FUNDAMENTAL

Managerial Accounting CONCEPTS

Edmonds / Edmonds / Tsay

FIRST EDITION

UNDAMENTAL MANAGERIAL **accounting** CONCEPTS

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Cindy D. Edmonds

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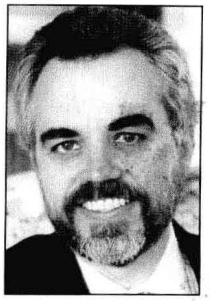
This book is dedicated to our students whose questions have so frequently caused us to reevaluate our method of presentation that they have, in fact, become major contributors to the development of this text

MEET THE AUTHORS



Thomas P. Edmonds

Thomas P. Edmonds, Ph.D. holds the Friends and Alumni Professorship in the Department of Accounting at the University of Alabama at Birmingham (UAB). He has been actively involved in teaching accounting principles throughout his academic career. Dr. Edmonds has coordinated the accounting principles courses at the University of Houston and UAB. He currently teaches introductory accounting in mass sections that frequently contain more than 180 students. Dr. Edmonds has received five prestigious teaching awards including the UAB President's Excellence in Teaching Award and the distinguished Ellen Gregg Ingalls Award for excellence in classroom teaching. He has written numerous articles that have appeared in many publications including *Issues in Accounting*, the *Journal of Accounting Education*, *Advances in Accounting Education*, *Accounting Education: A Journal of Theory, Practice and Research*, the *Accounting Review*, *Advances in Accounting*, the *Journal of Accountancy*, *Management Accounting*, the *Journal of Commercial Bank Lending*, the *Banker's Magazine*, and the *Journal of Accounting, Auditing, and Finance*. He has published four textbooks, five practice problems (including two computerized problems), and a variety of supplemental materials including study guides, work papers, and solutions manuals. Dr. Edmonds' writing is influenced by a wide range of business experience. He has been a successful entrepreneur. He has worked as a management accountant for Refrigerated Transport, a trucking company. Dr. Edmonds also worked in the not-for-profit sector as a commercial lending officer for the Federal Home Loan Bank. In addition, he has acted as a consultant to major corporations including, First City Bank of Houston, AmSouth Bank in Birmingham, Texaco, and Cortland Chemicals. Dr. Edmonds began his academic training at Young Harris Community College in Young Harris, Georgia. He received a B.B.A. degree with a major in finance from Georgia State University in Atlanta, Georgia. He obtained a M.B.A. degree with a concentration in finance from St. Mary's University in San Antonio, Texas. His Ph.D. degree with a major in accounting was awarded by Georgia State University. Dr. Edmonds' work experience and academic training has enabled him to bring a unique user perspective to this textbook.

Cindy D. Edmonds

Cindy D. Edmonds, Ph.D., is an Associate Professor of Accounting at the University of Alabama at Birmingham. She serves as the coordinator of the introductory accounting courses at UAB. She has written a variety of supplemental text materials including practice problems, a study guide, work papers, and test banks. Dr. Edmonds' articles appear in numerous publications including: *Advances in Accounting Education*, *Journal of Education for Business*, *Journal of Accounting Regulation*, *Advances in Accounting*, *Management Accounting*, *CMA Journal*, *Disclosures*, and *Business & Professional Ethics Journal*. Her manuscript "Run-

ning a City on a Shoe String" received a certificate of merit award from the Institute of Management Accountants. The manuscript was used by the City of Vestavia in its application for Moody's Municipal Bond Rating. Dr. Edmonds has worked in the insurance industry, in a manufacturing company, and a governmental agency. This work experience has enabled her to bring a real-world flavor to her writing. Dr. Edmonds holds a B.S. degree from Auburn University, a M.B.A degree from the University of Houston and a Ph.D. degree from the University of Alabama.

Bor-Yi Tsay

Bor-Yi Tsay, Ph.D., CPA, CMA is a Professor of Accounting at The University of Alabama at Birmingham (UAB) where he has taught since 1986. He has taught principles of accounting courses at the University of Houston and UAB. Currently, he is teaching a cost and control course at UAB's Master of Business Administration (MBA) program. Dr. Tsay received the 1996 Loudell Ellis Robinson Excellence in Teaching Award. He has also received numerous awards for his writing and publications including John L. Rhoads Manuscripts Award, John Pugsley Manuscripts Award, Van Pelt Manuscripts Award, and three certificates of merits from Institute of Management Accountants. His articles appeared in *Journal of Accounting Education, Management Accounting, Journal Managerial Issues, CPA Journal, CMA Magazine, Journal of Systems Management,* and *Journal of Medical Systems.* He currently serves as a member on the board of the Birmingham Chapter, Institute of Management Accountants. He is also a member of American Institute of Certified Public Accountants and Alabama Society of Certified Public Accountants. Dr. Tsay received a B.S. in agricultural economics from National Taiwan University, an M.B.A. with a concentration in Accounting from Eastern Washington University, and a Ph.D. in Accounting from the University of Houston.

PREFACE

here are several traditional textbooks that do an excellent job of describing managerial accounting practice. So, why do accounting instructors need a new textbook? We believe that a *description of practice* is not the best pedagogical format for teaching concepts to introductory accounting students. Accounting practice is complex. It involves the simultaneous application of numerous interrelated concepts. Learning, on the other hand, is facilitated when concepts are isolated and introduced in a logical sequence. The application of accounting concepts to business practice should be the end result rather than the starting point of the educational process. Accordingly, our primary objective in writing this text is to establish a coherent, integrative framework that enables students to build knowledge in a logical stepwise fashion. To accomplish this objective, it is necessary to develop a new arrangement of subject matter. The brief table of contents is shown below:

Chapter 1	Management Accounting—A Value-Added Discipline
Chapter 2	Cost Behavior, Operating Leverage, and Profitability Analysis
Chapter 3	Analysis of Cost, Volume, and Pricing to Increase Profitability
Chapter 4	Relevant Information for Special Decisions
Chapter 5	Cost Accumulation, Tracing, and Allocation
Chapter 6	Cost Management in an Automated Environment ABC, ABM, and TQM
Chapter 7	Planning for Profit and Cost Control (Budgeting in a Retail Establishment)
Chapter 8	Performance Evaluation (Flexible Budgeting and Standard Costing)
Chapter 9	Responsibility Accounting
Chapter 10	Planning for Capital Investments
Chapter 11	Product Costing in Service and Manufacturing Entities
Chapter 12	Job-Order, Process, and Hybrid Cost Systems
Chapter 13	Financial Statement Analysis
Chapter 14	Statement of Cash Flow

We stress that our arrangement of contents is designed to facilitate a better understanding of concepts. Many of today's textbooks offer new organizational schemes. However, the primary objective of these new schemes appears to be a better *description of contemporary accounting practices*. While we certainly recognize the importance of covering new and emerging business practices, our emphasis is placed on the meaningful comprehension of concepts rather than the memorization of new buzzwords. It does little good to extol the virtues of *activity based management* to a group of students who cannot make a simple allocation. The focus of our organizational scheme is pedagogical soundness. We want our students to under-

stand concepts rather than memorize practices. The text contains numerous innovative features that facilitate the accomplishment of this objective.

Innovative Features

A Separate Section of Innovative End-of-Chapter Materials Encourages Students to Analyze, Communicate, and Think (ACT)

An innovative ***act***ivities section entitled Analyze, Communicate, Think (ACT) is included in the end of chapter materials. The ACT section is composed of business application cases, group exercises, research and writing assignments, ethics cases, and Excel spreadsheet applications. This section lets you decide the appropriate level of emphasis for innovative approaches to accounting education. Further, the material in this section permits you to stress computer applications to the extent you deem appropriate. While the text is not designed to teach spreadsheet technicalities, Excel problems and exercises do include teaching tips that facilitate the student's ability to use spreadsheets. Spreadsheet problems were created by Leslie Turner of Northern Kentucky University.

By focusing on the materials in the ACT section, you can place heavy emphasis on analytical skills and/or computer technology. However, there is also a healthy supply of problems of traditional exercises and problems included in the end-of-chapter materials. Accordingly, you can emphasize the traditional approach by selectively choosing the end-of-chapter materials that contain conventional requirements. The ACT section of end-of-chapter materials permits you to emphasize those areas that you consider to be most important for your particular academic environment. Examples of the ACT materials are provide below for your review!

ACT 3-4

WRITING ASSIGNMENT **Operating Leverage, Margin of Safety, and Cost Behavior**

The article "Up Front: More Condensing at the Digest?" in the October 19, 1998, issue of *Business Week* reported that Thomas Ryder, CEO of Reader's Digest Association, was considering a spin-off of Reader's Digest's direct-marketing operations into a joint venture with Time Warner. The article's author, Robert McNatt, noted that the direct marketing of books, music, and videos is a far larger part of the Reader's Digest business than is its namesake magazine. Further, the article stated that 1998 direct-marketing sales of $1.6 billion were down 11 percent from 1997. The decline in revenue caused the division's operating profits to decline 58 percent. The article stated that the contemplated alliance with Time Warner could provide some fast help. Gerald Levin, Time Warner chairman, has said that his company's operations provide customer service and product fulfillment far better than other Web sellers do because of Time Warner's established 250 Web sites.

Required

a. Write a memo explaining how an 11 percent decrease in sales could result in a 58 percent decline in operating profits.

b. Provide a brief an explanation as to how the decline in revenue will affect the company's margin of safety.

c. Provide a logical explanation as to why a joint venture between Reader's Digest's direct-marketing division and Time Warner could work to the advantage of both companies. (*Hint:* Consider the effects of fixed-cost behavior in formulating your response).

SPREADSHEET ASSIGNMENT **Using Excel**

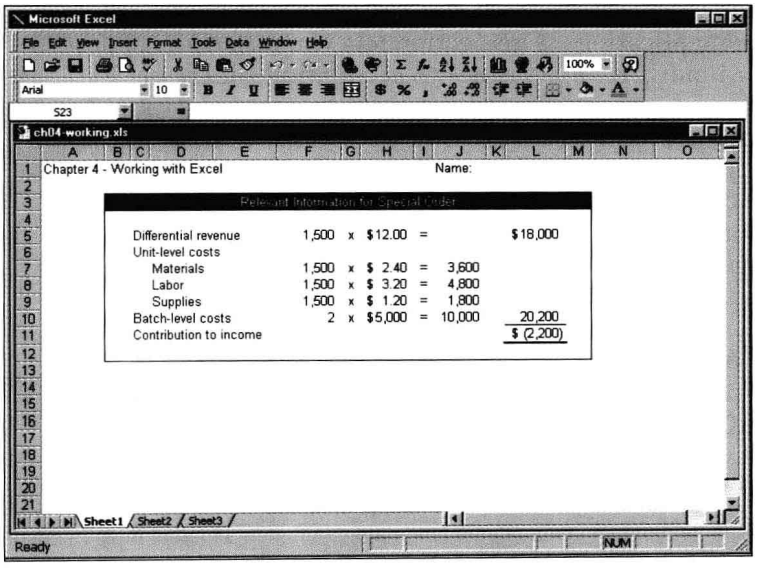
ACT 4-6

Dorina Company makes cases of canned dog food in batches of 1,000 cases and sells each case for $15. The plant capacity is 50,000 cases; the company currently makes 40,000 cases. DoggieMart has offered to buy 1,500 cases for $12 per case. Because product-level and facility-level costs are unaffected by a special order, they are omitted.

Required

a. Prepare a spreadsheet like the following one to calculate the contribution to income if the special order is accepted. Construct formulas so that the number of cases or the price could be changed and the new contribution would be automatically calculated.

b. Try different order sizes (such as 2,000) or different prices to see the effect on contribution to profit.



Spreadsheet Tips

1. The numbers in cells F7 to F9 should be formulas that refer to F5. This allows the number of cases to be changed in cell F5 with the other cells changing automatically.
2. The formula in cell F10 uses a function named ROUNDUP to calculate the even number of batches. The formula should be =ROUNDUP(F5/1000,0) where the zero refers to rounding up to the nearest whole number.

ACT 6-2

GROUP ASSIGNMENT Use of ABC in a Service Business

A dialysis clinic provides two types of treatment for its patients. Hemodialysis (HD) is an in-house treatment that requires patients to visit the clinic three times each week for dialysis treatments. Peritoneal dialysis (PD) permits patients to self-administer their treatments at home on a daily basis. On average, the clinic serves 102 HD patients and 62 PD patients. A recent development caused clinic administrators to develop a keen interest in cost measurement for the two separate services. Managed care plans such as HMOs began to pay treatment providers a fixed payment per insured participant regardless of the level of services provided by the clinic. With fixed fee revenues, the clinic was forced to control costs to ensure profitability. As a result, knowing the cost to provide HD versus PD services was critically important for the clinic. It needed accurate cost measurements to answer the following questions. Were both services profitable, or was one service carrying the burden of the other service? Should advertising be directed toward the acquisition of HD or PD patients? Should the clinic eliminate HMO service?

Unfortunately, the existing cost allocation system was believed to be inaccurate in the measurement of the true cost to provide the respective services; it had been developed in response to Medicare reporting requirements. It allocated costs between HD and PD on the basis of the ratio of cost to charges (RCC). In other words, RRC allocates indirect costs in proportion to revenues. To illustrate, consider the allocation of $883,280 of indirect nursing services costs, which are allocated to the two treatment groups in relation to the revenue generated by each group. Given that the clinic generated total revenue of $3,006,775, an allocation rate of 0.2937633 per revenue dollar was established ($883,280 ÷ $3,006,775). This rate was multiplied by the proportionate share of revenue generated by each service category to produce the following allocation.

Type of Service	Service Revenue	×	Allocation Rate	=	Allocated Cost
HD	$1,860,287	×	0.2937633	=	$546,484
PD	1,146,488	×	0.2937633	=	336,796
Total	$3,006,775	×	0.2937633	=	$883,280

To better assess the cost to provide each type of service, the clinic initiated an activity-based costing (ABC) system. The ABC approach divided the nursing service cost into four separate cost pools. A separate cost driver (allocation base) was identified for each cost pool. The cost pools and their respective cost drivers follow.

	Total	HD	PD
Nursing services cost pool categories			
RNs	$239,120	?	?
LPNs	404,064	?	?
Nursing administration and support staff	115,168	?	?
Dialysis machine operations (tech. salaries)	124,928	?	?
Total	$883,280	?	?

	Total	HD	PD
Activity cost drivers (corresponding to cost pools)			
Number of RNs	7	5	2
Number of LPNs	19	15	4
Number of treatments (nursing administration)	34,967	14,343	20,624
Number of dialyzer treatments (machine operations)	14,343	14,343	0

Data Source: T. D. West and D. A. West, "Applying ABC to Healthcare," *Management Accounting,* February 1999, pp. 22–33.

Required

a. Organize the class into four sections and divide the sections into groups of four or five students each. Assign Task 1 to the first section of groups, Task 2 to the second section, Task 3 to the third section, and Task 4 to the fourth section.

Group Tasks

1. Allocate the RN cost pool between the HD and PD service centers.
2. Allocate the LPN cost pool between the HD and PD service centers.
3. Allocate the nursing administration and support staff cost pool between the HD and PD service centers.
4. Allocate the dialysis machine operations cost pool between the HD and PD service centers.

b. Have the class determine the total cost to allocate to the two service centers in the following manner. Select a spokesperson from each section and have the selected representatives go to the board. Each spokesperson should supply the allocated cost for the cost pool assigned by her respective section. The instructor should total the amounts and compare the ABC cost allocations with those developed through the traditional RCC system.

c. The instructor should lead the class in a discussion that addresses the following questions.

(1) Assuming that the ABC system provides a more accurate measure of cost, which service center (HD or PD) is overcosted by the traditional allocation system and which is undercosted?

(2) What is the potential impact on pricing and profitability for both service centers?

(3) How could management respond to the conditions described in the problem?

A variety of writing, group, technology, and ethics assignments are included. These problems are marked appropriately for easy identification.

Writing

Group

Technology

Ethics

Isolating Concepts

How do you promote the understanding of concepts? We believe that concepts should be isolated and discussed within a decision-making context. The implementation of this strategy has caused us to deviate from the traditional approach in many respects. For example, notice that the traditional chapter covering cost ter-

minology (i.e., usually Chapter 2) has been eliminated from this textbook. We believe that introducing a plethora of detached cost terms in a single chapter is an ineffective teaching strategy. At best, students tend to memorize a few definitions. Indeed, the primary theme of a *terms chapter* seems to be: "Here are some definitions. Memorize them now and you will use them later." This sets a bad precedent. The appropriate educational expectation is comprehension, not memorization.

In contrast, we isolate concepts and introduce them singly. For example, we separate the concept of *product costing* from the related issues of manufacturing cost flow and the corresponding recording procedures. We assume that all materials purchased are used during the accounting period and that all products started are completed during the accounting period. Accordingly, the only inventory account used is a finished goods account. Within this context, students can clearly see how depreciation on manufacturing equipment is accumulated in an inventory account while depreciation on administrative equipment is expensed. Similarly, differences between administrative salaries and production wages are readily apparent. We use a financial statements model to highlight these critical comparisons (See Exhibit 5 in Chapter 1 as an example). Manufacturing cost flow is discussed in a separate chapter after students have had time to digest the distinction between a product cost versus a general, selling, administrative expense.

Interrelationships between Concepts

While isolating concepts facilitates the learning process, students must ultimately understand how the concepts are interrelated in business practice. The text has been written so that knowledge builds in a stepwise fashion to the point of full integration. For example, notice how the definitions of relevant costs are compared to those of cost behavior on page 150 of Chapter 4 and how the definitions of direct costs are contrasted to those of cost behavior and cost relevance on page 197 of Chapter 5. The commitment to integrated learning is evident not only in the text material but also in exercises and problems as well. The aim of this text is to develop a pedagogical format that facilitates the students' ability to apply accounting concepts to increasingly complex organizational environments.

Avoid Logical Inconsistencies

What is a period cost and how does it differ from a product cost? Traditionally a period cost is defined as a cost that is expensed in the period in which it is incurred. This definition fails to distinguish period costs from product costs because product costs are also expensed in the period in which they are incurred (i.e., sold). Indeed, both period and product costs are accumulated in asset accounts until such time that the assets are used. More specifically, there is no conceptual difference in the way prepaids, supplies, depreciable assets and inventory are treated in the financial statements. The fact is, the term "period" cost is a false identifier. We avoid this inconsistency by focusing on the true distinction, which is between product costs versus general, selling, and administrative costs. This is not an isolated incident but an example of a consistent commitment to avoid logical inconsistencies that thwart the comprehension of concepts.

Avoid Inconsistent Terminology

It is highly confusing when the same term is used to identify different concepts. Even so, many textbook authors have been careless in the use of terminology. For example, the term *fixed cost* is generally used to mean that a cost stays the same regardless of the volume of activity. However, within the context of a special order

decision the term fixed is used to imply that the cost stays the same regardless of whether the special order is accepted or rejected. Similarly, the term *direct cost* is frequently used interchangeably with the term *variable cost*. For example, books frequently compare "direct or variable" costing with full absorption costing. This terminology implies that direct and variable costing are the same thing. We have made every effort to avoid the use of conflicting terminology in this text.

Context Sensitive Nature of Terminology

Students are frequently confused by the fact that same exact cost can be classified as fixed, variable, direct, indirect, relevant, or not relevant. For example, the salary of a store manager is fixed regardless of the number of customers that enter the store. However, the same salary is variable relative to the number of stores operated by a company. The salary is directly traceable to a particular store but not traceable to particular sales made in the store. The salary is relevant to a decision regarding whether to eliminate the store, but not relevant to a decision as to whether a department within the store should be eliminated. Students must learn to identify the circumstances that determine the classification of costs. The chapter material, exercises, and problems in this text are designed to encourage students to analyze the decision-making context rather than to memorize definitions. Problem 4-A in Chapter 2 provides an example of how the text teaches students to make appropriate interpretations of differential decision making environments.

PROBLEM 2-4A **Context-Sensitive Nature of Cost Behavior Classifications**
L.O. 1

Patty Stark operates a sales booth in computer software trade shows, selling an accounting software package, *EZRecords*. She purchases the package from a software manufacturer for $50 each. Booth space at the convention hall costs $4,000 per show.

Required

a. Sales at trade shows in the past have ranged between 50 and 250 units per show. Determine the average cost of sales per unit if Ms. Stark sells 50, 100, 150, 200, or 250 units of *EZRecords* at a trade show. Use the following chart to organize your answer.

	Sales Volume in Units (a)					
	50	100	150	200	250	
Total cost of software (a × $50)	$2,500					
Total cost of booth rental	4,000					
Total cost of sales (b)	$6,500					
Average cost per unit (b ÷ a)	$130.00					

b. If Ms. Stark wants to earn $20 for each package of software sold at a trade show, what price would she be required to charge at sales volumes of 50, 100, 150, 200, and 250 units?

c. Record the total cost of booth space if Ms. Stark attends one, two, three, four, or five trade shows. Record your answers in the following chart.

	Number of Trade Shows Attended				
	1	2	3	4	5
Total cost of booth rental	4,000				

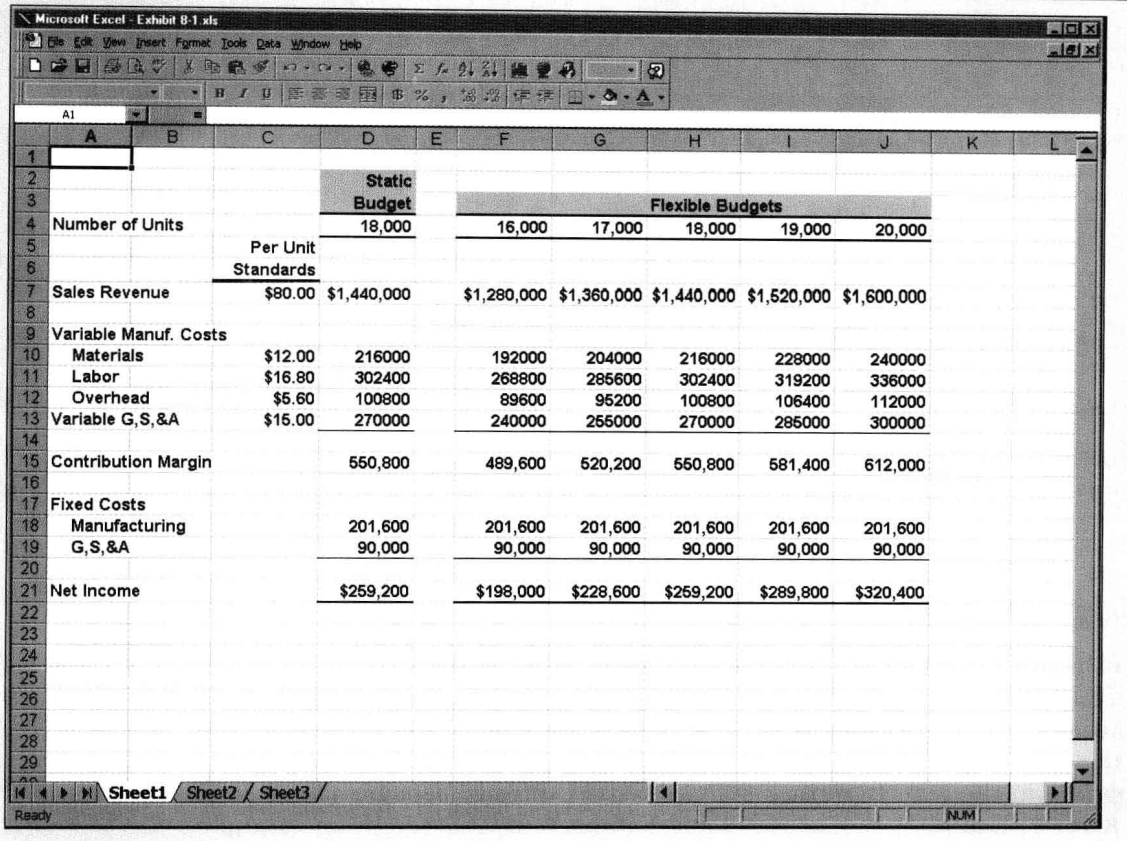
d. Ms. Stark provides decorative shopping bags to customers who purchase merchandise. Some customers take the bags; others do not. Some customers stuff more than one software package into a single bag. The number of bags varies in relation to the number of units sold, but the relationship is not proportional. Assume that she uses $20 of bags per 50 units sold. What is the additional cost per unit sold? Is the cost fixed or variable?

Excel Applications

Spreadsheet applications are an essential component of contemporary accounting practice. Students must be aware of the power of spreadsheet software and know how accounting data is presented in spreadsheet format. Toward this end, we have included a discussion of Microsoft Excel spreadsheet applications wherever appropriate in the text. In most instances, actual spreadsheets are shown in the text. Refer to Exhibit 1 in Chapter 8 and Exhibit 6 in Chapter 10 for examples. These exhibits are shown on the following pages for your review. Also, end-of-chapter materials include problems and exercise that can be completed with spreadsheet software.

EXHIBIT 8–1

Static and Flexible Budgets in Excel Spreadsheet



Microsoft Excel - Exhibit 8-1.xls

			Static Budget	Flexible Budgets				
	Number of Units		18,000	16,000	17,000	18,000	19,000	20,000
		Per Unit Standards						
	Sales Revenue	$80.00	$1,440,000	$1,280,000	$1,360,000	$1,440,000	$1,520,000	$1,600,000
	Variable Manuf. Costs							
	Materials	$12.00	216000	192000	204000	216000	228000	240000
	Labor	$16.80	302400	268800	285600	302400	319200	336000
	Overhead	$5.60	100800	89600	95200	100800	106400	112000
	Variable G,S,&A	$15.00	270000	240000	255000	270000	285000	300000
	Contribution Margin		550,800	489,600	520,200	550,800	581,400	612,000
	Fixed Costs							
	Manufacturing		201,600	201,600	201,600	201,600	201,600	201,600
	G,S,&A		90,000	90,000	90,000	90,000	90,000	90,000
	Net Income		$259,200	$198,000	$228,600	$259,200	$289,800	$320,400

Sheet1 / Sheet2 / Sheet3

Ready

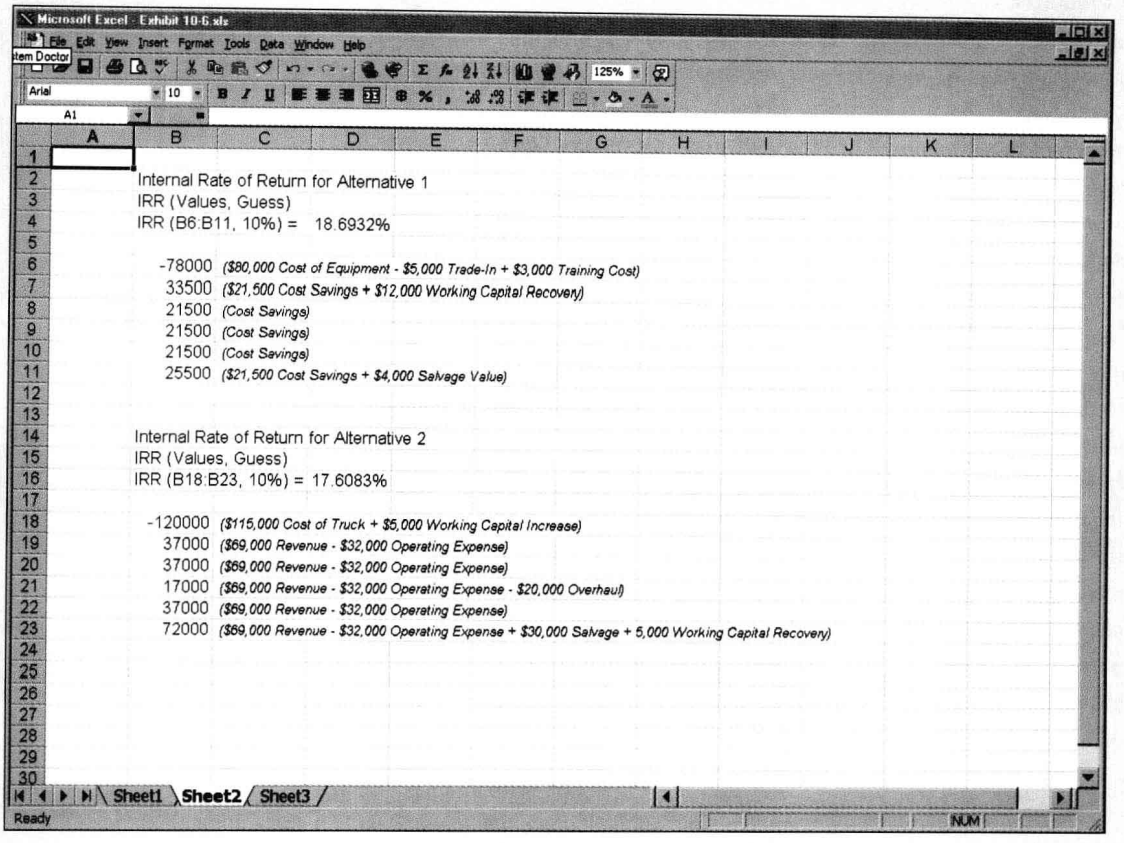
NUM

Interesting and Lively Writing Style

The text frequently conveys information through scenarios that permit students to view managers in action. In Chapter 3, a management team uses cost, volume, profit (CVP) analysis to evaluate the potential profitability of a new product. Along the way, the team confronts an ethical dilemma. Should substandard materials be used to accomplish a target-costing objective? In Chapter 5, a group of department heads advocates the use of allocation bases that serve their self-interest. Tempers fly and anger prevents one participant from reaching a compromise that would benefit his unit. The importance of the human side of the decision process becomes readily apparent. Interesting vignettes such as these are interspersed throughout the text. While this is not a novel, neither is it your typical dull textbook. Managerial accounting tools are introduced in a fashion that arouses and maintains student interest.

EXHIBIT 10–6

Microsoft *Excel* Spreadsheet Internal Rate of Return Function



Real World Applications

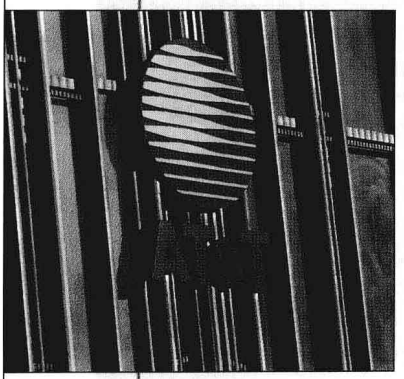
Student interest is further piqued through the use of real-world illustrations. Each chapter opens with a feature titled *The Curious Accountant*. This feature poses an interesting question that relates to the general content of the chapter. The questions involve real-world companies and include pictures that stimulate student interest. The question is answered in a text box located a few pages after the page containing the question. Real-world applications that relate to specific topics covered within each chapter are introduced through a feature titled *Reality Bytes*. This feature may contain survey results, graphics, quotes from business leaders, and other information that relates the text material to accounting practice. The objective here is to stimulate student interest by demonstrating the usefulness of managerial accounting tools in the management of real-world organizations. Examples of **The Curious Accountant** and **Reality Bytes** are shown on the following page for your review.

the curious accountant

A vendor's acceptance of credit and debit cards is expensive. Normally, the credit card company charges a fee by discounting the amount paid to the vendor for each charge. For example, suppose that the U.S. Postal Service (USPS) accepts a charge card as payment for $100 of stamps. When the USPS presents the credit card receipt to the credit card company for payment, the company pays USPS less than $100, perhaps $96. The actual discount rate depends on individual agreements between credit card companies and their customers. In this case, the USPS receives only $96 for $100 worth of stamps. Even so, the credit card customer must pay the bank $100. The $4 difference between the amount that the bank gave USPS and the amount that the customer paid the USPS is the fee that the bank charges for providing credit services. Incidentally, the credit card customer usually is required to pay the bank interest if the credit balance remains outstanding after the payment due date and may pay an annual fee. At a minimum, the USPS must pay a fee to enable its customers to pay for purchases with their charge cards. Because the USPS has a virtual monopoly on regular delivery mail, why is it willing to pay fees to permit customers to use credit cards? Why doesn't the agency accept only cash or checks?

Elena Rooraid/Photo Edit

reality bytes



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Do real-world companies use *target pricing?* According to C. Michael Armstrong, CEO of AT&T, target costing is a very real business practice. Indeed, Mr. Armstrong suggests that an unreasonable target price is the chief cause of AT&T's decision to delay the widespread deployment of a new local phone service technology. The new "Project Angel" system uses radio technology to bypass the wires of the Baby Bell phone companies. Unfortunately, the cost of deploying the technology in a test site in Chicago averaged $1,100 per home. Although this cost is prohibitive, AT&T still plans to continue testing the project. According to Mr. Armstrong, "it'll probably take two more cycles of technology" before costs drop to a level that will enable AT&T to offer the system at a competitive price.

Source: Peter Elstrom, "AT&T's Fallen Angel," *Business Week,* April 13, 1998, p. 4. © Monkmeyer/Hershkowitz