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Contributing Author

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**FUNDAMENTAL
ACCOUNTING
PRINCIPLES**

Fourteenth Edition

Volume I

Chapters 1-12

VOLUME I CHAPTERS 1-12

FUNDAMENTAL
**ACCOUNTING
PRINCIPLES**

FOURTEENTH EDITION

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Dedicated to
Nancy, Julie, Tim, Cindy, Albrecht, and Megan



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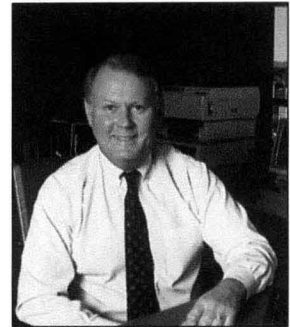
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About the Author

Kermit D. Larson is the Arthur Andersen & Co. Alumni Professor of Accounting Emeritus at The University of Texas at Austin. He served as chairman of the U.T. Department of Accounting and was Visiting Associate Professor at Tulane University. His scholarly articles have been published in a variety of journals, including *The Accounting Review*, *Journal of Accountancy*, and *Abacus*. He is the author of several books, including *Financial Accounting* and *Fundamentals of Financial and Managerial Accounting*, both published by Richard D. Irwin, Inc.

Professor Larson is a member of The American Accounting Association, the Texas Society of CPAs, and the American Institute of CPAs. His activities with the AAA have involved serving as Vice President, as Southwest Regional Vice President, and as chairperson of several committees, including the Committee on Concepts and Standards. He was a member of the committee that planned the first AAA Doctoral Consortium and served as its Director.

Professor Larson currently is President of the Richard D. Irwin Foundation. His other activities have included serving on the Accounting Accreditation Committee and on the Accounting Standards Committee of the AACSB. He was a member of the Constitutional Drafting Committee of the Federation of Schools of Accountancy and a member of the Commission on Professional Accounting Education. He has been an expert witness on cases involving mergers, antitrust litigation, consolidation criteria, franchise taxes, and expropriation of assets by foreign governments. Professor Larson served on the Board of Directors and Executive Committee of Tekcon, Inc., and on the National Accountants Advisory Board of Safe-Guard Business Systems. In his leisure time, he enjoys skiing and is an avid sailor and golfer.



About the Contributing Author

Barbara Chiappetta received her BBA in Accounting and MS in Education from Hofstra University and is a tenured full professor at Nassau Community College. For the past 14 years she has been an active Executive Board member of the Teachers of Accounting at Two-Year Colleges (TACTYC), serving ten years as Vice President and currently as the President since the fall of 1993. As an active member of the American Accounting Association, she has served as a Northeast Regional Representative of the Two-Year Section, is currently a member of the Northeast Region Steering Committee, and continues to chair (for the third year) the Curriculum Revision Committee for the Two-Year Section. Chiappetta co-chaired the Curriculum Revision Project at Nassau Community College. She received the Dean of Instruction's Faculty Distinguished Achievement Award in the spring of 1995.

Ms. Chiappetta has two sons, Michael and David, and both will be celebrating graduations in 1996. Michael, a Colgate University graduate, will receive his law degree from USC, and David will graduate from Syracuse University. Her husband, Robert, is an entrepreneur in the leisure sport industry. Barbara enjoys downhill skiing; she is also an avid tennis player and plays on a USTA team. Barbara also enjoys the challenge of duplicate and tournament bridge.



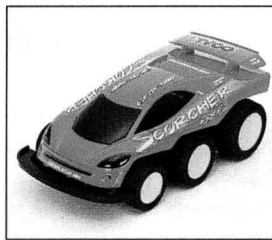
Preface

The 14th edition has changed *Fundamental Accounting Principles* in many important ways. Extensive input obtained through surveys, focus groups, reviewers, and personal correspondence has driven the revision plan. Instructors confirm several trends that are affecting the world of accounting. The trends most prevalent in accounting education today include the demand for change, the visual orientation of students, the need for flexibility and innovation in the classroom, new pedagogy, and the impact of technology. The many changes that have been integrated throughout this revision are in response to these trends.

To emphasize the business orientation of this edition, the text incorporates a variety of features that expose students to real-world situations and show the relevance of the material to real decisions. These features include the following:

- Several actual company references in each chapter describe how the companies have applied the concepts being discussed. Typically, each reference is accompanied by a photo that draws attention to the nature of the business or the specific company.

If **TYCO Toys, Inc.**'s management made the preceding comparison, the resulting figures might motivate them to investigate how this compares to last year and how they could improve this ratio. Continuation of a financially sound business requires continuous monitoring of the liquidity of the firm's assets.



- End-of-chapter questions relate to the financial statements of Apple Computer, Inc.; Ben & Jerry's Homemade, Inc.; and Federal Express Corporation. These statements are provided in appendixes to the book. Apple Computer, Inc., serves as the basis for a Financial Statement Analysis Case in most chapters. Other chapters draw on the Apple Computer annual report for a managerial decision case or managerial analysis problem.

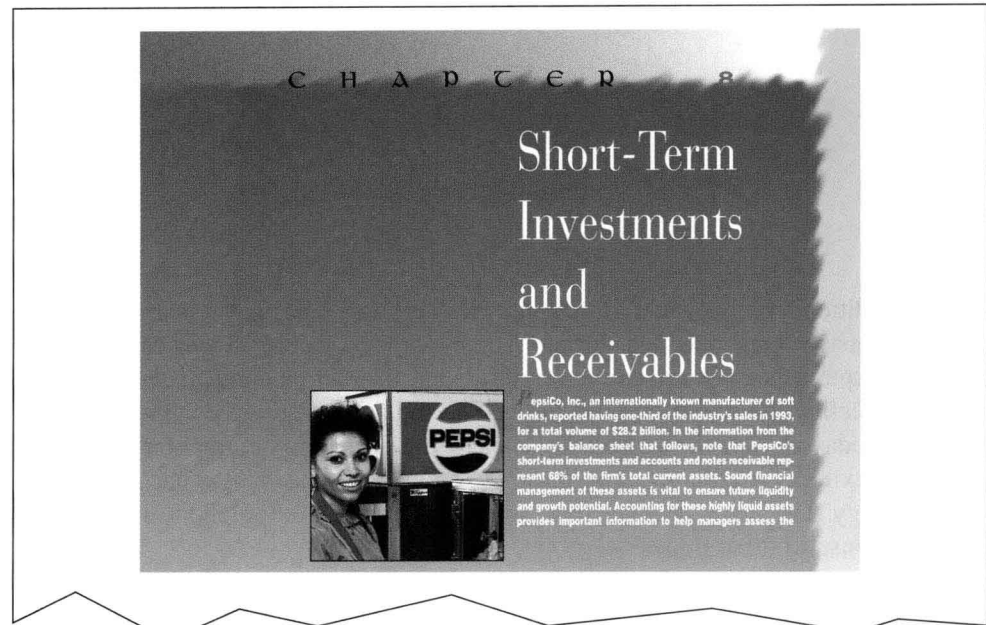
BEN & JERRY'S
VERMONT'S FINEST • ICE CREAM & FROZEN YOGURT



FedEx
Federal Express

**EXTENSIVE
INTEGRATION OF
COMPANY
EXAMPLES**

- An actual company scenario at the beginning of each chapter implicitly or explicitly raises questions related to the material covered in the chapter. Later in the chapter, one or more references show how the ideas being explained at that point apply to the company described in the chapter opening. Even before students read a chapter, they realize from the opening scenarios that what they will be learning is useful in solving real problems.



- The financial statements of Microsoft Corporation are used throughout Chapter 17 as a basis for discussing financial statement analysis. In this way, we emphasize the relevance of the discussion to actual decision situations.
- This edition continues the practice of having several chapters incorporate boxed quotations and biographical sketches of persons in business, accounting, and public service. In addition to providing role models for students, these individuals explain how the information in the chapter is relevant to their decision-making situations. This feature is called "As a Matter of Opinion."

As a Matter of Opinion

Diana Scott is a graduate of Wittenberg University. She worked for Price Waterhouse in its national office in New York before joining the FASB staff as a project manager in 1985. After leaving that position in 1991, she joined the management consulting firm of Towers Perrin in Chicago, where she is an accounting and financial consultant in the Technical Services Group.

Over the past several years, accountants have begun to pay much more attention to the potential future payments that businesses may be obligated to make as a result of current op-

made. The standard requires them to provide information about their obligations and to recognize the expenses for probable future payments.

Are there other obligations that we presently ignore but someday may have to recognize as liabilities? I would not be surprised. One that comes to mind is potential claims from injuries to product users. Some juries have given large awards many years after a product was sold. Another possible liability is the cost of cleaning up toxic wastes discarded before anyone was aware of the danger.



Diana J. Scott, CPA

Instructors and reviewers have uniformly called for a new commitment to show students the relevance of accounting information and to teach them how to use the information. The Accounting Education Change Commission also has emphasized the importance of this approach. In response, this revision places much greater emphasis on the use of accounting information by managers, business owners, lenders, and other interested parties.

This shift in focus has been accomplished while maintaining the appropriate goal of showing students how the information is developed. Too often, the importance of this understanding to managers and other nonaccountant decision makers has been overlooked or dismissed. By gaining an introductory understanding of the processes by which accounting information and reports are generated, future decision makers learn the limits of accounting information. They learn to avoid overstating or misinterpreting the information. Thus, they are less apt to confuse such things as book values and market values, accumulated depreciation and spendable funds, or product costs and variable costs.

In every chapter, students learn and practice how to use accounting information in evaluating companies and making decisions. For example, “Using the Information” sections in the financial accounting chapters gradually expand students’ understanding of financial ratios and other forms of analysis. Some of the Using the Information topics are:


Debt ratio—Chapter 2

Business segment information—Chapter 6

Return on total assets—Chapter 11

Price-earnings ratio—Chapter 14

Cash flow analyses—Chapter 16



INCREASED FOCUS ON USING ACCOUNTING INFORMATION

After studying this and the previous chapters, you have learned about all of the important classes of assets that businesses own. Recall from Chapter 10 that in evaluating the efficiency of a company in using its assets, a ratio that is often calculated and reviewed is total asset turnover. Another ratio that provides information about a company’s efficiency in using its assets is **return on total assets**. You can calculate the return on total assets with this formula:

$$\text{Return on total assets} = \frac{\text{Net income}}{\text{Average total assets}}$$



For example, **Reebok International**, a worldwide distributor of sports and fitness products, earned a net income of \$222.4 million during 1993. At the beginning of 1993, Reebok had total assets of \$1,345.3 million, and at the end of the year total assets were \$1,391.7 million. If the average total assets owned during the year is approximated by averaging the beginning and ending asset balances, Reebok’s return on total assets for 1993 was:




USING THE INFORMATION— RETURN ON TOTAL ASSETS

LO 5

Explain the use of return on total assets in evaluating a company’s efficiency in using its assets.

In Chapter 17, we review and discuss the relationships between all of the ratios using the annual report from Microsoft Corporation as a basis for discussion. We also discuss vertical and horizontal analyses and the use of other financial disclosures. The cost and managerial chapters continue this increased emphasis on using accounting information in decision making.



**CHANGES TO
PROMOTE
STUDENT
MOTIVATION AND
STUDY TIME
EFFECTIVENESS**

Several changes in this edition are intended to motivate students and help them study more effectively.

A Shorter, Less Imposing Book

Perhaps the most obvious improvement in the new edition is that it is a more streamlined book. This was accomplished by new restrictions on topical coverage, a renewed emphasis on concise writing, a new design, and the publication of the alternate problems in a separate booklet available at no extra charge. We believe *Fundamental Accounting Principles* is a text students will look forward to reading and be happy to carry—to class and to study groups.

Integrated Progress Checks with Answers

Progress Check

(Answers to Progress Checks are provided at the end of the chapter.)

- 2-1 **Which of the following are examples of accounting source documents? (a) Journals and ledgers; (b) Income statements and balance sheets; (c) External transactions and internal transactions; (d) Bank statements and sales tickets; (e) All of the above.**
- 2-2 **What kinds of economic events affect a company's accounting equation?**
- 2-3 **Why are business papers called source documents?**
-

A new feature in this edition is a series of Progress Checks integrated in each chapter. These review questions generally follow the discussion related to a learning objective. Occasionally, Progress Checks are presented more frequently. The goal is to have students stop momentarily and reflect on whether they should spend more time studying a given section of the text before moving on. Answers to the Progress Check questions are provided at the end of each chapter.

Pervasive Demonstration of Real-World Relevance

Motivation is typically stimulated by a reminder that the matter under study is truly relevant to life. *Fundamental Accounting Principles* brings these reminders in a variety of ways. For example, marginal notes in several chapters describe how an accounting principle being explained at that point is applied by a widely recognized company. The integration of the opening chapter scenarios with later portions of the chapters serves a similar purpose, as does the extensive use of actual company examples.

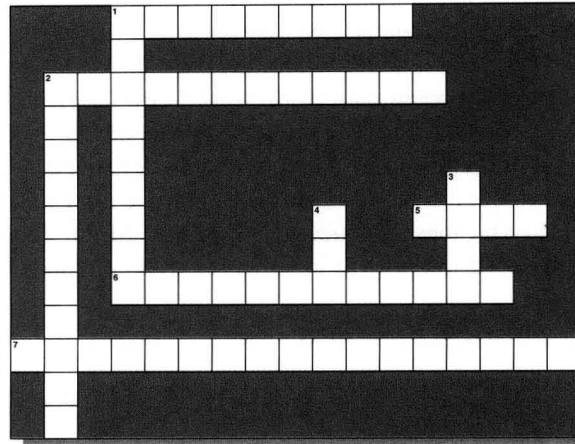
PRINCIPLE APPLICATION
Matching Principle, p. 108

In 1993, J.C. Penney Company had retail sales of \$18,983 million. In addition to bad debt expenses, the credit costs the company matched with these revenues included operating expenses and third-party credit costs of \$260 million.

In the last two entries, notice that the credit card expense was not recorded until cash was received from the credit card company. This practice is merely a matter of convenience. By following this procedure, the business avoids having to calculate and record the credit card expense each time sales are recorded. Instead, the expense related to many sales can be calculated once and recorded when cash is received. However, the *matching principle* requires reporting credit card expense in the same period as the sale. Therefore, if the sale and the cash receipt occur in different periods, you must accrue and report the credit card expense in the period of the sale by using an adjusting entry at the end of the year. For example, this year-end adjustment accrues \$24 of credit card expense on a \$600 receivable that the Credit Card Company has not yet paid.

Concept Testers

To encourage additional study of important glossary terms, selected chapters conclude the assignment material with a *concept tester* in the form of a short crossword puzzle. These puzzles are supported by the Working Papers.



Across Clues

1. One who holds goods for sale that are owned by another party.

Down Clues

1. Owner of goods who transfers them to another party who will attempt to sell them for the

Some instructors have described today's students as the MTV generation. Increased exposure to television, computer screens, and movies has honed a visual orientation that influences how students learn most effectively. This edition has been designed with this visual orientation in mind. The design is intended to capture and hold the students' attention.

VISUAL ORIENTATION

Use of Color

Conscious, deliberate thought and effort have gone into the use of color to add more interest and appeal to the book. More importantly, color is used as a code to aid in learning. Blue indicates financial statements and reports that provide accounting information to be used in decision making. The primary documents that accountants generate for themselves as they develop informative statements and reports are green. Finally, documents that serve as sources of the data that go into accounting reports are yellow.

Other Visual Tools

Several other elements will also capture the students' interest via visual concepts. Crossword puzzles at the end of several chapters serve as an excellent method to reinforce verbal learning with a visual tool. Photographs of events and companies help show students how accounting fits into the real world. Supplementary videos make it possible for students to study accounting using television. PowerPoint software programs combine words and illustrations on one computer screen that students will enjoy being exposed to in a classroom environment.



**FLEXIBILITY FOR
INNOVATION**

A common topic of discussion among introductory accounting instructors is the conflict between the extensive nature of traditional topical content and the need for new emphases on using accounting information in decision making, developing critical thinking, enhancing communication skills, and working in groups. Instructors clearly need more flexibility to innovate and develop an appropriate integration of these goals.

A dominant theme of the extensive input we received from instructors was that authors should facilitate these goals by taking a more proactive role in limiting the depth and range of topical coverage in the introductory accounting course. The clear imperative is that the text should reverse the trend toward being a complete resource for all possible combinations of topical development.

As a result, in close contact with reviewers and other instructors, we have taken numerous steps to avoid technical matters better left to intermediate level courses. In addition, we have deleted topics that have become less relevant in the changing climate of business practices. Instead, this edition focuses on the relevant topics that students need to know to be effective users of financial information.

Expanded Prologue

An important change in this direction was to prepare an expanded Prologue that now describes the accounting function in the context of other organizational functions such as finance, human resources, research and development, production, marketing, and executive management. The Prologue also explains the work accountants do, accounting certifications, the fields in which accountants work, and the pervasive importance of ethics in accounting. This accomplishes two basic improvements: First, as a separate learning unit, the Prologue emphasizes the overall importance of these topics to an understanding of the role accounting plays in providing information to a variety of decision makers. Instructors who want to give more attention to these topics, as suggested by the AECC, will find the Prologue especially appealing.

Financial Statement Orientation of Chapter 1

Second, as a result of the Prologue revision, Chapter 1 is now a much shorter and more manageable learning unit with a clear focus on financial statements. This includes the information contained in the statements, the basic concepts that guide the development and use of accounting information, and the relationship of the statements to the transactions and events in the life of a business.

Deletions in Chapters 4 and 5

Reviewers and adopters have overwhelmingly encouraged limiting the early examples in the book to proprietorships. As a result, the discussion of corporations has been deleted from Chapter 4 and from the illustrations in Chapter 5. Corporations are considered in the early chapters only as necessary to support student interaction with the financial statements at the back of the book and to recognize the existence of alternative forms of business organization.

Work sheets now are presented as an *optional* step in the accounting cycle. However, we also describe several reasons why an understanding of work sheets is useful. In addition, a more concise discussion of the adjusting entry method of accounting for inventories has eliminated the need for a separate appendix at the end of Chapter 5.

Discounting Notes Receivable

The revision of Chapter 8 recognizes the fact that an increasing number of companies routinely convert their receivables into cash without waiting to receive customer

payments. In dealing with this modern business practice, the discussion of discounting notes receivable has been replaced with a more general examination of the various ways receivables may be converted into cash.

Topics Related to Inventories

Because perpetual inventory records are rarely maintained on a LIFO basis, LIFO has been deleted from the discussion of perpetual inventories in Chapter 9. Also, the discussion of lower of cost or market has been simplified to avoid the details of considering ceiling and floor limits on market value. Finally, the treatment of markups and markdowns has been eliminated from the discussion of the retail inventory method. Reviewers agree that all of these topics are better left to intermediate level courses.

Topics Related to Property, Plant, and Equipment

Sum-of-the-years' digits has been deleted from the discussion of accelerated depreciation, as has the apportioning of accelerated depreciation between accounting periods. To help students appreciate the differences between financial accounting and tax accounting, we continue to discuss MACRS. However, the discussion has been condensed to exclude the calculations that underlie MACRS tax rate tables. We also eliminated the discussions of plant asset subsidiary records and tax rules that govern plant asset exchanges.

Consolidated Financial Statements

Adopters indicate that the consolidated statements chapter in prior editions was the one they most frequently omitted. Nevertheless, long-term investments are an important financial consideration in evaluating many companies. The answer was to eliminate the consolidated statements chapter and to develop a more balanced set of asset chapters. As a result, Chapter 11 completes the asset coverage by discussing natural resources, intangible assets, and long-term investments. The long-term investments portion naturally concludes with a discussion of investments in international operations.

Leases and Deferred Income Tax Liabilities

In Chapter 12, the discussion of leases has been significantly shortened. Students learn the differences between capital and operating leases without having to journalize the entries related to capital leases. Also, the appendix on deferred income taxes has been deleted as a technical issue better left to intermediate level courses. The appendix on payroll records has been moved to the back of the book.

Streamlined Coverage of Partnerships

Reviewers and focus group participants suggested that we compress the coverage of partnerships. In response, we have streamlined the discussion and combined it with the introductory discussion of corporations in Chapter 13. This eliminated the separate chapter on partnerships.

Deletion of Cash Flows Appendix and Direct Method Worksheet

In explaining cash flows from operating activities in Chapter 16, we first explain the direct method, which is most relevant to managerial evaluations and predictions. However, the direct method work sheet has been deleted. We then explain the indirect method as the dominant method used in financial reporting. This approach eliminates the need for a separate appendix dealing with the indirect method.

Segmental Reporting

The illustration and discussion of segmental reporting has been eliminated from Chapter 17. However, a short section at the close of Chapter 6 recognizes that operating in several business segments complicates the design of the accounting system. Then, the use of business segment information by decision makers is briefly discussed.

Integrated Coverage of Mark-to-Market Accounting (*SFAS 115*)

The issuance of *SFAS 115* represents an accounting milestone in its break from the traditional cost and lower-of-cost-or-market bases of reporting. As a result, we incorporate this new development in several sections of the book. These include short-term investments in Chapter 8, long-term investments in Chapter 11, and alternative valuation methods in Appendix D.

Expanded Coverage of Activity-Based Costing

The practice of managerial accounting in United States industry continues to undergo a wide range of significant changes. Among these, the increasing implementation of activity-based costing systems is particularly noticeable. Accordingly, the introductory coverage of activity-based costing in Chapter 21 has been expanded in this new edition.

Emphasis on New Teaching Methods

The instructor's Fully Annotated Support for Teaching (F.A.S.T.) Edition of the text contains suggested ways of using selected problem assignments as the basis for group projects. Each chapter includes at least one group project suggestion. The group projects help students learn the skill of working effectively in teams and also encourage more active student participation in the classroom.

In addition to the hardcover version of the text, the first 12 chapters and the last 13 chapters are available in separate softcover versions that include Working Papers. A variety of special packaging and/or custom publishing options also is available depending on the unique needs of each school. Consult your Irwin representative for details.

A new supplement, *Student Learning Tools* (with an accompanying instructor's manual), is designed to facilitate both the development of interpersonal skills and a conceptual approach with a user emphasis. The introduction is aimed at motivating the student to participate by developing an understanding of the need for and the value of active learning. Tips for writing and recommended research/writing projects are also included.



END-OF-CHAPTER MATERIAL

The 14th edition includes several improvements in the end-of-chapter material. Many of these improvements have been added in response to calls for change from the AECC.

Enhanced Emphasis on Critical Thinking, Analysis, and Communication Skills

The assignment material in the book has been completely revised. Many assignments have been reoriented to increase the emphasis on critical thinking and communication skills. For example, the requirements for selected problems in each chapter now include a *Preparation Component* and a separate *Analysis Component*.

The Analysis Component generally requires students to think about the financial statement consequences of alternative situations. Students learn to consider the consequences

of alternatives and the resulting effects on their interpretation of the results. This complements the more usual preparation component of end-of-chapter assignments.

Analysis component:

2. In comparing the results of the three alternatives, how would they change if MDI had been experiencing declining prices in the acquisition of additional inventory?
3. What specific advantages and disadvantages are offered by using LIFO and by using FIFO assuming the cost trends given at the beginning of this problem?

In addition, a new category of assignments is described as Critical Thinking: Essays, Problems, and Cases. Typical assignments in this category are:

Analytical Essays—Students evaluate a situation such as alternative facts related to another problem assignment and express their findings in writing.

Business Communication Cases—Students prepare a variety of correspondence items such as letters to customers, memoranda of record, or internal letters of explanation.

Financial Reporting Problems—Students examine the factual situation of a company and determine the financial statement consequences of alternative procedures.

Managerial Analysis Problems—Students analyze accounting information from the perspective of nonaccountant managers.

Financial Statement Analysis Cases—Students extract and interpret information from the financial information contained in Apple Computer Inc.'s annual report.

Management Decision Cases—Students assume the role of nonaccountant managers and use accounting information to reach various business decisions.

Ethical Issues Essays—Students are asked to consider the ethical implications of the “As A Matter of Ethics” cases presented in the chapters and express their personal conclusions regarding the appropriate actions that should be taken.

CRITICAL THINKING: ESSAYS, PROBLEMS, AND CASES

On March 26, Summerfield Office Supply received Miles Brokaw's check number 629, dated March 24, in the amount of \$1,420. The check was to pay for merchandise Brokaw had purchased on February 25. The merchandise was shipped from Summerfield's office at 1715 Westgate Boulevard, Austin, Texas, 78704 to Brokaw's home at 823 Congress, Austin, Texas, 78701. On March 27, Summerfield's cashier deposited the check in the company's bank account. The bank returned the check to Summerfield with the March 31 bank statement. Also included was a debit memorandum indicating that Brokaw's check was returned for nonsufficient funds and the bank was charging Summerfield a \$25 NSF processing fee. Immediately after reconciling

**Business
Communications
Case
(LO 5)**

Also, a number of the exercises and problems require students to think analytically by working “backward” from outputs to inputs or by analyzing the consequences of errors or omissions.

Instructors indicate an increasing reliance on shorter problem material for use as in-class illustrations and as homework assignments. Undoubtedly, the prospect of solving problems in a short time and the rapid feedback of having done so successfully are motivating factors that lead students to extend their study efforts. Accordingly, this edition contains a new category of very short exercises that are identified as Quick Study. At least one quick study is provided for each learning objective.

QUICK STUDY (Five-Minute Exercises)

- QS 10-1
(LO 1) Explain the difference between (a) plant assets and long-term investments; (b) plant assets and inventory; and (c) plant assets and current assets.
- QS 10-2
(LO 1) Mattituck Lanes installed automatic score-keeping equipment. The electrical work required to prepare for the installation was \$12,000. The invoice price of the equipment was \$120,000. Additional costs were \$2,000 for delivery and \$8,400, sales tax. During the installation, a component of the equipment was damaged because it was carelessly left on a lane and hit by the automatic lane cleaning machine during a daily maintenance run. The cost of repairing the component was \$1,500. What is the cost of the automatic scorekeeping equipment?

THE IMPACT OF TECHNOLOGY

An increasing number of schools are moving toward multimedia education and a more interactive learning environment. Inevitably, this is a gradual process that requires a great deal of evaluation and reassessment along the way. Initial attempts to incorporate new technologies nearly always require modification and readjustment before the most effective applications are discovered. In light of these facts, the goal of our author-publisher team has been, and continues to be, to facilitate and encourage but not dictate the nature of the changes implemented by our adopters.

Given this objective, we have attempted to lead with technological innovations during the last two editions of *Fundamental Accounting Principles*. In 1990, for example, we began to offer the Telecourse option, teaming with Kirkwood Community College in Cedar Rapids, Iowa, to promote distance learning and interactive, telecommunicating options. In 1993, we offered the first CD-ROM version of an accounting principles package. This included the full text and all supporting supplemental material.

Further innovation is scheduled for this new edition. New *multimedia practice sets* will give the students a portable, exciting learning environment. Our new PowerPoint *Ready Slides, Ready Shows, and Ready Notes* give the instructor and student increased flexibility for classroom instruction and student retention. We also offer *computerized practice sets* covering a variety of companies and situations. Our *GLAS* and *SPATS* software provide unusually flexible general ledger and spreadsheet applications in both a DOS and Windows format.

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**SUPPLEMENTS
THAT SUPPORT
THE TEXT**

Fundamental Accounting Principles is supported by a full range of supplements. They include:

FAST HINT

Alternative Example:

If the fair values of these investments on December 31 was \$70,000, what entry would be made?

Answer:

Unrealized Holding	
Gain (Loss)	3,000
Long-Term Invest., Fair Value	
Adjustments	3,000

	Book Value	Fair (Market) Value
Candice Corp. bonds payable	\$30,000	\$29,050
Intex Corp. common stock, 500 shares	43,000	45,500
Total	<u>\$73,000</u>	<u>\$74,550</u>

- *Fully Annotated Support for Teaching Edition.* Marginal annotations labeled Fast Hints have been expanded. We continue to include Important Points to Remember, Critical Thought Questions, and Alternative Examples. New to this edition are Additional Insights, Class Discussion Issues, Relevant Exercises, Group Projects, and Relevant Quick Studies.

- *Solutions Manuals.* The solutions manuals contain completely revised solutions for all assignment material. The solutions manuals are available in a new electronic format in both Lotus and Excel.
- *Working Papers.* These volumes include papers for the Exercises, the Problems or Alternate Problems, the Comprehensive Problems, the Serial Problem, and the Concept Testers.
- *Study Guides.* For each chapter and appendix, these guides review the learning objectives and the summaries, outline the topical coverage, and provide a variety of practice problems with solutions.
- *Student Learning Tools.* Written by Barbara Chiappetta, this supplement contains material for students' use in an active learning environment. The materials coordinate with the active learning applications or lessons described in the accompanying instructor's manual. For instructors who additionally address preparation/procedural issues, accounting forms (journal paper, 2 and 3 column paper, and T accounts) are provided for reproduction. Working papers for selected problems from *Fundamental Accounting Principles* are also provided.
- *Instructor's Manual for Student Learning Tools.* This manual illustrates how to use a traditional text and meet the objectives set forth by the Accounting Education Change Commission. The approach employs a concept and user focus. Specific applications using active learning techniques, coordinated with *Student Learning Tools*, are provided. The manual was designed to provide instructors with the materials necessary to create an active learning environment to facilitate the development of interpersonal skills. Active learning strategies and structures, group formation, and assessment techniques are discussed. Visuals coordinated with the applications are available in the form of PowerPoint displays or acetate teaching transparencies.
- *Alternate Problems.* A booklet containing alternate problems is available. Updated yearly, this booklet is free of charge for adopters.
- *Practice Sets.* These give the student practice with the procedures presented in the text. There are several practice sets accompanying this book:
 - Fast Mart, Inc.* Provides a narrative of transactions and features a retail corporation.
 - Cog Hill Camping Equipment Company.* A practice set involving a sole proprietorship that includes business papers for a retailing company.
 - Republic Lighting Company.* A narrative of transactions for a sole proprietorship; it illustrates special journals and includes a work sheet for a retailing company.
 - Republic Lighting Company: Extended Version.* This is similar to Republic Lighting Company above, but covering two accounting periods.
 - KJC Manufacturers, Inc.* A narrative of transactions featuring a manufacturing company.
 - Freewheel Corporation.* A narrative of transactions for a corporate practice set with special journals.
- *Computerized Practice Sets.* From Leland Mansuetti and Keith Weidkamp, both of Sierra College, these computerized practice sets are available in DOS and Windows versions; they offer an alternative to manual sets.
 - Granite Bay Jet Ski, Level One.* This package simulates a single proprietorship involved in the sales, service, and storage of Kawasaki Jet Ski personal watercraft and other watercraft equipment. It is intended for use after coverage of the accounting cycle and accounting for cash.
 - Granite Bay Jet Ski, Level Two.* This adds a corporate level to the business presented in Level One. It is intended for use after coverage of depreciation of plant and equipment, current and long-term liabilities, and corporations.
 - Thunder Mountain Snowmobile.* Comparable to Granite Bay Jet Ski, Level One; the two sets may be alternated to provide variety each semester.