

INSTRUCTOR'S MANUAL
VOLUME I: CHAPTERS 1-14
TO ACCOMPANY

INTERMEDIATE ACCOUNTING

KIESO • WEYGANDT

GREG A. GRABER

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

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VOLUME I: CHAPTERS 1-14

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Deloitte & Touche
Chicago, Illinois

**INTERMEDIATE
ACCOUNTING**
E i g h t h E d i t i o n

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PREFACE

This instructor's manual is a teaching supplement to **INTERMEDIATE ACCOUNTING**, Eighth Edition, by Donald E. Kieso and Jerry J. Weygandt. The overall objective of this manual is to aid instructors in teaching intermediate accounting. Each of the twenty-six chapters in the textbook has a corresponding chapter in this manual. Additionally, new to this edition are helpful essays on *Reading and Grading Writing Assignments* by Susan Smith, *Team Learning* by Terry D. Warfield, and *Using the "Ethical Issues" Assignment Materials*.

Sample syllabi are presented for your use on pages S1-S15 as follows: A. Two-semester sequence; B. One-semester sequence; and C. Three-quarter sequence.

Correlation of 8th edition and 7th edition End-of-Chapter Materials is presented on pages C1-C11 following the sample syllabi. This feature cross references the cases, exercises, and problems from our seventh edition to our eighth edition so that you can readily identify your previously used favorite assignment material and the new material we have added to this edition. All exercises and problems carried over from the seventh edition have been updated and revised with names, dates, and numbers changed.

Each chapter in the *Instructor's Manual* is organized as follows:

Assignment Classification Table—A unique feature of our *Instructor's Manual* is a table that categorizes all four types of end-of-chapter items (questions, cases, exercises, and problems) by key topics in the chapter.

Assignment Characteristics Table—Each chapter of this *Manual* contains a table offering (a) a short description of each case, exercise, and problem, (2) an indication of level of difficulty (simple, moderate, or complex), and (3) the estimated time in minutes.

An estimated average minimum and maximum time (in minutes) is given for each case, exercise, and problem in the text. Although many of the estimated times are based on actual classroom experience, it should be recognized that they are only averages. On any given case or problem even a superior student may encounter difficulty because of a mechanical error or misinterpretation of the problem and spend more time than on other problems of similar difficulty.

Chapter Objectives—consists of a listing of the major objectives of the chapter coverage.

Chapter Review—a condensation of the chapter, prepared by Douglas W. Kieso of Aurora University, that provides sufficient detail so that an individual familiar with **Intermediate Accounting** will not have to reread the textbook.

Lecture Outline—presents a point-by-point outline of the entire chapter. Space has been provided for instructors to write in their notes, illustrations, and examples on points they wish to expand on. Each outline begins and ends on a page by itself and can therefore be used for distribution to instructors of different sections. Numerous illustrations and **teaching tips** are provided.

The illustrations, cross referenced to the lecture outline, may be copied and distributed to students or made into overhead transparencies. Color teaching transparencies are crossreferenced to the lecture outline.

Annotated Bibliography—provides a selected bibliography on the topics covered in the textbook. This annotated bibliography is intended to serve as a vehicle for (1) introducing relevant findings from recent empirical research into the classroom, (2) providing more of a conceptual discussion of certain subjects, and (3) providing a starting point for students interested in pursuing a given topic further. Also included are pedagogical articles, many from the Education Section of *The Accounting Review*, *Issues in Accounting Education*, and *The Journal of Accounting Education*, which provide a discussion of different teaching approaches, flowcharts of complex pronouncements, exhibits which can be used as visual aids or handouts, and numerical examples for class discussion.

In addition to the above mentioned features, at the end of the manual two other teaching aids are provided:

Appendices

Appendix I provides the instructor with the outline for a brief lecture on accounting research.

Appendix II provides the Interest and Present Value Tables from Chapter 6 of the textbook for reproduction in multiple copies by the instructor; these tables are also found in the *Student Study Guide*.

SUPPLEMENTARY MATERIALS AND TEACHING/LEARNING AIDS

SOLUTIONS MANUAL I AND II. The comprehensive Solutions Manuals contain the answers to all questions and cases and the solutions with detailed derivations for all exercises and problems.

The eighth edition Solutions Manual contains two end-of-chapter-material classification tables at the beginning of each chapter. In Table I all four types of items (questions, cases, exercises, and problems) are categorized by key topics in the chapter. In Table II the problems, exercises, and cases are listed with a brief description of the item, and analysis of the degree of difficulty, and an estimate of the time frame required to complete each item. Preceding each section of case solutions and problem solutions is a discussion of the purpose of each case and each problem.

SOLUTIONS TRANSPARENCIES I AND II. Packaged in organizer boxes, the transparencies feature detailed solutions to **all** textbook **exercises and problems**. These transparencies have been especially prepared in large font type, new to this edition, and are designed to project readable solutions. All solutions were extensively checked by the authors and reviewers.

TEACHING TRANSPARENCIES. 100 4-color illustrations used to clarify accounting concepts and principles are available as acetates. Illustrations are selected from the text and include original exhibits from outside the text. Suggestions on how to integrate Teaching Transparencies are provided in the Instructor's Manuals.

STUDENT STUDY GUIDE I AND II. These widely used supplements, prepared by Douglas W. Kieso of Aurora University, consist of chapter learning objectives, chapter reviews, demonstration problems where appropriate, and review questions and exercises (true/false, matching, multiple choice, and exercises). The Study Guide, expanded this edition, is designed to highlight and summarize the material contained in the chapter and to help students measure their progress and understanding by immediate feedback. Added to each chapter is a **glossary** of terms. Answers to the questions and solutions to the exercises are presented at the end of each chapter to provide students with reinforcement of, or check on, their knowledge of the subject matter. Also provided are explanations of false answers in the true/false section as well as explanations of the incorrect answers in the multiple-choice section for each chapter. The Study Guide may be used by the instructor to supplement classroom discussions and by students to review material in preparation for examinations.

SELF-STUDY PROBLEMS/SOLUTIONS BOOK I AND II. These student learning aids, coauthored with Marilyn F. Hunt of the University of Central Florida, contain exercises and problems for each chapter with annotated step-by-step solutions that demonstrate how the student might approach, set up, and solve the problem. This book coaches the student by providing insights and tips on how to study and how to analyze and solve accounting problems and examination questions.

PRACTICE SET (ROCKFORD CORPORATION). The accounting Practice Set for the eighth edition has been revised and is designed to be used at or near the beginning of *INTERMEDIATE ACCOUNTING*. The Practice Set provides material that can be assigned in conjunction with Chapter 3, "A Review of the Accounting Process." With this eighth edition we provide an alternative set of instructions so that the instructor has the choice of two sets of data to assign. The Practice Set has been designed as a student review and update of the accounting cycle and the preparation of financial statements that are covered in the traditional first-year principles of financial accounting. Completion of this Practice Set requires the student to (1) analyze transactions, (2) journalize transactions, (3) post to the general ledger and to subsidiary ledgers, (4) prepare year-end adjusting entries, (5) use a 10-column work sheet, (6) prepare financial statements (including the optional preparation of a statement of cash flows), and (7) close the accounts. **Check figures are provided.** The Rockford Corporation Practice Set is estimated to take between 10 and 14 hours to work. A solutions manual is available free for instructors.

COMPUTERIZED PRACTICE SET. A disk (3½ inch) and accompanying documentation to run the Rockford Corporation Practice Set (described above) on microcomputer have been prepared. This Practice Set runs on IBM-PC. The IBM-PC preprogrammed disk for student use is packaged with the Practice Set. The solutions manual is the same one that accompanies the manual Practice Set described above.

WORKING PAPERS I AND II. Working Papers I is provided for all problems in Chapters 1 through 14. These Working papers are partially filled in with company names, numerous headings, and some preliminary data. Working Papers II provides similar partial information for Chapters 14 through 26. The Working Papers save students time, standardize the solutions format, and facilitate rapid reviews by the instructor.

CHECKLIST OF KEY FIGURES. To aid students in verifying their problems and solutions and in discovering their own errors, a Check of Key Figures has been developed. It is available free to instructors who wish to distribute key figures to their students.

EXAMINATION BOOK AND TEST BANK I AND II. A collection of examination questions and problems for each chapter in the textbook, accompanied by answers and solutions, was prepared with the assistance of Professor Wayne Higley of Buena Vista College. Derivations are provided for all multiple-choice questions requiring computations. In addition to the examination material provided for each chapter, comprehensive achievement tests covering multiple chapters are also included. Each of these comprehensive examinations has been class tested. Each chapter includes a Summary of Objectives by Questions linking test items to learning objectives.

COMPUTERIZED TEST BANK. The collection of objective questions and exercises with answers for each chapter in the textbook is also available for use with the IBM and the IBM-true compatibles and the Macintosh.

The Computerized Test Bank offers the instructor a number of valuable options—the ability to generate a large number of questions randomly; to modify and customize test questions by either changing existing problems or by adding your own problems; to create multiple versions of the same test by scrambling questions by type, chapter, number, or study objective. Instructors can also customize exams with headers, page and margin size, and question numbering. The user may preview tests prior to printing (answer key with test). Examinations can be stored on a separate disk or hard drive and retrieved later for playback.

TEST PREPARATION SERVICE. Simply call Wiley's Accounting Hotline (800) 541-5602 with the questions you have selected for an examination. Wiley will provide a customized master exam within 24 hours. If you prefer, random selections from a number of chapters are possible.

ANALYZING AND SOLVING INTERMEDIATE ACCOUNTING PROBLEMS USING LOTUS 1-2-3, Prepared by David R. Koeppen of Boise State University, this workbook plus disk contains intermediate accounting problems formatted on templates to run on Lotus 1-2-3. The instructor or the department must have access to Lotus 1-2-3 in order to use this Lotus package. Exercises and problems contained in the textbook and used in this workbook are identified in the text margin by icon. The templates include problems covering time value of money, notes receivable, retail inventory method, dollar-value LIFO, exchange of used assets, depreciation, bonds payable, percentage-of-completion method, pensions, lease amortization, and many others. A solutions manual is available for instructors.

VIDEO WITH VIDEO INSTRUCTOR'S MANUAL. This video was designed to enhance the classroom use of the textbook by covering key topics in intermediate accounting. The video segments range in length from 18 to 28 minutes and can be divided into shorter segments to allow for discussion over one or more classes. Topics are presented in several formats to enhance learning effectiveness. These include a panel discussion, vignettes, and interviews with prominent experts. An Instructor's Manual is provided to help the instructor facilitate classroom discussion. Additionally, learning objectives, content summary, suggestions for relating the video to the textbook, and several discussion questions are provided for every segment.

SUMMARY

All supplementary teaching aids have been painstakingly prepared, reviewed, and tested to provide instructors and students with valuable, error-free materials. To the extent that we have not, we invite the users of our textbook and supplementary materials to inform us directly of the reactions and suggested improvements. The examination book microtest, microtutor, all solutions manuals and the instructor's manual, the checklist, and the transparencies are all available at no cost for use by instructors adopting the textbook.

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Donald E. Kieso
Jerry J. Weygandt

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One-Semester Course Syllabus.....	S-9
Three-Quarter Sequence Syllabi.....	S-13

TWO-SEMESTER SEQUENCE SYLLABI

This two-semester sequence rearranges the chapter coverage slightly from the textbook order, is based on **three one-hour sessions per week** (42-45 sessions a semester), and schedules two or three interim exams, some quizzes, and a final exam. (All exams are 2 to 3 hours in length.) Appendices coverage is also included. Nine micro computer assignments using Lotus 1-2-3 are made along with 2 written papers. (FRP = Financial Reporting Problem; WA = Writing Assignment; GA = Group Assignment)

FIRST SEMESTER

**Written Assignments;
C = Case; E = Exercise; P
= Problem; FRP =
Financial reporting
Problem**

Meetings Reading from Text

Week 1

1	Introduction and Overview	None
2	Chapter 3, pp. 69-97	E4, E13, E22
3	Chapter 3, pp. 98-103 Perspective pp. 66-68	E25, P10, P11, P6

Week 2

4	Chapter 1, pp. 5-24, Perspective pp. 2-4	C8, FRP
5	Chapter 2, pp. 33-52	E1, E5, FRP
6	Chapter 4, pp. 137-161	C3, E2, E12

Week 3

7	Chapter 4	E13, P3, P9
8	Chapter 4, Appendix-A, pp. 161-167	P6, E17, Ethics Case
9	Chapter 5, pp. 189-209	C2, P7, C3

Week 4

10	Chapter 5, pp. 209-216 (Scan pp. 218-235)	P5, E6, E11, WA Handout Sol. P5-6(a)
11	EXAMINATION I (CHAPTERS 1, 2, 3, 4, and 5)	
12	Chapter 6, pp. 261-284, Perspective pp. 312-333	E4, E10, E19, E16, E7

Week 5

13	Chapter 6, pp. 285-289	P1, P3, P6, P8, Ethics Case
14	Chapter 7, pp. 315-325, Appx. A, pp. 348-350	E4, E5, P9
15	Chapter 7, pp. 325-347	E16, P7, P12, E20

FIRST SEMESTER (Continued)

Meetings	Reading from Text	Written Assignments Etc.
<u>Week 6</u>		
16	Chapter 7, Appendix-B, p. 351-353	P19, P17, FRP
17	Chapter 8, pp. 376-391	E5, E16
18	Chapter 8, pp. 391-404	P3, P6, E27
<u>Week 7</u>		
19	Chapter 8	WR, EC2 (Ethics)
20	Chapter 9, pp 432-452	E3, E2, E16
21	Chapter 9, Appendix-A, pp. 453-457	E20, E21, E23
<u>Week 8</u>		
22	Chapter 9	P10, P12, FRP
23	Chapter 9, Perspective pp. 478-479	Q18, E24, E25, E26
24	EXAMINATION II (CHAPTERS 6, 7, 8, and 9)	
<u>Week 9</u>		
25	Chapter 19, pp. 939-954	C2, E5, E11
26	Chapter 19, pp. 954-965	E8, E12, P7
27	Chapter 19, Appendix-A, pp. 966-971	P8, P13
<u>Week 10</u>		
28	Chapter 19, pp. Perspective pp. 936-937	E13, E20
29	Chapter 13, pp. 622-638	E1, E3, E5
30	Chapter 13, pp. 639-650	E7, E8, P6
<u>Week 11</u>		
31	Chapter 13, Perspective pp. 668-669	P9, P10, E18
32	Chapter 10, pp. 480-497	E2, E9, E5
33	Chapter 10, pp. 497-504, Perspective pp. 479-480	E18, E25, E12
<u>Week 12</u>		
34	Chapter 10, Appendix A, 505-507	P9, GA2, FRP
35	Chapter 11, pp. 528-548	E10, E13, E15
36	Chapter 11, pp. 548-554	P2, P5, E8, E25, P8
<u>Week 13</u>		
37	Chapter 12, pp. 571-591	E15, P3, E16
38	Chapter 12	P4, C2, E17
39	Chapter 12, Appendix A, pp. 592-595 Appendix B, pp. 596-600	Q24, Q25, E20, P10, FRP

FIRST SEMESTER (Continued)

Meetings	Reading from Text	Written Assignments Etc.
<u>Week 14</u>		
40	Chapter 2	C13, E5, C14
41	Review	
42	FINAL EXAMINATION (Comprehensive, with emphasis on CHAPTERS 19, 13, 10, 11, and 12.)	

SECOND SEMESTER (Continued)

Meetings	Reading from Text	Written Assignments Etc.
<u>Week 1</u>		
1	Introduction, Perspective pp. 668-669	None
2	Chapter 14, pp. 670-692	C1, E1, E7
3	Chapter 14, 692-702	P8, E15, P12
<u>Week 2</u>		
4	Chapter 14, Appendix-A, pp. 702-714	E25, E26, P18
5	Chapter 15, pp. 734-757	E2, E8, C4, E9
6	Chapter 15	E11, P6, E14, FRP
<u>Week 3</u>		
7	Chapter 16, pp. 772-785	E4, C2, C3
8	Chapter 16, pp. 785-791	E8, C6, E16, FRP
9	Chapter 16, Appendix A, pp. 793-795	P8, P10, E18
<u>Week 4</u>		
10	EXAMINATION I (CHAPTERS 14, 15, and 16)	
11	Chapter 17, pp. 813-832	E2, E7, E6
12	Chapter 17, Perspective pp. 876-877	E12, E13, E11
<u>Week 5</u>		
13	Chapter 17, pp. 832-848	C6, E15, E20, E21
14	Chapter 17	E22, E23, E26
15	Chapter 17, Appendix-A, pp. 850-856	P9, FRP
<u>Week 6</u>		
16	Chapter 18, pp. 879-891	E1, E2, P5, P6
17	Chapter 18, pp. 891-903	E12, P8, E15
18	Chapter 18, Appendices A & B, pp. 904-914	E14, P15, P16
<u>Week 7</u>		
19	Chapter 20, pp. 991-1004	C1, E6, E2, E3
20	Chapter 20, pp. 1004-1021	E8, E9, E13, E15
21	Chapter 29, Appendix A, pp. 1023-1030; Perspective pp. 1054-1055	E19, E25, P3, E28
<u>Week 8</u>		
22	EXAMINATION II (CHAPTERS 17, 18, and 20)	
23	Chapter 21, pp. 1057-1074	E2, E3, E6
24	Chapter 21, pp. 1074-1089	E8, E10

SECOND SEMESTER (Continued)

Meetings	Reading from Text	Written Assignments Etc.
<u>Week 9</u>		
25	Chapter 21	E11, E15, P1
26	Chapter 21, pp. 1091-1101	P8, E23, P10
27	Chapter 22, pp. 1121-1141	C3, E5, E2
<u>Week 10</u>		
28	Chapter 22, pp. 1141-1153	E6, E4, E14
29	Chapter 22	P3, P10, P11, P14
30	Chapter 22, pp. 1154-1159	P15, GA1
<u>Week 11</u>		
31	Chapter 23, pp. 1181-1196	C1, C4, C2
32	Chapter 23, pp. 1196-1205	E3, E2, GA
33	Chapter 23	P6, P7
<u>Week 12</u>		
34	EXAMINATION III (CHAPTERS 21, 22, and 23)	
35	Chapter 24, pp. 1229-1252	C4, E1, E2
36	Chapter 24, pp. 1252-1267	C1, E3, E4, E8
<u>Week 13</u>		
37	Chapter 24, Perspective, pp. 1298-1300	P1, P4
38	Chapter 24	P6, P7
39	Chapter 25, pp. 1301-1315	C3, E1, E4
<u>Week 14</u>		
40	Chapter 25, pp. 1315-1320	E10, E11, P1
41	Chapter 26, pp. 1345-1362	C2, C3
42	Chapter 26, pp. 1363-1373	C7, C10, C11
<u>Week 15</u>		
43	Chapter 26, Appendix A, pp. 1375-1386	E1, E4, E5
44	Review and Perspective, pp. 1342-1343	
45	FINAL EXAMINATION (Comprehensive with emphasis on CHAPTERS 24, 25, and 26.)	