

# College Accounting

Eighth Edition • Chapters 26-32

Price

Haddock

Brock



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**E I G H T H  
E D I T I O N**

# College Accounting

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# Preface

**T**he eighth edition of *College Accounting* continues a tradition of refining text materials to meet changing curriculum needs while maintaining the comprehensive coverage and instructional design that have contributed to the successful use of this program by thousands of students around the country. Key instructional features are continued in this new edition: short units of instruction; a clear, concise writing style; numerous illustrations and examples; and abundant questions, problems, and projects.

Continuing to address the goals of accounting education reform proposed by the Accounting Education Change Commission of the American Accounting Association, the text and its ancillaries integrate accounting theory with business skills that are essential for future career success. Special textbook features help students develop an understanding of global business and the role that accounting plays in international arenas, technology, business ethics, and communication skills. Related optional projects give students opportunities to put their learning into practice.

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## COMPREHENSIVE ACCOUNTING COVERAGE

*College Accounting* provides solid coverage of accounting concepts and principles. The textbook establishes a foundation of accounting procedures within the traditional framework of a proprietorship accounting cycle, then builds on this framework as it examines additional methods of accounting for asset, liability, and equity accounts. The textbook expands its coverage of basic principles by presenting partnership, corporation, and managerial accounting concepts. This firm foundation in accounting can serve as basic preparation for a student who elects to pursue advanced accounting courses or as an accounting requisite for a management, marketing, or finance degree.

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## RETENTION AND REINFORCEMENT

This edition employs a sound pedagogy for assisting a student to learn accounting. Each chapter introduces accounting concepts through short learning modules and assesses student understanding with self-review questions and answers. This reinforcement technique allows students to build on a mastery of each concept. Reten-

tion and reinforcement are further enhanced through end-of-chapter questions, exercises, problems, challenge problems, and critical thinking problems. Practice sets help students integrate learning through practical applications of concepts and procedures.

## MAJOR TEXTBOOK FEATURES

The following summarizes the features comprising the overall instructional design of the student edition of the textbook.

- **Chapter Organization.** Chapters are organized to present an orderly flow of accounting concepts. A logical progression of learning is established as the text proceeds from a basic accounting cycle for a proprietorship to partnerships, corporations, and managerial concepts.
- **Short Learning Modules.** Each chapter is divided into short learning modules, each of which is followed by a student self-check activity. By completing this activity, students will know instantly whether they have mastered the accounting concepts in the module and should proceed to the next section.
- **Competency-Based Chapter Objectives.** Chapter objectives based on expected learner outcomes introduce each chapter. Within the chapter, each objective is repeated as marginal text alongside material that develops the objective. End-of-chapter exercises and problems also reference the chapter objectives.
- **Comprehensive Illustrations.** Full-scale color illustrations throughout the textbook enhance student understanding. Examples include flow charts of accounting concepts; T account analyses; diagrams that highlight posting procedures; and detailed journals, worksheets, and financial statements.
- **Vocabulary.** Helping students to master accounting vocabulary is a major feature of each chapter. All new terms are previewed on the chapter-opener page, placed in boldface type where defined, and summarized in a glossary at the end of the chapter (with page references). In addition, a master glossary appears at the end of the textbook, and the index highlights all defined terms.
- **Communications, Ethics, Computers, and International Accounting Vignettes.** Short vignettes highlight timely adjunct areas of accounting suggested by the Accounting Education Change Commission. These short features provide built-in opportunities for instructors to help students gain business skills that complement their accounting knowledge. Distinctive design of the features sets them apart without interrupting the natural flow of the chapter material. Each feature provides a student activity that might take place in an accounting office environment. The features are designed for lively classroom discussion and involve timely real-world events that help students develop and use problem-solving and critical-thinking skills. Comprehensive instructor materials support all student activities.
- **Margin Notes.** Margin notes emphasize major new concepts and reinforce previously introduced concepts. The margin also highlights learning objectives and points to remember.



- **In-Text Worksheet Transparencies.** A special worksheet illustration using multiple overlay transparencies is bound into Chapter 5 of the textbook. This illustration highlights the procedures for preparing a worksheet on a step-by-step basis. The illustration culminates with the presentation of the financial statements that are prepared from the worksheet.
- **Managerial Focus.** Each chapter concludes with a short discussion of real-world managerial applications. Managerial questions are an integral part of end-of-chapter activities.
- **End-of-Chapter Exercises, A and B Problems, Challenge Problem, Critical Thinking Problem.** Each major concept in a chapter is supported with an exercise. Chapter problems combine two or more major concepts and progress in difficulty. The Challenge Problem helps students integrate chapter content with prior learning, and the Critical Thinking problem requires students to apply concepts in making business and accounting decisions.
- **In-Text Mini-Practice Sets.** Four mini-practice sets cover accounting cycles for a service business, merchandising business, and a corporation, plus financial analysis and decision making. Stationery is included in the *Study Guide and Working Papers*.
- **Computer Activities.** Students may complete selected exercises and problems on a computer. Icons beside the activities designate the type of software to be used: tutorial, general ledger, Peachtree, or spreadsheet.

## STUDENT SUPPORT MATERIALS

A comprehensive array of student support materials contribute to student mastery of accounting concepts introduced in the textbook.

**Study Guide and Working Papers.** The Study Guide portion of each workbook contains a step-by-step study plan, objective questions, exercises with self-check solutions, and a demonstration problem with solution. Working papers are included for all Exercises, A or B Problems, Challenge Problems, Critical Thinking Problems, and mini-practice sets.

**Manual and Computerized Practice Sets.** Three practice sets are designed to accompany *College Accounting*. Each practice set may be completed manually or on the computer.

*Whitewater Wilderness Canoe Livery* is a sole proprietorship, service business that uses source documents, general journal, general ledger, worksheets, and a filing system. This set can be completed after Chapter 6.

*Wood n' Things* is a sole proprietorship, merchandising business that uses source documents, special journals, general ledger, subsidiary ledger, worksheet, accounting forms, and a filing system. This set can be completed after Chapter 13.

*SoftBooks, Inc.* is a corporation practice set that summarizes annual financial data and focuses on the analysis of the data recorded. With

this practice set, students will gain experience in preparing adjustments, financial statements, and closing entries. This practice set can be completed after Chapter 24.

**Computer Applications.** A variety of student software supports *College Accounting*, including an electronic study guide for tutorial use, general ledger software, spreadsheet software, and templates for Lotus 1-2-3, Excel, and Peachtree commercial software. Detailed user guides accompany all software packages.

*Electronic Study Guide.* This special tutorial program contains study guide questions and activities similar to the designated textbook exercises and problems. A special feature of the program is a report of the number of objective questions students answer correctly and incorrectly. The program includes a basic math review as well as a review of generally accepted accounting principles.

*ACCLAIM, the Glencoe integrated accounting program.* ACCLAIM is a Glencoe integrated accounting program that allows students to solve designated chapter exercises and problems, textbook mini-practice sets, and the stand-alone practice sets accompanying *College Accounting*. Separate template disks contain the beginning data for exercises, problems, and practice sets.

- **NEW!** Peachtree Accounting®. Template disks for selected chapter problems, mini-practice sets, and practice sets allow students to solve problems using this popular commercial accounting program.

*Accounting Spreadsheet Software.* Two types of spreadsheet templates are available for solving designated textbook problems: (1) a self-booting spreadsheet program and template disk and (2) a Lotus/Excel spreadsheet template disk.

- **NEW!** HyperGraphics. If your classroom is equipped with this learning and presentation tool, the *College Accounting HyperGraphics* materials will give you an effective means of presenting major accounting concepts and procedures and monitoring student understanding. A separate instructor's guide provides suggestions for use and an overview of covered activities.

**Dictionary of Accounting Terms.** A quick, easy reference to accounting and computer terms is offered in this component. Its inclusion of computer terms will assist students who elect a computerized accounting course after completing the basic course.

- **NEW! Spanish Dictionary of Accounting Terms.** New to this edition is a separate Spanish dictionary that provides an additional resource for the multicultural classroom environment.

## THE INSTRUCTOR'S SUPPORT PACKAGE

A variety of innovative instructor materials is available to assist you in creating an effective student learning environment. These materials include comprehensive teaching suggestions and alternative methods for presenting accounting concepts.

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## **Instructor's Wraparound Edition of the Student Textbook**

The instructor's wraparound edition is a comprehensive teaching aid that comprises the student edition and a wealth of on-page instructional support material. This unique and innovative four-color component provides chapter teaching suggestions and strategies that focus specifically on each major accounting concept. Interesting business connections and real-world accounting facts and figures provide a learning link. Course management tips, program components, pop quizzes, cooperative-learning strategies, life experience applications, reteaching strategies, special-needs strategies, and check answers to end-of-chapter activities are combined into one unprecedented teaching resource.

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## **Instructor's Resource Portfolio**

A variety of individual booklets designed to support multiple teaching needs are housed in a handsome, tabbed portfolio.

**Lesson Plans/Lecture Outlines.** Lesson plans and lecture outlines for each chapter are provided in a separate booklet that contains teaching objectives, student objectives, a list of instructor's tools, key terms, major concepts, assignments, and evaluation. The materials are perforated and may be duplicated as needed.

**How to Study Accounting.** A separate booklet offers specific techniques and suggestions to help students develop good study skills. The suggestions focus on methods that students can use when reading technical materials, such as those found in accounting, to sort out key concepts as an aid to comprehension.

**Math Review.** This booklet provides activities designed to help students review and develop their basic math skills. It includes a pre-test, instructions for solving problems, practice problems, and demonstration masters for use with an overhead projector. The activities are provided as blackline masters to facilitate reproduction and distribution to students or conversion to transparencies.

**Blackline Teaching Masters.** A set of blackline teaching masters that support the major concepts in each chapter, as well as a comprehensive set of accounting form masters, are provided in booklet form. These masters may be converted into transparencies to be used with the overhead projector or duplicated and distributed to students for classroom use.

**Strategies for Using Teaching Transparencies.** Another booklet offers suggestions on the most effective way to use each of the transparencies that are described below under "Teaching Transparencies." Suggestions are included for using the overhead projector and for duplicating the transparency for individual student use in conjunction with illustrations in the textbook.

**Strategies for Integrating Computers in Accounting.** A general discussion on using computers in the classroom, combined with specific strategies for incorporating computers in an accounting classroom is provided in a self-contained booklet. A detailed review of



the student and instructor software that accompanies *College Accounting* provides suggestions to maximize the effectiveness of each accounting software package in classroom or lab situations.

**Strategies for Teaching Ethics in Accounting.** This booklet begins with an overview of the importance of teaching ethics in the accounting classroom. The booklet also contains specific ways of introducing the textbook vignettes on ethics, as well as providing a decision model with solutions. Each student activity contains specific teaching guides for classroom discussion.

**Strategies for Infusing Communications in Accounting.** As a discussion of the importance of communications in accounting, this booklet provides general suggestions for helping students sharpen their skills in reading, analyzing, and reporting financial information. This booklet also contains rationales for communication projects, features, strategies, and evaluation guidelines. Suggested solutions are provided for each communication project, including background information and additional teaching suggestions.

**Strategies for Teaching Global Perspectives in Accounting.** An overview of the role of accounting in a global environment as well as specific vignette discussion questions and answers are provided in this instructor booklet.

**Strategies for Implementing Cooperative Learning in Accounting.** This instructor booklet provides an overview of types of cooperative learning situations, ideas for integrating cooperative learning experiences into accounting instruction, and suggestions for evaluating student performance.

**Alternative Assessment Methods.** This informative booklet provides suggestions for alternative methods of assessing students' accounting knowledge and their skills in dealing with common business and accounting issues.

**Case Studies in Accounting.** This booklet provides a set of accounting cases developed using original data as well as the Standard and Poor's database of financial information. These cases give students the opportunity to apply their learning to real-world business decisions.

**Strategies for Introducing the Statement of Cash Flows.** This booklet provides suggestions to introduce the Statement of Cash Flows in a practical user-friendly format. These materials may be used after the student has completed the first accounting cycle (Chapter 6) or at the end of the first unit (Chapter 13).

**School-to-Work Strategies.** A discussion of school-to-work principles and strategies are discussed in a condensed fashion. Suggestions for initiating a tech-prep program and crafting an articulation sequence between secondary and postsecondary study are included in this booklet.

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## Accounting Videos

Two video programs are available to present concepts and to stimulate classroom discussion.

*Electronic Field Trips in Accounting.* This laser disc program is a series of 18 short video segments that introduce major accounting concepts and connect them to real-life applications. A separate Instructor's Guide correlates the videos to textbook chapters and provides a full description of the content of each video.

*Accounting Cycle Reinforcement Video.* This VHS video presents major concepts from the accounting cycle chapters of *College Accounting*. The step-by-step presentation of each concept offers an excellent method of introducing and reviewing specific accounting topics.

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## Testing Package

A variety of testing resources are available with *College Accounting*. The flexibility of these resources will allow an instructor to design a testing program specifically tailored to the aims and objectives of the course.

**Test Bank.** The test-bank book contains true-false questions, multiple-choice questions, fill-in questions, and problems and solutions for each chapter. Each solution immediately follows its question.

**Test-Bank Software.** This test bank is an electronic version of the test-bank book. Its software program allows an instructor either to select individual test questions or to select randomly and customize a test. Moreover, the software has the flexibility to allow instructors to incorporate additional testing materials into the program.

**Achievement Tests.** A and B versions of an achievement test have been developed for each chapter. These tests contain a combination of objective questions and problems to measure the student's understanding of the major concepts of the chapter.

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## Solutions Manuals

Annotated editions of the student *Study Guide and Working Papers* provide solutions to the exercises and problems at the end of each chapter. For clarity, student solutions appear in a second color.

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## Solutions Transparencies

Boxed volumes of solution transparencies are available for all exercises and problems. The large-type format will project well using an overhead projector.

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## Teaching Transparencies

Four-color teaching transparencies that illustrate selected major accounting concepts in the textbook are supplied in a separate package. They summarize concepts and enhance textbook illustrations.

**Cambell's® Poster and Activity Booklet package.** A large poster illustrates Cambell's® financial statements and an instructor's resource booklet contains numerous activities that allow students to apply accounting concepts in a real-world environment.

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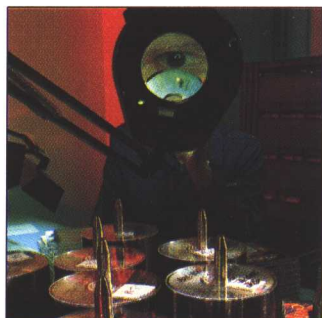
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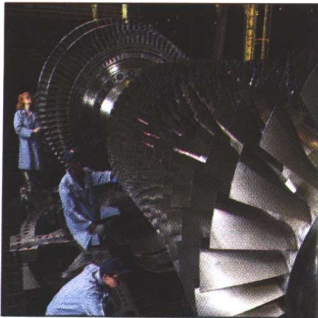
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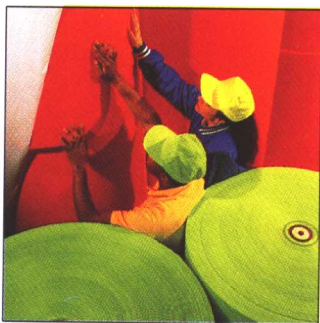
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# PART THREE

