

Introduction to Managerial Accounting



Folk • Garrison • Noreen

Introduction to Managerial Accounting

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INTRODUCTION TO MANAGERIAL ACCOUNTING

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Dedication

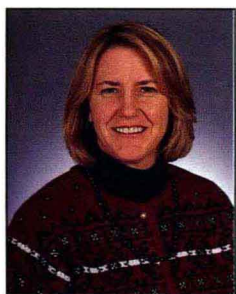
To my grandmother, Mary, and my children, Andy, Jessica,
and Kevin.

Jeannie M. Folk

To our families and to our many colleagues who use this
book.

Ray H. Garrison and Eric W. Noreen

About the Authors



Jeannie M. Folk is a professor of accounting at College of DuPage, one of the nation's largest community colleges. Professor Folk teaches financial and managerial accounting and auditing at College of DuPage and mentors accounting students working in cooperative education positions. In addition, Professor Folk is active in the area of on-line,

distance education. She has developed and taught several on-line accounting courses.

Professor Folk serves on the Scholarship Committee of TACTYC (Teachers of Accounting at Two-Year Colleges) and the Illinois CPA Society's Outstanding Educator Award Task Force. She is also a member of the American Accounting Association and the American Institute of Certified Public Accountants. She was honored with the Illinois CPA Society Outstanding Educator Award and was a recipient of the Women in Management, Inc., Charlotte Danstrom Woman of Achievement Award.

Before entering academe, she was a general practice auditor with Coopers & Lybrand (now PricewaterhouseCoopers). She received her BBA from Loyola University Chicago and MAS in Accountancy from Northern Illinois University. She is the author of a wide variety of instructional materials for both financial and managerial accounting courses.

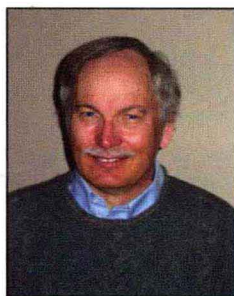
Professor Folk enjoys travel, camping, hiking, and community activities with her three children.



Ray H. Garrison is *emeritus* professor of accounting at Brigham Young University, Provo, Utah. He received his BS and MS degrees from Brigham Young University and his DBA degree from Indiana University.

As a certified public accountant, Professor Garrison has been involved

in management consulting work with both national and regional accounting firms. He has published articles in *The Accounting Review*, *Management Accounting*, and other professional journals. Innovation in the classroom has earned Professor Garrison the Karl G. Maeser Distinguished Teaching Award from Brigham Young University.



Eric W. Noreen is a globe-trotting academic who has held appointments at institutions in the United States, Europe, and Asia. He is currently a professor of accounting at the University of Washington and Visiting Professor of Management Information & Control at INSEAD, an international graduate school of business located in France.

He received his BA degree from the University of Washington and MBA and PhD degrees from Stanford University. A Certified Management Accountant, he was awarded a Certificate of Distinguished Performance by the Institute of Certified Management Accountants.

Professor Noreen has served as associate editor of *The Accounting Review* and the *Journal of Accounting and Economics*. He has numerous articles in academic journals including: the *Journal of Accounting Research*; *The Accounting Review*; the *Journal of Accounting and Economics*; *Accounting Horizons*; *Accounting, Organizations and Society*; *Contemporary Accounting Research*; the *Journal of Management Accounting Research*; and the *Review of Accounting Studies*.

Professor Noreen teaches management accounting at the undergraduate and masters levels and has won a number of awards from students for his teaching.

Preface

The decision to publish *Introduction to Managerial Accounting* resulted from discussions with selected groups of faculty members, business leaders, and students. Our goal was to create an introductory textbook that meets the current needs and desires of each of these groups. Faculty members expressed a need for an introductory managerial accounting textbook that would support their efforts to prepare students for successful careers in today's economy. Business leaders stated that greater emphasis is being placed on the skills that candidates must demonstrate during the interview process. The definition of a "traditional" accounting student is changing, as students struggle to balance their desire for quality education with their professional and personal lives. These students value their time and resources.

What Do Faculty Members Want?

Faculty members describe the introductory managerial accounting textbook that would meet their needs by citing three important characteristics. The textbook must be manageable, that is, consist of material that can be covered in one semester. In addition to being understandable, the textbook must be accurate, relevant, and up-to-date, and have high-quality end-of-chapter materials. The textbook must also have a strong pedagogical framework that facilitates both learning and the development of skills that employers require of new hires.

What Do Business Leaders Want?

Business leaders assume that the students who make it into the interview process have the required technical expertise. The accounting candidates who receive job offers clearly demonstrate that they also have the skills that are essential for success in the business world. The sought-after skills include: an aptitude for both oral and written communication, a talent for analyzing information and making effective decisions, a willingness to work effectively with team members, and a high level of comfort with technology (including familiarity with spreadsheets and the use of the Internet to gather information for decision making). Faculty members referred to these same skills and stressed the need for textbook support for the development of these proficiencies in their students.

These skills are consistent with the SCANS competencies. The Secretary of Labor appointed a commission, the Secretary's Commission on Achieving Necessary Skills (SCANS), to identify the skills people need to succeed in the workplace. SCANS' fundamental purpose is to encourage a high-performance economy characterized by high-skill, high-wage employment. The commission's message to educators is: Help your students connect what they learn in class to the world outside. To help educators prepare their students for the workplace, SCANS identified five workplace competencies that should be taught: (1) resource skills (the ability to allocate time, money, materials, space, and staff);

(2) interpersonal skills (the ability to work on teams, teach others, serve customers, lead, negotiate, and work well with people from culturally diverse backgrounds); (3) information ability (the ability to acquire and evaluate data, organize and maintain files, interpret and communicate, and use computers to process information); (4) systems understanding (the ability to operate within various social, organizational, and technological systems and to monitor and correct performance to design or improve systems); and (5) technological ability (the ability to select equipment and tools, apply technology to specific tasks, and maintain and troubleshoot equipment). The pedagogical tools in this text and package are designed to facilitate these SCANS competencies.

What Do Students Want?

Like instructors, students desire a clear and understandable introductory managerial accounting textbook that is engaging and interesting to read. They need interesting examples to help them understand and appreciate how managerial accounting concepts are applied in the real world. They want to be able to practice and apply their grasp of key concepts as they work through manageable end-of-chapter exercises and problems. Finally, students who view managerial accounting as an essential and practical component of their education (rather than just one of those required courses) expressed a desire for meaningful supplemental materials. They must balance other commitments with the additional time required to use such materials. As such, they stressed the need for these materials to focus on the hard-to-master concepts, be directly related to and use terminology consistent with that used in the textbook, and be interactive.

How Did We Respond to the Demand for an Accurate, Up-to-Date, and Manageable Text?

By focusing on the **core concepts** that faculty cover in one semester, we have been able to create a 14-chapter managerial accounting text. Based on feedback, 14 chapters appeared to be the number of chapters most faculty cover in a semester. Faculty advised which **topics** to include in an introductory course and which would be best covered in an advanced course. In addition to the standard managerial accounting topics that you expect to see, this text does introduce newer topics such as activity-based costing, theory of constraints, just-in-time, and others. Our primary concern when discussing these newer topics is to present the material in an understandable manner for the student. The emphasis has been on a clear **writing style**, use of appropriate **examples**, and solid end-of-chapter materials for **reinforcement**.

We realize that many instructors choose to cover the statement of cash flows using a worksheet approach, while others prefer to introduce the statement using T-accounts. In response, both approaches have been included. The worksheet approach is used in the body of the chapter while the appendix uses a T-account format. The **two approaches** complement one another. We believe that many students will benefit by the dual coverage whether or not their instructors choose to cover both approaches in class.

We feel that the **skills** outlined earlier are so important that throughout the text we have end-of-chapter material that help build these skills. Within each chapter, we have included relevant real world examples to help students see how these concepts are applied in business.

The Prologue provides an introduction to the revolutionary **changes** that today's managers are facing. Companies have gone through several waves of improvement programs, starting with just-in-time and continuing with total quality management, process reengineering, theory of constraints, and benchmarking. These changes are having a profound effect on the practice of management accounting.

The chapter **organization** is designed to expose students to fundamental managerial accounting concepts such as job-order costing and process costing before introducing decision-making tools such as CVP, activity-based costing, standard costs, and budgeting.

Pedagogy

Chapter One

An Introduction to Managerial Accounting and Cost Concepts

A Look Back

We addressed some of the challenges faced by managers during the 1980s and 1990s in the Prologue, and described the significant improvement programs that were adopted by many companies during that period. You were introduced to Good Vibrations, an international retailer of music CDs, and learned about their organizational structure. After describing the role of the controller, we stressed the importance of professional ethics and codes of conduct, and provided information about the Certified Management Accountant designation.

A Look at This Chapter

After describing the three major activities of managers in the context of Good Vibrations, Inc., this chapter compares and contrasts financial and managerial accounting. We define many of the terms that are used to classify costs in business. Because these terms will be used throughout the text, you should ensure that you are familiar with each of them.

A Look Ahead

Chapters 2, 3, and 4 describe managerial costing systems that are used to compute product costs. Chapter 2 describes job-order costing. Chapter 3 describes activity-based costing, an elaboration of job-order costing. Chapter 4 covers process costing.

Chapter Outline

The Work of Management and the Need for Managerial Accounting Information

- Planning
- Directing and Motivating
- Controlling
- The End Results of Managers' Activities
- The Planning and Control Cycle

Comparison of Financial and Managerial Accounting

- Emphasis on the Future
- Relevance and Flexibility of Data
- Less Emphasis on Precision
- Segments of an Organization
- Generally Accepted Accounting Principles (GAAP)
- Managerial Accounting—Not Mandatory

General Cost Classifications

- Manufacturing Costs
- Nonmanufacturing Costs

Product Costs versus Period Costs

- Product Costs
- Period Costs

Cost Classifications on Financial Statements

- The Balance Sheet
- The Income Statement
- Schedule of Cost of Goods Manufactured

Product Costs—A Closer Look

- Inventoriable Costs
- An Example of Cost Flows

Cost Classifications for Predicting Cost Behavior

- Variable Cost
- Fixed Cost

Cost Classifications for Assigning Costs to Cost Objects

- Direct Cost
- Indirect Cost

Cost Classifications for Decision Making

- Differential Cost and Revenue
- Opportunity Cost
- Sunk Cost

Appendix 1A: Cost of Quality

- Quality of Conformance
- Distribution of Quality Costs
- Quality Cost Report

Each chapter begins with a two-page chapter opening designed to help orient the student and prepare for the material that is covered in the chapter.

The **A Look Back**, **A Look at This Chapter**, and **A Look Ahead** features launch the chapter and establish bridges between chapters, assisting the student in linking concepts across the topics and in understanding how the chapters fit together.

The **Chapter Outline** provides students with an outline of the topics that will be covered in the chapter.



Decision Feature Managing the Marines

Many businesses are challenged by rapidly changing conditions and increasingly complex situations. Few would look to the military, especially the Marines, for ideas on how to succeed in today's business environment. Marines are soldiers, who blindly follow the orders given them, aren't they? This may be true in boot camp, but is no longer the case outside of that arena. In order to survive in today's world, the Marine Corps has reexamined its organizational structure. Innovative solutions enable the Corps to react promptly and creatively to the same types of threats that are facing today's business managers. Their success in dealing with immediate challenges is attributed to four principles.

Fast decisions are essential.

Even though there is a downside to making a decision with incomplete and hastily analyzed information, the alternative of not reacting to an immediate threat presents an unacceptable risk. Breaking the problem down into pieces facilitates the process.

All members of the organization are empowered to make decisions.

The organization chart of the Marine Corps is much more of a pyramid than that illustrated in Exhibit 3 of the Prologue. After studying the effectiveness of the many layers of management, the Marines concluded that the pyramidal structure works best. However, they also recognized that decisions made by high-level officers couldn't always be communicated on timely basis to Marines engaged in combat. Accordingly, men and women fighting on the front lines are allowed to change or make decisions and take the steps necessary to implement the decisions.

People learn by making mistakes.

■ When you make a mistake and have to live with the consequences, you learn from that experience. The Marines tolerate mistakes for the same reason. In fact, a Marine who doesn't make mistakes occasionally is viewed as someone who doesn't take enough risk.

Seek the advice of people outside of the organization.

■ To keep pace with the changing world, the Marine Corps taps into the creativity and expertise of others. A psychologist who has extensively studied the decision-making process was brought in to assist in the redesign of the training that is provided to Marines who will be required to make decisions in combat.

In many ways, the work of management, whether in business or in the Marines Corps, is the same.

Source: David H. Freedman, "A Few Good Principles—What the Marines Can Teach Silicon Valley," *Entrepreneur*, 20, 71-73.

Learning Objectives

After studying Chapter 1, you should be able to:

- LO1** Identify and give examples of each of the three basic manufacturing cost categories.
- LO2** Distinguish between product costs and period costs and give examples of each.
- LO3** Prepare an income statement including calculation of the cost of goods sold.
- LO4** Prepare a schedule of cost of goods manufactured.
- LO5** Define and give examples of variable costs and fixed costs.
- LO6** Define and give examples of direct and indirect costs.
- LO7** Define and give examples of cost classifications used in making decisions: differential costs, opportunity costs, and sunk costs.
- LO8** (Appendix 1A) Identify the four types of quality costs and explain how they interact.

The **Decision Feature** sets the stage with a short vignette that gives the student a real world example of how and why an organization applies the concepts and tools found in the chapter.

The **Learning Objectives** are listed at the beginning of each chapter and are tied directly to the summaries at the end of the chapter. These objectives help students preview and review what they are expected to know and understand after reading the chapter.

The **In Business Today** feature provides examples of how companies throughout the world apply or are affected by a managerial accounting issue, concept, or tool.

in business today **A Return on Investment of 100%**



During negotiations to build a replacement for the old Fenway Park in Boston, the **Red Sox** offered the city approximately \$2 million per year over 30 years in exchange for an investment of \$150 million by the city for land acquisition and cleanup. In May 2000, after denying his lack of support for the project, Boston Mayor Thomas M. Menino stated that his goal is a 100% rate of return on any investment that is made by the city. Some doubt that the Red Sox would be able to pay players' salaries if the team were required to meet the mayor's goal. The mayor has countered with a list of suggestions for raising private funds (such as selling shares to the public, as the Celtics did in 1986). Private funds would reduce the investment that would need to be made by the city and, as a result, reduce the future payments made to the city by the Red Sox. Negotiations continue.

Source: Meg Vaillancourt, "Boston Mayor Wants High Return on Investment in New Ballpark," *Knight-Ridder/Tribune Business News*, May 11, 2000, p1TEM00133018. Reprinted with permission of Knight Ridder/Tribune Information Services.

Managerial Accounting in Action

The Wrap Up



After completing the master budget, Larry Giano took the documents to Tom Wills, chief executive officer of Hampton Freeze, for his review.

Larry: Here's the budget. Overall, the net income is excellent, and the net cash flow for the entire year is positive.

Tom: Yes, but I see on this cash budget that we have the same problem with negative cash flows in the first and second quarters that we had last year.

Larry: That's true. I don't see any way around that problem. However, there is no doubt in my mind that if you take this budget to the bank today, they'll approve an open line of credit that will allow you to borrow enough to make it through the first two quarters without any problem.

Tom: Are you sure? They didn't seem very happy to see me last year when I came in for an emergency loan.

Larry: Did you repay the loan on time?

Tom: Sure.

Larry: I don't see any problem. You won't be asking for an emergency loan this time. The bank will have plenty of warning. And with this budget, you have a solid plan that shows when and how you are going to pay off the loan. Trust me, they'll go for it.

Tom: Fantastic! It would sure make life a lot easier this year.

The **Managerial Accounting in Action** feature is used to introduce core concepts and stimulate interest. They incorporate real products and services to which students can relate.

The **Decision Maker** feature fosters critical thinking and decision-making skills by providing real world business scenarios that require the resolution of a business issue. The suggested solution is located at the end of each chapter.

decision maker

Hospital Administrator

You are the administrator of a community hospital. The hospital's board of directors has questioned the pricing of certain services and noted that the fees charged for these services seem to be considerably lower than those charged by nearby hospitals. After interviewing one of the hospital's costs analysts, you learn that a hospital-wide rate has been used to assign a single pool of overhead costs to services. After reading about activity-based costing, you make a list of other cost pools that might be more appropriate and plan to ask the cost analyst to identify the cost drivers that might relate to those cost pools. What cost pools would you include on the list?

you decide

A Fiscally Responsible Student

You are a new student who will be footing part of the bill for your education. You saved quite a bit of money but are sure that you will need to earn more to cover your expenses. Before you look for a part-time job, you need to decide how many hours per week you will work and what hourly wage you will need in order to pay your expenses. You decide to prepare a budget for your college education. How should you proceed?

The **You Decide** feature challenges students to apply the tools of analysis and make decisions. The suggested solution is found at the end of the chapter.

The **Review Problem** found at the end of each chapter helps students reinforce the material learned in the chapter. The review problem is followed by a solution.

Review Problem: CVP Relationships

Voltar Company manufactures and sells a telephone answering machine. The company's contribution format income statement for the most recent year is given below:

	Total	Per Unit	Percent of Sales
Sales (20,000 units)	\$1,200,000	\$60	100%
Less variable expenses	900,000	45	75%
Contribution margin	300,000	\$15	25%
Less fixed expenses	240,000		
Net income	\$ 60,000		

Management is anxious to improve the company's profit performance and has asked for several items of information.

Required

1. Compute the company's CM ratio and variable expense ratio.
2. Compute the company's break-even point in both units and sales dollars. Use the equation method.
3. Assume that sales increase by \$400,000 next year. If cost behavior patterns remain unchanged, by how much will the company's net income increase? Use the CM ratio to determine your answer.
4. Refer to original data. Assume that next year management wants the company to earn a minimum profit of \$90,000. How many units will have to be sold to meet this profit figure?

The **Summary** describes the chapter in terms of the learning objectives and assists the reader in identifying key concepts and analyses.

The **Glossary** describes key terms used in the chapter. It provides a page reference to the first use in that chapter.

	Standard Quantity	Standard Price or Rate	Standard Cost
Direct materials	2.5 ounces	\$20.00 per ounce	\$ 50.00
Direct labor	1.4 hours	12.5 per hour	17.50
Variable manufacturing overhead	1.4 hours	3.5 per hour	4.90
			\$ 72.40

Exhibits in selected chapters are presented in **Excel Spreadsheet** screen captures. Such spreadsheets are routinely used in business to prepare analyses and reports.

During November, the following activity was recorded for the company relative to production of Fly

End-of-Chapter Material

This author team has always been known for their quality and quantity of assignment material. *Introduction to Managerial Accounting* has a wide variety of end-of-chapter materials to assist students.

The **Questions** are short questions that students can use to ensure that they have mastered concepts. Faculty can also use the questions to ensure that the students are grasping the concepts.

Each **Brief Exercise** covers a single learning objective. These simple exercises serve as building blocks to prepare the student for the longer exercises and problems. Faculty can use the brief exercises as quick in-class exercises.

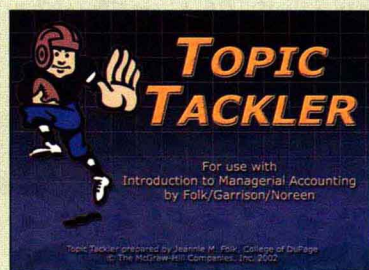
The **Exercises** cover multiple learning objectives.

The **Problems** challenge students to apply themselves. Alternate problems for each chapter may be found on the text's website at www.mhhe.com/folk1e.

The **Building Your Skills** section contains problem materials that help students develop communication, teamwork, Internet, and analytical skills.

- **Analytical Thinking** problems challenge students to think critically and apply their analytical skills to find the solutions.
- **Communicating in Practice** problems stress oral and written communication skills. Students are provided with opportunities to either interview accountants and managers to gain insights into decisions made in business or analyze solutions, and then are asked to present their findings and conclusions in writing.
- **Ethics Challenges** provide the opportunity for role-playing in business situations with ethical consequences. The goal of these exercises is to reinforce the need for ethical behavior. Guidance answers are provided for instructors.
- **Taking It to the Net** calls for students to access websites and obtain and use relevant information. In addition to highlighting the possibilities of the Internet as a source of information, these questions help students to become more comfortable with using the Internet. The Taking It to the Net exercises are posted at the website www.mhhe.com/folk1e. We have placed these exercises on the Internet so that they can be periodically updated throughout the life of this edition.
- **Teamwork in Action** requires teams to prepare, analyze, and use information to solve problems and then present their ideas to the class.

Topic Tackler



Topic Tackler is an exciting, interactive CD created by Jeannie Folk to help students with the concepts they typically find the most difficult to learn. These concepts are highlighted in the text with the topic tackler icon, which tells the student that they can refer to the CD for additional instruction. The material on the CD includes a video segment, a PowerPoint® slide show, a practice session, and a self-test for each of the 28 difficult-to-master concepts. It also contains a student tutorial.

The following are examples of the difficult-to-master topics that are included in Topic Tackler:

- Application of Overhead
- Computing Activity Rates and Product Costs
- Calculation of Equivalent Units
- Process-Costing Cost Reconciliation
- Contribution Format Income Statement
- Budgeting Process
- Flexible Budgets
- Variance Analysis (Direct Materials, Direct Labor, and Overhead)
- Adding or Dropping Product Lines or Segments
- Make or Buy Decisions
- Net Present Value Method for Capital Budgeting
- Classifying Cash Flows

Instructor Supplements



Instructor CD-ROM ISBN 0-07-246632-4

An all-in-one resource that allows instructors to create a customized multimedia presentation that incorporates the Test Bank, PowerPoint® Slides, Instructor's Resource Guide, Solutions Manual, Links to PageOut, and Spreadsheet Application Template Software.

Instructor's Resource Guide ISBN 0-07-246621-9

Extensive chapter-by-chapter lecture notes to help with classroom presentation. Useful suggestions for presenting key concepts and ideas are included. This supplement contains the teaching transparency masters.

Solutions Manual ISBN 0-07-246830-0

The manual contains solutions for all assignment materials, including a general discussion of how to use the group exercises. The print supplement is packaged with a CD-ROM.

Solutions Acetates ISBN 0-07-246625-1

Overhead transparencies are available for the Solutions Manual.

Ready Shows ISBN 0-07-246832-7 Available on Web and instructor CD-ROM only.

A multimedia lecture slide package using PowerPoint® Slides, version 7, to illustrate key objectives and topics. A viewer is included so that screens can be shown with or without Microsoft® PowerPoint® software.

Diploma for Windows ISBN 0-07-246624-3

A computerized version of the Test Bank, delivered in the Brownstone Diploma shell. It can be used to create different versions of the same test, change the answer order, edit and add questions, and conduct on-line testing.

Test Bank ISBN 0-07-246623-5

A wide variety of test materials organized by chapter, including true/false, multiple-choice, and problems.



Instructor Spreadsheet Application Template Software (SPATS) ISBN 0-07-246831-9 Available on Web and instructor CD-ROM only.

Prepared by Jack Terry of ComSource Associates Inc., these Excel templates offer solutions to the Student SPATS version. SPATS is available on the Web.

Check Figures ISBN 0-07-246834-3

Available on Web only.

The list of check figures gives key answers for selected assignment materials.

Video Library ISBN 0-07-237617-1

These short, action-oriented videos, developed by Dallas County Community College, provide the impetus for lively classroom discussion. The focus is on the preparation, analysis, and use of accounting information for business decision-making. (To acquire the complete telecourse, Accounting in Action, call Dallas TeleLearning at 972-669-6666, or FAX 972-669-6668 or visit their website at www.lecroy.dcccd.edu.)

Student Supplements

Topic Tackler CD-ROM ISBN 0-07-246617-0

Free with the text, the Topic Tackler CD-ROM helps students master difficult concepts in managerial accounting through a creative, interactive learning process. Designed for study outside the classroom, the Topic Tackler is a complete tutorial focusing on challenging topics in managerial accounting. This multimedia CD delves into chapter concepts with graphical slides and diagrams, web links, video clips, and animations, all centered around engaging exercises designed to put students in control of their learning of managerial accounting topics.

Workbook/Study Guide ISBN 0-07-246636-7

This study aid provides suggestions for studying chapter material, summarizes essential points in each chapter, and tests students' knowledge using self-test questions and exercises.

Ready Notes ISBN 0-07-246642-1

This booklet provides the PowerPoint® exhibits in a workbook format for efficient note taking.

Student Lecture Aid ISBN 0-07-246643-X

Similar to Ready Notes, this booklet offers a print version of all of the Teaching Transparencies. Students can annotate the material during the lecture and take notes in the spaces provided.

Working Papers ISBN 0-07-246640-5

This booklet study aid contains partially completed forms for use in completing homework problems. Not only will students save time by using the working papers, they will be guided in how to organize their answers and solutions.



Spreadsheet Application Template Software (SPATS) ISBN 0-07-246842-4

Available on Web only.

Excel templates, prepared by Jack Terry of ComSource Associates Inc., can be used to solve selected problems and cases in the text. These selected problems and cases are identified in the margin of the text with an appropriate icon. SPATS is available on the Web.

Mansuetti & Weidkamp: Ramblewood Manufacturing, Inc. Windows-Based Practice Set Student ISBN 0-07-234815-1

Instructor's Manual ISBN 0-07-234642-6

Ramblewood Manufacturing, Inc. by Leland Mansuetti and Keith Weidkamp of Sierra College is a computerized practice set. It presents a simulation of business transactions for a corporation that manufactures metal fencing. The practice set is intended for use after coverage of job-order cost accounting using a JIT inventory system. Estimated completion time is 10–14 hours.

***The Interactive Managerial Accounting Lab*
ISBN 0-07-236138-7**

This software provides exercises related to managerial accounting. It is presented in the same style as the Interactive Financial Accounting Lab. (Developed by Diane Pattison of the University of San Diego and Patrick McKenzie and Rick Birney of Arizona State University.)

Online Learning Center www.mhhe.com/folk1e

The comprehensive Online Learning Center (OLC) is organized by chapter and provides students with a wealth of useful resources.

A password-protected **Instructor Center** contains the instructor materials and other useful resources such as links to Spreadsheet Application Software, professional resources, web-based projects, and sample syllabi.

The **Student Center** contains a variety of relevant materials designed to support and enhance student learning, such as self-study quizzes (with a feedback mechanism) and Spreadsheet Application templates. In addition, a supplement to Chapter Four, "Process Costing Using the FIFO Method," is included here. Selected supplemental end-of-chapter materials, such as the Alternate Problems and the Taking It to the Net exercises, are also housed in The Student Center.

NetTutor *NetTutor* allows tutors and students to communicate with each other in a variety of ways: through a Live Tutor Center, a Q&A Center, an Archive Center, and a Management Center. Students are issued 10 hours of free NetTutor time when they purchase a new copy of the text. Additional time may be purchased in 5-hour increments. Live tutor availability will vary throughout the course of the term, with a peak availability of around 60 hours a week.

- The Live Tutor Center enables a tutor to hold an interactive on-line tutorial for several students.
- The Q&A Center allows students to submit questions and retrieve answers within 24 hours.
- The Archive Center allows students to browse previously asked questions for their answers. 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 Management Center makes it easy to create, update, and delete groups and members, as well as to customize the site to suit the needs of the group. The OLC website also serves as a doorway to other technology solutions.

PageOut

PageOut, an exclusive McGraw-Hill product, provides simple steps to enable instructors to create a professional course website. A team of product specialists is available to help. The instructor can supplement the website by using the interactive course syllabus functions. PageOut's online grade book automatically stores quiz and test grades and allows scores to be posted to the whole class or individually. The discussion board offers the instructor and students a forum to pose questions, exchange ideas, and talk about topics relating to the course.



PowerWeb extends the learning experience beyond the core textbook by offering all of the latest news and developments pertinent to the course, via the Internet. It offers current articles related to managerial accounting, weekly updates with assessment tools, informative and timely world news culled by an expert, refereed web links, and more. In addition, PowerWeb provides a trove of helpful learning aids, including self-grading quizzes and interactive glossaries and exercises. Students may also access study tips, conduct on-line research, and learn about different career paths. Visit the PowerWeb site at www.dushkin.com/powerweb.

The Online Learning Center offers different delivery platforms:

WebCT is one of the most popular and easy-to-use platforms available. McGraw-Hill will prepay the WebCT site license for students and there are also two service agreements available with WebCT.

EColleges.com is one of the most robust and stable on-line course authoring and management platforms in on-line education. It provides course-hosting development services for faculty and around-the-clock service.

Blackboard.com is one of the fastest and easiest ways to manage on-line courses. The courses are hosted on Blackboard's servers.

TopClass provides on-line discussion and message boards. On-line testing scores can be recorded and automatically placed in an instructor's grade book.

As a full service publisher of quality educational products, McGraw-Hill does much more than just sell textbooks to your students. We create and publish an extensive array of print, video, and digital supplements to support instruction on your campus. Orders of new (versus used) textbooks help

us to defray the cost of developing such supplements, which is substantial. Please consult your local McGraw-Hill representative to learn about the availability of the supplements that accompany this text.

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