing “the real thing.”
- **Homework and Quiz Material: My Accounting Lab (MAL)**

MAL is an online homework and quizzing environment that allows instructors to customize homework and quiz options for their classes.

Selected end-of-chapter (even-numbered) exercises and (A) problems from the text are available. Instructors can post assignments and receive grades. All questions are algorithmically generated so each student session offers different problems and answers while providing immediate feedback and scoring for instructors and their students.

Special Section for Current Users

Thank you for your continued use of Harrison's *Financial Accounting* in your classroom. To ease your transition, here are highlights of chapter changes for the 7th edition.

Chapter 1. The Financial Statements

Updated feature company for the book, YUM! Brands
 New feature company, Genie Car Wash, for the running example through the accounting cycle
 New coverage of the FASB Statement that permits fair-value accounting
 New section on limited-liability companies
 Accounting Cycle Tutorial

Chapter 2. Transaction Analysis

Updated chapter opener about Apple Computer
 New section on Analyzing Accounts
 New transaction explanations
 New feature company for the accounting cycle
 Accounting Cycle Tutorial

Chapter 3. Accrual Accounting and Income

New chapter opener on Starbucks Corporation
 New exhibit on How Transactions Affect the Ratios
 Accounting Cycle Tutorial

Chapter 4. Internal Control & Cash

New company for the chapter opener, Amex Products
 Coverage of the Sarbanes-Oxley Act
 New framework for internal control
 New material on online banking
 New material on ethics

Chapter 5. Short-Term Investments & Receivables

New chapter opener on PepsiCo
 New section on Lending Agreements and the Current Ratio
 New section on Writing Off Uncollectible Receivables

Chapter 6. Inventory & Cost of Goods Sold

Updated chapter opener on Pier 1 Imports
 New visuals
 Streamlined exhibits
 New comparison of FIFO and LIFO
 New exhibit comparing Pier 1 Imports, Federated Department Stores, and Home Depot
 New section on T-Accounts for Analyzing Plant Asset Transactions

Chapter 7. Plant Assets & Intangibles

New chapter opener on FedEx Corporation
 New coverage of plant-asset accounting errors
 New Summary of the Current Liabilities

Chapter 8. Liabilities

New chapter opener on Southwest Airlines
 New section on Partial-Period Interest Amounts

Chapter 9. Stockholders' Equity

Updated chapter opener on IHOP

New section on Authorized, Issued, and Outstanding Stock

New Summary of Treasury Stock Transactions

Expanded exhibits

New coverage of dividends

New section on Analyzing The Stockholders' Equity Accounts

Chapter 10. Long-Term Investments & International Operations

New chapter opener on Intel Corporation

Intel Corporation integrated throughout the chapter

New section: When Should We Sell an Investment?

Chapter 11. The Income Statement & The Statement of Stockholders' Equity

New chapter opener on Pier 1 Imports

Chapter 12. The Statement of Cash Flows

New chapter opener on Google, Inc.

New feature company throughout the chapter, The Roadster Factory

Enhanced visuals

Chapter 13. Financial Statement Analysis

Return to feature company, YUM! Brands, for evaluation and analysis

Teaching And Learning Support**For Instructors****At a Glance Supplements Grid**

	Print	Online	IRCD
Instructor's Edition	×	×	×
Test Item File		×	×
Instructor Solutions Manual		×	×
Solution Transparencies	×	×	×
Instructor 508 Compliant PowerPoints		×	×
MyAccountingLab		×	
BlackBoard, WebCT, and CourseCompass		×	
Companion Website		×	
Accounting Cycle Tutorial		×	

Instructor's Resource Center (www.prenhall.com/harrison) This password-protected site is accessible from the catalog page for *Financial Accounting*, 7th edition and hosts the following resources:

- Instructor PowerPoints, by Courtney Baillie: These are 508-compliant PowerPoints with some worked out, end of chapter exercises and problems.

- **Test Item File**
- **TestGen**
- **Image Library:** Access to most of the images and illustrations featured in the text.
- **Excel Application Problems:** These problems show when, why, and how people use the accounting guidelines in order to make business decisions. Students can apply the Decision Guidelines to a realistic situation and use the power of Excel to determine a solution.
- **Solutions Manual** by Walter T. Harrison: This manual contains the fully worked-out and accuracy-checked solutions for every question, exercise, and problem in the text.

Instructor's Edition by Helen Brubeck, San Jose State University Each chapter of this comprehensive resource acts as a roadmap to all of the tools available for use by the instructor, including a list of the student learning objectives, a narrative overview of main topics, an outline with teaching tips, a suggested assignment grid for all end-of-chapter questions, problems, 10 minute quizzes, and exercises, and an integration grid that contains the list of exercises and problems available in MyAccountingLab (online homework and assessment tool), Microsoft Excel, and General Ledger.

Test Item File by Calvin Fink This resource features over 1,600 multiple choice and true/false questions written specifically for the 7th edition. All questions are organized by level of difficulty and include the corresponding learning objective number. Additional computational problems are available to instructors on both the instructor resource CD as well as on prenhall.com.

Instructor's Resource CD This CD-ROM contains all the supplements that are hosted on our online Instructor's Resource Center, including the image library.

Solutions Transparencies Every page of the solutions manual has been reproduced in acetate form for use on an overhead projector.

MyAccountingLab (www.myaccountinglab.com) MyAccountingLab is Prentice Hall's online homework and assessment manager to help students "get" accounting through the power of practice. MyAccountingLab features a full e-book, Flash Demo Docs, instructor videos, and additional resources at the student's fingertips to aid learning. With MyAccountingLab, instructors can:

- Deliver all or a portion of the course online, whether the students are in a lab setting or working from home.
- Create and assign online homework and tests that are automatically graded and tightly correlated to the textbook.
- Manage students' results in a powerful online grade book designed specifically for mathematics and statistics.
- Customize the course, depending on the syllabus and the students' needs.

CourseCompass, WebCT, and BlackBoard for Financial Accounting Prentice Hall's course management site is all that instructors and students need for anytime online access to interactive materials that enhance this text.

WebCT, Financial Accounting by Walter T. Harrison © 2008 Prentice Hall's course management site is all instructors and students need for anytime online access to interactive materials that enhance this text.

BlackBoard, Financial Accounting by Walter T. Harrison © 2008 Electronic Book: Prentice Hall's course management site is all instructors and students need for anytime online access to interactive materials that enhance this text.

For Students

Mastering the Accounting Cycle (www.prenhall.com/harrison)

Open Access (no registration or password needed) Companion Website that provides you with:

- Accounting Cycle Tutorial: For practice on material from Chapters 1–3
- Online Practice Environment with algorithmic questions for Chapters 1–3
- Accounting Cycle Pocket Guide: Reference tool that walks you through each step of the accounting cycle
- Self-study quizzes: An interactive study guide for each chapter
- E-Working papers that students can use to complete homework assignments for each chapter
- Student PowerPoints: For use as a study aid or note-taking guide

CourseCompass, Student Access Kit, Financial Accounting

WebCT, Student Access Kit, Financial Accounting

BlackBoard, Student Access Kit, Financial Accounting

MAL-Student Access Card

Note: All Mastering the Accounting Cycle material can be found within OneKey courses previously listed.

Vango Notes (www.vangonotes.com) Students can study on the go with VangoNotes—chapter reviews from this text in downloadable MP3 format. Students can purchase VangoNotes for the entire textbook or for individual chapters. For each chapter, VangoNotes contains:

- Big Ideas: The “need to know” for each chapter.
- Key Terms: Audio “flashcards” to help students review key concepts and terms.
- Rapid Review: A quick drill session—to use right before taking a test.

Print Study Aids

Accounting Tip Reference Card (A-Tip)

This guide illustrates the key steps in the accounting cycle.

Study Guide Including Demo Docs and E-Working Papers with Flash CD by Helen Brubeck, San Jose State University

This chapter-by-chapter learning aid helps you learn financial accounting and get the maximum benefit from study time. Each chapter contains a Chapter Overview and Review, a Featured Exercise that covers all of the most important chapter material, and

Review Questions and Exercises with Solutions that test your understanding of the material. Demo Docs are available in the study guide—in print and on CD in Flash so students can easily refer to them when they need them. Electronic working papers are included on the accompanying CD.

Acknowledgments

In revising the previous edition of *Financial Accounting*, we had the help of instructors from across the country who have participated in online surveys, chapter reviews, and focus groups. Their comments and suggestions for both the text and the supplements have been a great help in planning and carrying out revisions, and we thank them for their contributions.

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Prologue

Accounting Careers: Much More Than Counting Things

What kind of career can you have in accounting? Almost any kind you want. A career in accounting lets you use your analytical skills in a variety of ways, and it brings both monetary and personal rewards. According to the Jobs Rated Almanac, "accountant" was the fifth best job in terms of low stress, high compensation, lots of autonomy, and tremendous hiring demand.¹

Look at what these accountants do:

- Jeffrey S. Sallet is a CPA at the FBI. Sallet investigates the financial side of criminal activities. He conducts surveillance, investigates crime scenes, reviews financial documents, and testifies in court. "My efforts have resulted in the conviction of members and associates of Organized Crime and Union Officials."²
- After doing auditing work at KPMG and serving as a controller for a venture-capital-backed firm, David Kupferman started his own CPA practice. He specializes in advising high-net-worth individuals and businesses. Kupferman has a particular interest in bringing foreign technology companies to the United States and works with clients from Australia, Spain, Hungary, England, France, Belarus, Singapore, and Japan.⁶
- Alan Friedman loves music. He plays guitar in a band and knows the music industry inside and out. As a CPA, he helps retailers, musicians, and independent recording labels with accounting and tax services. "My clients appreciate the fact that we are intimately familiar with the . . . music retailing marketplace," Friedman says. Friedman found his niche by combining his hobby with his work.³
- Jane Cozzarelli, CPA, is vice president of internal audit at Battelle Memorial Institute, a \$1 billion research and development enterprise. Cozzarelli helps Battelle evaluate the risks of multimillion-dollar deals such as joint ventures and acquisitions. By measuring your risks, you can direct capital to them more efficiently. You also are better able to understand the upside and downside of undertaking a risk," Jane says.⁴
- Regine Metellus, CPA, is the CFO for the Germantown Settlement, a charity that empowers over 195,000 elderly and low-to-moderate income residents in Philadelphia. "By making the charity's financial operations more efficient, Metellus helps Germantown Settlement put more money back into the community and truly "make a difference."⁵

And then there is the opportunity for flexible work arrangements:

"I'm probably one of the first people who stayed in public accounting because of quality-of-life advantages," says Eileen Garvey, an audit partner at Ernst & Young in New York. Garvey works a 3-day-a-week schedule. The mother of 2, she made partner as a part-timer. Flexibility works for men, too: Carl Moilienkamp, a manager with a firm in Chicago, took a summer leave to pursue his other career as a chef.