

Accounting: The Lighter Side 1990

Transparency Masters as Lecture Aids



"And no, Cranston, we are not going to make a music video out of our annual report."

Compiled by _____
Edward N. Coffman / Daniel L. Jensen

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Introduction

As teachers of accounting, we continually search for ways to improve communication with our students. Cartoons can be an effective instructional tool. The humor in cartoons can alleviate classroom tensions and stimulate interest in the learning task at hand. In addition, the factual and logical content of cartoons can foster quick insight into difficult accounting concepts and procedures. Like its predecessors, this sixth edition of *The Lighter Side* has been compiled with the possibilities in mind.

This edition includes 36 cartoons, none of which appeared in earlier editions. We wish to thank the following users of the earlier editions for their suggestions concerning this series:

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We hope that you will find these cartoons both amusing and helpful in your classroom. Each cartoon is accompanied by a brief statement giving our conception of a context in which the cartoon might prove useful. In addition, we have enlarged the cartoons to facilitate their use in the production of overhead transparencies. If you have suggestions for future editions of this booklet, please write to us. We welcome correspondence about your teaching experiences with these and other cartoons.

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Learning Ethics

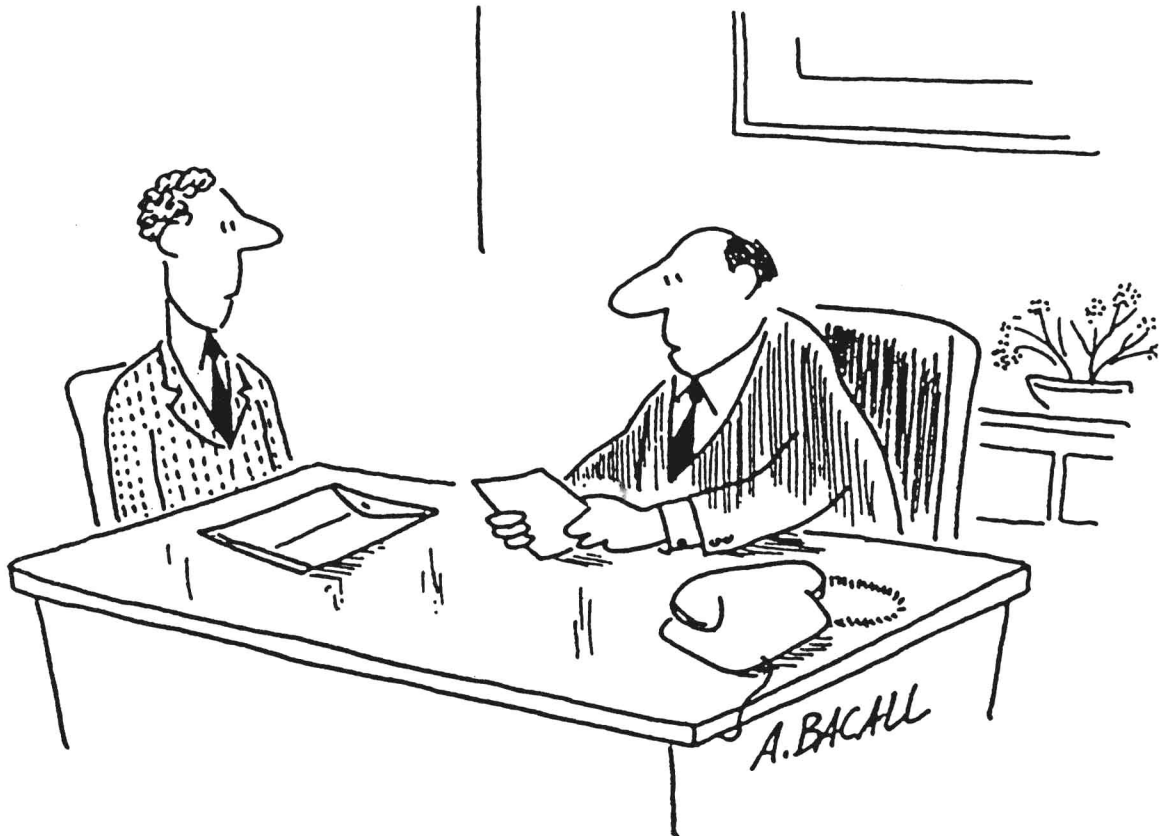


"If we run into any tricky problems, we now can turn to young Mitchell, here. He got an 'A' in business ethics."

"From The Wall Street Journal – Permission, Cartoon Features Syndicate."

COMMENTS: Although ethics is receiving increasing attention in business education, most instructors believe that ethical behavior has important aspects that cannot be taught.

Whistle Blowing



"I'm sensing confidence, boldness and moral sensibility. You're not going to turn out to be a whistle-blower are you?"

"From The Wall Street Journal – Permission, Cartoon Features Syndicate."

COMMENTS: A person who calls attention to unethical behavior or wrongdoing within an organization is called a whistle-blower. Whistle-blowing raises difficult ethical questions for both employers and employees. The attitude of the interviewer in the cartoon is probably out of step with the policies of most business organizations.



“Would everyone check to see that they have an attorney? I seem to have ended up with two.”

Drawing by Maslin; © 1989 The New Yorker Magazine, Inc. All rights reserved. May not be reprinted or reproduced without prior written consent of THE NEW YORKER.

COMMENTS: Ethical behavior is more than a matter of legalities. Thus the legal system alone – no matter how many lawyers one employs – cannot ensure ethical behavior.

Ethics and Tax Services



“What the devil did you do? I got a thank-you note from the IRS!”

“From *The Wall Street Journal* – Permission, Cartoon Features Syndicate.”

COMMENTS: Tax accountants have a responsibility to abide by the Internal Revenue Code and Regulations but they also have a responsibility to minimize their client’s tax bill. The tension between these two responsibilities is the source of many ethical dilemmas for tax accountants.



"I can't understand it. I get a perfectly clear picture right up to 1992 but whenever I try to go any further the picture breaks up and it all goes sort of hazy..."

Reprinted from *Management Accounting*.

COMMENTS: Recent developments in eastern Europe together with integrations of the European economies scheduled to take effect in 1992 make international financial forecasts difficult.

International Investment

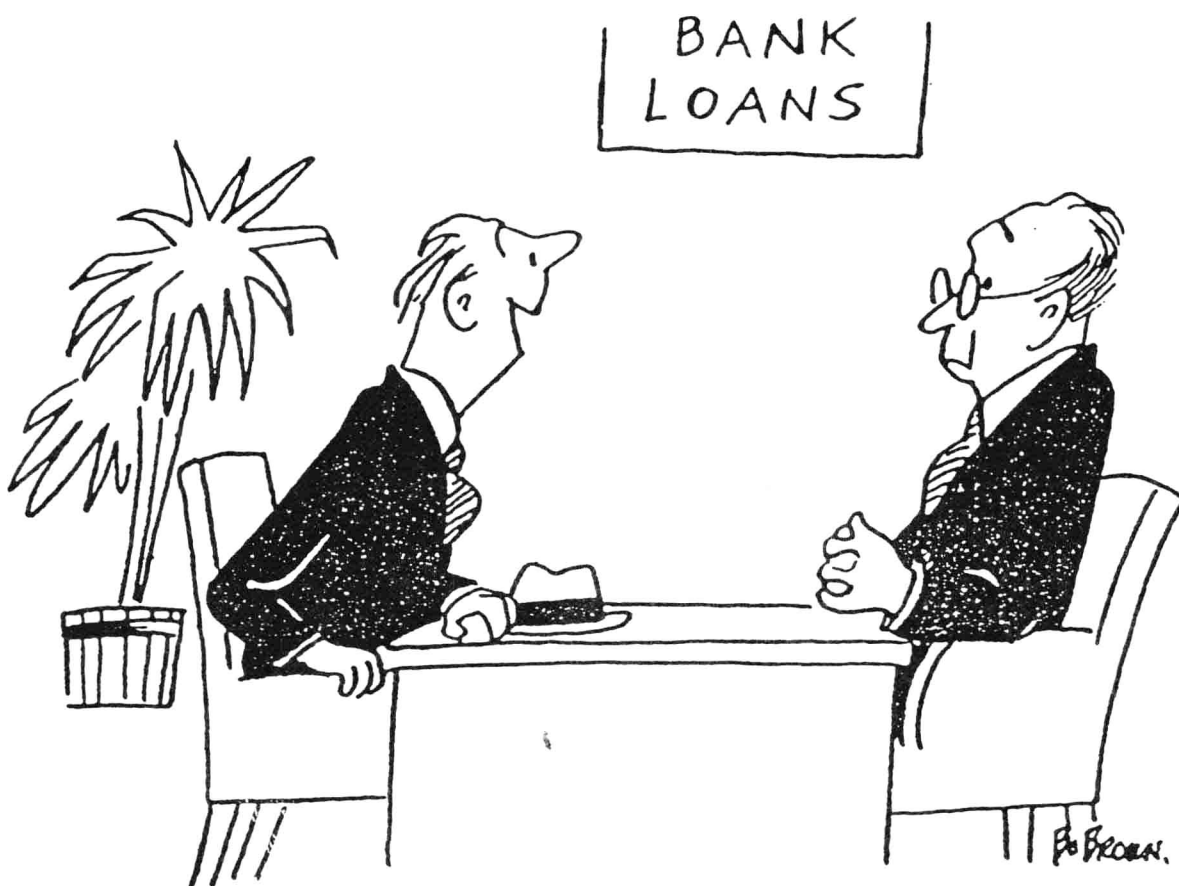


"An investment group from Tokyo is here. To me it looks like a hostile-takeover bid."

© 1989 By Sidney Harris – *The Wall Street Journal*.

COMMENTS: International investment – investment in assets of one country by investors in another – has grown in importance in recent years.

Refinancing International Debt



"I'd like the same repayment plan as Brazil."

"From *The Wall Street Journal* – Permission, Cartoon Features Syndicate."

COMMENTS: Debt refinancing refers to the repayment of existing loans with new loans which may have different interest and repayment provisions. Lenders make concessions in refinancing debt of foreign countries, that are rarely made in refinancing domestic loans.

Cashless Transactions



"I speak as a pioneer."

Reprinted from *Accountancy*, August 1987.

COMMENTS: Developments in credit cards, direct billing, direct deposit, and a variety of similar arrangements foster increasing reliance on electronic signals rather than cash and checks.



“It’s our way of welcoming in the fiscal New Year.”

Drawing by Koran; © 1989 The New Yorker Magazine, Inc. All rights reserved. May not be reprinted or reproduced without prior written consent of THE NEW YORKER.

COMMENTS: Although most fiscal years, that is the annual accounting periods, begin on January 1, they can begin on any date of the calendar. It is doubtful that most are heralded with as much ceremony as the cartoon suggests – even if they begin on January 1.

Inventory



“Something’s got to go, Fenton. You, me or this inventory – and it’s not going to be me.”

“Reprinted with permission by Educational Assistance Limited.”

COMMENTS: The holding of inventory is costly. Financial statements showing significant increases in inventories may indicate a variety of problems including misguided production decisions, inadequate marketing efforts, or untoward changes in markets.



"The good news is that your stock split.... The bad news is that they couldn't find the pieces."

© 1989; Reprinted courtesy of Hoest and Parade Magazine.

COMMENTS: Stock splits do indeed divide a corporation's equity into more pieces, but the larger number of smaller pieces of equity should have the same value as the pre-split pieces – and certainly shouldn't be harder to find.