

THE MODERN ACCOUNTANT'S HANDBOOK

Edited by

**JAMES DON EDWARDS
HOMER A. BLACK**

The Modern Accountant's Handbook

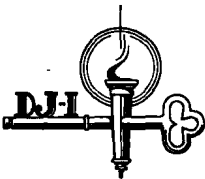
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Preface

Executives and their professional accounting and financial advisers face exceedingly complex responsibilities in formulating and carrying out accounting policy for the economic enterprise of today. *The Modern Accountant's Handbook* is designed as a unique, practical guide to assist them in fulfilling these responsibilities.

The impact of accounting policy on the ability of an enterprise to attract capital and to operate effectively and profitably has increased enormously in the last 25 years, primarily as a result of:

1. The increasing comprehensiveness of public financial reporting requirements.
2. The extended use of sophisticated management concepts and analytical techniques in planning and controlling enterprise activity.
3. The accelerating use of high-speed, high-capacity data processing systems.
4. The growing demands for more and better information by the Internal Revenue Service, the Securities and Exchange Commission, the stock exchanges, and other public agencies.

The expanding scope of enterprise accountability and the intensifying need for more and better accounting information demand new and more comprehensive knowledge on the part of executives and their professional advisers. Previously the executive had to obtain this knowledge mainly by spending great amounts of time in reading many different publications. The objective of *The Modern Accountant's Handbook* is to fill a void in accounting literature by providing in one convenient volume practical guidance for solving a wide variety of accounting and reporting problems of the modern en-

terprise. The *Handbook* is an accurate, up-to-date compendium of current knowledge on accounting policies that have proved to be practically effective, written by individuals who have been involved extensively and significantly in formulating and implementing accounting policy. Most of the contributing authors are professional accounting executives from industry, but there is also significant input from leading public accountants and accounting educators.

The authors include executives in a broad range of industries including aircraft, automotive, banking, chemicals, communications, consumer goods, food, petroleum, steel, and public utilities. Professional firms and organizations represented among the authors include accountants, appraisers, attorneys, and investment analysts.

The Editorial Advisory Board consists of top-level executives in professional accounting, investment banking, and industry.

Part 1 of the *Handbook* examines the objectives of financial accounting with great weight of authority, reflecting the viewpoints of the business executive, the independent public accountant, the financial analyst, and public policy.

Parts 2 and 3 pertain to establishing and carrying out management objectives in controlling the enterprise's assets and in realizing and measuring its income. Part 4 deals with special accounting-related problems in administering the enterprise, including reporting return on investment, segment reporting, accounting for human resources and social costs, reporting changes in price levels and current values, and accounting for businesses in financial difficulty. Part 5 examines in depth the problems of preparing interim and annual financial reports and of coordinating the firm's accounting and reporting with the independent auditor.

Part 6 addresses some special accounting policy questions of the enterprise which result particularly from the requirements of governmental agencies and the public interest. Part 7 deals with the diverse accounting standards for selected industries and not-for-profit enterprises; Part 8, with planning and control.

A detailed, comprehensive index is included in order to make the *Handbook* a more useful tool to the reader.

In summary, *The Modern Accountant's Handbook* is current, theoretically and professionally sound, and operational. It is a relevant, dependable, and useful guide for those who must make the accounting, reporting, and related managerial decisions for economic enterprises.

We especially wish to acknowledge the significant contribution made by the members of our editorial advisory board, John C. Biegler, William H. Franklin, Donald R. Hibbert, Charles Hornbostel, Archie M. Long, Russell E. Palmer, Thomas C. Pryor, Robert D. Rowan, Howard O. Wagner, and Alva O. Way; Richard F. Vancil, Harvard University, Editor-in-Chief of the Dow Jones-Irwin Handbook series; and, for her outstanding typing assistance, Isabel L. Barnes.

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