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英文版

财务与会计系列

公司财务会计 (第五版)

CORPORATE FINANCIAL ACCOUNTING

(FIFTH EDITION)

CARL S. WARREN,
JAMES M. REEVE,
PHILIP E. FESS



世界财经与管理教材大系



东北财经大学出版社

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出版者的话

但凡成事，均缘于势。得势则事成，失势则事不顺。顺势而行，如顺水行舟；借势而动，如假梯登高；造势而为，如太空揽月。治学、从政、经商、置业，均不可一日失势。势者，长处、趋势也。

今日中国，是开放的中国；当今世界，是开放的世界。改革开放，大势所趋，势不可挡。经济开放、文化开放、政治开放，世界需要一个开放的中国，中国更要融入开放的世界。借鉴国际惯例，学习他人之长，已经到了不可不为之时。

借鉴国际惯例，学习他人之长，已属老生常谈，但学什么、如何学、以何为蓝本为众多志士仁人所关注。可喜的是，由赤诚图文信息有限公司精心策划，ITP、McGraw-Hill 及 Simon & Schuster 等国际出版公司特别授权，东北财经大学出版社荣誉出版的“世界财经与管理教材大系”现已隆重面世！她以“紧扣三个面向，精选五大系列，奉献百部名著，造就亿万英才”的博大胸襟和恢弘气势，囊括经济学、管理学、财务与会计学、市场营销学、商务与法律等财经、管理类主干学科，并根据大学教育、研究生教育、工商管理硕士（MBA）和经理人员培训项目（ETP）等不同层次的需要，相应遴选了具有针对性的教材，可谓体系完整，蔚为壮观。所选图书多为哈佛、斯坦福、麻省理工、伦敦商学院、埃维商学院等世界一流名校的顶尖教授、权威学者的经典之作，在西方发达国家备受推崇，被广为采用，经久不衰，大有“洛阳纸贵”之势。

借鉴国际惯例，毕竟只是因势而动；推出国粹精品，才是造势而为。在借鉴与学习的同时，更重要的是弘扬民族精神，创建民族文化。“民族的，才是国际的”。我们提倡学他人之长，但更希望立自己之势。

势缘何物，势乃人为。识人、用人、育人、成人，乃人本之真谛。育人才、成能人，则可造大势。育人、成人之根本在教育，教育之要件在教材，教材之基础在出版。换言之，人本之基础在书本。

凡事均需讲效益，所谓成事，亦即有效。高效可造宏基，无效难以为继，此乃事物发展之规律。基于此，我们崇尚出好书、出人才、出效益！

东北财经大学出版社

1998年4月

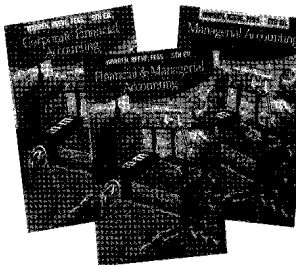
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- **Financial and Managerial Analysis Cases** strengthen your decision-making abilities.
- **An array of hands-on software aids your learning and illustrates how technology supports accounting.**

Five feet from top of gravel.

1. I learned that Managerial Accounting can help you succeed in your chosen profession from having a background in accounting and understanding its position in management. Reason to be that you have your accounting education as the beginning of a career path and calculating a variety of things that are in the field of study.

2. I learned that the chapter "The Accounting Cycle" is a very important part of the course. I think the people in a business need to know the accounting cycle.

FINANCIAL & MANAGERIAL ACCOUNTING, 5E, IS THE LEARNING SYSTEM THAT'S CURRENT WITH TODAY.

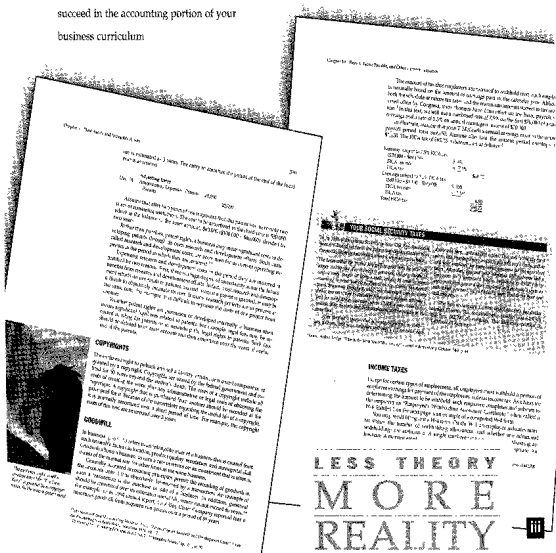
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FINANCIAL & MANAGERIAL ACCOUNTING, 5E, is FULL OF FEATURES TO HELP YOU UNDERSTAND HOW ACCOUNTING FUNCTIONS IN TODAY'S BUSINESS WORLD. FROM COVER TO COVER, YOU'LL FIND VALUABLE INFORMATION NO MATTER WHAT CAREER PATH YOU CHOOSE. TAKE A LOOK AT SOME OF THE MANY RELEVANT AND INTERESTING TOPICS THAT LIE AHEAD.

NEW!

"Using Accounting To Understand Business"

Financial & Managerial Accounting, 5e, puts accounting into real-world context

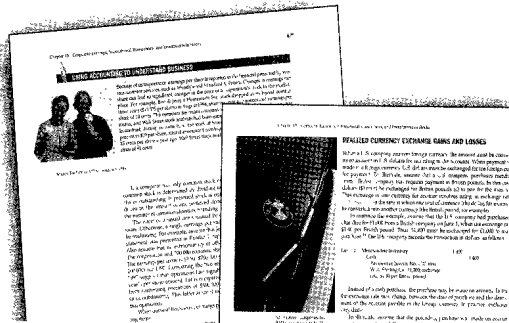
Each chapter includes one or more informative examples that clearly connect accounting to the business environment and show how, as a future business person, you will use accounting information. See pgs. 12, 91, 140, 364, 475.

Real-World Examples



BMW, JCPenney Co., General Electric, Coca-Cola, and numerous other business

examples demonstrate how accounting is used in organizations and how it affects businesses worldwide. Integrated throughout the chapters and in the end-of-chapter cases and problems, these examples add concrete meaning to concepts and principles. See pgs. 7, 13, 43, 111, 150, 236, 339, 469.



Chapter 1: Company and company financial statements and business environment

LIVING ACCOUNTING TO UNDERSTAND BUSINESS



Photo by [Name] for [Publisher]

Example of a business strategy: a company's financial statements are the financial picture that is seen by the company's owners and managers. The company's financial statements are the financial picture that is seen by the company's owners and managers. The company's financial statements are the financial picture that is seen by the company's owners and managers.

A company's only source of funds is its owners. The company's only source of funds is its owners. The company's only source of funds is its owners. The company's only source of funds is its owners. The company's only source of funds is its owners.

Chapter 1: Company and company financial statements and business environment



Photo by [Name] for [Publisher]

VALUED CURRENCY EXCHANGE RATES GAINS AND LOSSES

Example of a business strategy: a company's financial statements are the financial picture that is seen by the company's owners and managers. The company's financial statements are the financial picture that is seen by the company's owners and managers. The company's financial statements are the financial picture that is seen by the company's owners and managers.

Year	Amount	Rate
1990	100,000	1.00
1991	100,000	1.00

Example of a business strategy: a company's financial statements are the financial picture that is seen by the company's owners and managers. The company's financial statements are the financial picture that is seen by the company's owners and managers. The company's financial statements are the financial picture that is seen by the company's owners and managers.

Excerpts From Popular Journals

What's "in the news" is in this text. Brief excerpts from *The Wall Street Journal*, *Forbes*, *Business Week*, and other periodicals generate stimulating discussions and help you see

accounting in the current business press.



"You And Accounting"

Found at the beginning of each chapter, these short "stories" relate your personal experiences to the chapter's topic, making the material more enjoyable to read and easier to grasp. See pgs. 6, 41, 89, 124, 256, 401.

"What's Wrong With This?"

These unique exercises will challenge you to analyze and discover what is wrong with a financial statement, report, or management decision. You'll gain practical experience and critical-thinking skills that will assist you in the business world. See pgs. 30, 83, 154, 244, 455.



Apple Computer, Inc.
AT&T
BMW
Brush Petroleum
Campbell Soup Company
Caterpillar, Inc.
Chrysler Corporation
Coca-Cola Enterprises, Inc.
Delta Air Lines, Inc.
Dow Chemical Company
Exxon Corporation
Ford
Goodyear
Hess
Hess Foods Corporation
Home Depot, Inc.
Honeywell
IBM Corporation
La-Z-Boy
Mercedes-Benz
McDonald's Restaurants Corporation
Microsoft Inc.
PepsiCo, Inc.
Procter and Gamble Company
The Limited, Inc.
Tire World, Inc.
Wal-Mart Corporation
Walt Disney Co.
Zanussi

Analyzing Transactions



NOT ANY ACCOUNTING

Accounting is not a science. It is a social science. It is a social science because it is a science that is based on human behavior. It is a social science because it is a science that is based on human behavior.

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V

PUT ACCOUNTING INTO PRACTICE.

50/50

EVEN MORE EXERCISES AND ACTIVITIES HELP YOU APPLY WHAT YOU'VE LEARNED FROM *FINANCIAL & MANAGERIAL ACCOUNTING, 5E*.

NEW! Cases

Cases in every chapter are designed to help you use accounting to make business decisions and develop your critical thinking. ▶

■ Ethics cases stimulate discussion on ethical dilemmas in business. See pgs. 86, 252, 317.

■ Financial analysis cases based on the annual report of Hershey Foods Corporation help you develop analytical skills. See pgs. 87, 285, 465.

■ Managerial analysis cases require you to use analytical tools in a decision-making setting. See pgs. 693, 725.

NEW! Communicating Problem in C.I.A.

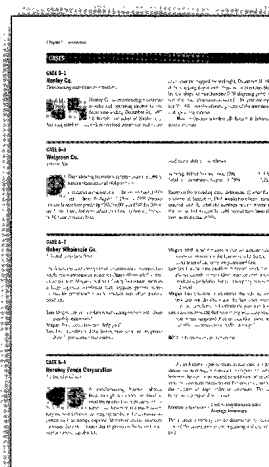
Here's a great opportunity to practice what

MUSIC A LA MODE you're learning. As you

study each step of the accounting cycle, you can follow a single company, Music A La Mode, from its transactions to the effect of those transactions on its financial statements.

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See pgs. 37, 84, 120, 163.



Communication Items

Communication items at the end of chapters help you develop essential communication skills, key to your business success. See pgs. 112, 121, 315.

There are two things that make it difficult to write and think about the world in a more complex way. The first is the fact that we are all so different. We have different experiences, different perspectives, and different ways of thinking. The second is the fact that we are all so interconnected. Our actions and decisions affect others, and others' actions and decisions affect us. This interconnectedness makes it difficult to think about the world in a more complex way, because we have to take into account the actions and decisions of others. However, it is important to try to think about the world in a more complex way, because this is the only way to truly understand it and to make positive changes.

[illegible]

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Table 3
 χ^2 test of independence

DATE RECEIVED	QTY
05	1000
Item Description 1000 "1000" 1000 1000 "1000" 1000 1000 "1000" 1000	
DATE RECEIVED	QTY
05	1000
Item Description 1000 "1000" 1000 1000 "1000" 1000 1000 "1000" 1000	

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- 2. Supply the word or phrase below in each blank.
 - a. The concentration of the chemical solution in a chemical reaction is a measure of the amount of the chemical in a given volume.
 - b. The concentration of a chemical solution is a measure of the amount of the chemical in a given volume.
 - c. The concentration of a chemical solution is a measure of the amount of the chemical in a given volume.
 - d. The concentration of a chemical solution is a measure of the amount of the chemical in a given volume.
- 3. Supply the word or phrase below in each blank.
 - a. The concentration of a chemical solution is a measure of the amount of the chemical in a given volume.
 - b. The concentration of a chemical solution is a measure of the amount of the chemical in a given volume.
 - c. The concentration of a chemical solution is a measure of the amount of the chemical in a given volume.
 - d. The concentration of a chemical solution is a measure of the amount of the chemical in a given volume.

CASE 3-1
Service Real Estate Corp.
LTD. 10-15-1984 (1984-1985)

1. Admission - Students applying for admission to the school should be aware of the admission policy of the school. The school has a policy of admitting students who are capable of meeting the academic standards of the school. The school also has a policy of admitting students who are of legal age and who are not currently enrolled in any other school.

2. Enrollment - Students who are admitted to the school must enroll in a course of study. The school offers a variety of courses, including English, Mathematics, Science, and Social Studies. Students must enroll in at least one course in each of these subjects.

3. Attendance - Students must attend school regularly. The school has a policy of requiring students to attend school for at least 90% of the school year. Students who do not attend school regularly may be required to leave the school.

4. Discipline - Students must follow the school's rules and regulations. The school has a policy of disciplining students who break the rules. The school's discipline policy is based on the principle of fairness. Students who break the rules should be punished in a way that is fair and just.

5. Graduation - Students who complete the school's requirements may graduate. The school has a policy of requiring students to complete a certain number of credits in order to graduate. The school also has a policy of requiring students to pass a certain number of exams in order to graduate.


Case 3-1
Ford Motor Co.

[illegible]


CASE 3-2
Debt Ratios

[illegible]

Comprehensive Problems

Computer King Corporation 
Computer King, a company introduced in
Ch. 1 and used in Chs. 2-6, helps you tie
together elements of the accounting cycle.
See pgs. 43, 93, 174.

"What Do You Think?" Exercises

 Found in the end-of-chapter material, these exercises require analyses beyond the material included in the text. Real companies like Ford and Delta are presented. See pgs. 86, 121.

Found at the end of Chs. 4, 5, 10, and 13, these learning applications integrate and summarize concepts and principles of several chapters to test your comprehension and help you prepare for and pass your midterm and final exams. You may complete these problems manually or use the available Solutions Software. See pgs. 164, 206, 395.

The Basics
You'll find this handy review of basic accounting facts conveniently located in the text

TOOLS TO BUILD YOUR SKILLS FOR THE BUSINESS WORLD.

5050

FINANCIAL & MANAGERIAL ACCOUNTING, 5E, HAS THE TECHNOLOGIES THAT YOU'LL NEED TO KNOW FOR THE WORKPLACE. LEARNING THESE EASY-TO-USE, AFFORDABLE TECHNOLOGIES WILL SEND YOU INTO THE BUSINESS WORLD WITH THE SKILLS AND CONFIDENCE TO HELP YOU SUCCEED.

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This new, user-friendly software for Windows visually teaches you the relationships between journals, ledgers, and financial statements as you solve many end-of-chapter problems. A built-in tutor function includes numerous hints and help screens.

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Your instructor may already have selected these items as part of your course materials.

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Spreadsheet Applications Software



Dozens of problems can be solved using most standard spreadsheet packages, such as Lotus 1-2-3®, Quattro®, or Excel®. Alternative "What-if" scenarios are also presented.

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A set of managerial accounting problems can be solved using this easy-to-use software, shifting emphasis from computation to "What-if" analysis of data and results. You'll develop analytical skills as you learn more about the "real world" uses of decision tools. **Managerial Accounting Decision Tools for IBM, 3.5" Version** (ISBN 0-538-84862-6)

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PHILIP E. FESS

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INSTRUCTION FOR THE CL



FINANCIAL & MANAGERIAL ACCOUNTING, 5E, IS AT THE FOREFRONT OF TEACHING WITH THE BROADEST SPECTRUM OF SUPPORT, FROM TRADITIONAL MATERIALS TO THE LATEST INTEGRATED CLASSROOM TECHNOLOGY — MORE THAN 50 SUPPLEMENTS TO CHOOSE FROM FOR YOU AND YOUR STUDENTS.

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Transparencies or learning objectives, points to emphasize, definitions, and illustrations from South-Western's library of transparency files

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THE LEADER
Understand Accounting.

Accounts Payable	
Debit	Credit
1000	1000
2000	2000
3000	3000
4000	4000
5000	5000
6000	6000
7000	7000
8000	8000
9000	9000
10000	10000
11000	11000
12000	12000
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Accounts Payable		
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Summary of Contents and Changes

The most significant changes made in the 5th edition of *Financial and Managerial Accounting* were reducing the number of chapters from 27 to 25 and simplifying the coverage of managerial accounting. The reduction in chapters was accomplished by converting the chapter on the statement of cash flows to a module that can be assigned at any point in either the financial course or the managerial course, and by integrating the material in the cost concepts and terminology chapter into other chapters as terms are introduced.

Below you'll find a chapter-by-chapter account of the changes made in the 5th edition of *Financial and Managerial Accounting*. You'll see how Warren/Reeve/Fess have continued to adhere to AECC recommendations that help your students excel in their learning and help you emphasize important aspects in your classroom.

Chapter 1 **Introduction to Accounting Concepts and Practice**

Financial and managerial accounting are emphasized in the discussion of specialized accounting fields.

Chapter 2 **Analyzing Transactions**

Chapter 3 **The Matching Concept and the Adjusting Process**

Chapter 4 **Completing the Accounting Cycle**

Chapter 5 **Accounting for Merchandising Businesses**

The work sheet and closing entries are covered in a chapter appendix.

Chapter 6 **Accounting Systems, Internal Controls, and Cash**

The section on internal control framework was revised to follow the recommendations of the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. The discussion of internal controls for cash was moved to follow the general discussion of internal controls.

Chapter 7 **Receivables and Temporary Investments**

The discussion of accounts receivable and uncollectible receivables was moved to the beginning of the chapter. The discussion of temporary investments was updated to reflect FASB 115.

Chapter 8

Inventories

Chapter 9

Plant Assets and Intangible Assets

A new exhibit summarizing the costs of acquiring plant assets was added. The sum-of-the-years-digits method of depreciation is covered in a chapter appendix. The discussion of composite-rate depreciation was reduced.

Chapter 10

Payroll, Notes Payable, and Other Current Liabilities

The illustration of income-sharing bonuses was eliminated. Form 941 is now a transparency master in the Instructor's Resource package. The pension discussion was revised to present pensions as either defined contribution plans or defined benefit plans.

Chapter 11

Bonds Payable and Investments in Bonds

The coverage of bond sinking funds was significantly reduced.

Chapter 12

Corporations: Organization and Equity Rights

A section on forming a corporation, including the discussion of organization costs, was added at the beginning of the chapter. A discussion of stock splits was added.

Chapter 13

Corporate Earnings, International Transactions, and Investments in Stocks

A discussion of the price-earnings ratio was added. The discussion of foreign transactions was moved to precede the discussion of prior period adjustments.

Statement of Cash Flows

This module is the complete text and assignment materials that were formerly included in a chapter.

Annual Reports and Financial Statement Analysis

Chapter 14

Managerial Accounting Concepts and Principles

A new diagram illustrating the differences between financial and managerial accounting was added. A hypothetical printing company is used in this chapter to introduce manufacturing accounting. The manufacturing cost terms and the financial statement discussion from Chapter 16 in the previous edition were incorporated into this chapter.

Chapter 15

Job Order Cost Systems

The illustration of the hypothetical printing company is continued in this chapter. The comprehensive illustration of a job order costing system was eliminated. The section on direct labor overhead allocation in automated job shops was eliminated.

Chapter 16

Process Cost Systems

The cost allocation work sheet was modified to serve as the cost of production report format. The decision making section was simplified. The appendix on the average cost method was eliminated.

Chapter 17

Cost Behavior and Cost-Volume-Profit Analysis

The chapters on cost behavior and cost-volume-profit analysis in the previous edition were combined into a single chapter. The coverage of cost estimation techniques was reduced. The sections on cost behavior and planning and cost-volume-profit analysis for two activity bases were eliminated. The appendix on variable costing was expanded into a chapter (Chapter 18).

Chapter 18

Profit Reporting for Management Analysis

This is a new chapter derived from the appendix on variable costing in the previous edition.

Chapter 19

Budgeting

The discussion of standard costs was moved to new Chapter 20. A section on human behavior and budgeting was added. The illustration of the cash budget was expanded.

Chapter 20

Performance Evaluation Using Variances from Standard Costs

This is a new chapter on standard costs, organized similarly to the section on standard costs in the previous edition's Chapter 21. This chapter includes the discussion of overhead variances from the previous edition's Chapter 22, which was eliminated. A section on nonfinancial performance measures was added at the end of the chapter.

Chapter 21

Performance Evaluation for Decentralized Operations

The discussion of responsibility accounting for profit centers was revised to focus on operating income, service department charges, and controllable operating income. The discussion of investment centers was

revised to use terminology consistent with that of profit centers. The discussion of transfer pricing was reduced.

Chapter 22

Differential Analysis and Product Pricing

The discussion of the economic theory of product pricing was eliminated. The section on profitability and pricing under production bottlenecks was simplified.

Chapter 23

Capital Investment Analysis

Chapter 24

Cost Allocation and Activity-Based Costing

This chapter was simplified and moved nearer the end of the text.

Chapter 25

Cost Management for Just-in-Time Manufacturers

This chapter was simplified and moved nearer the end of the text.

Appendices

A. Interest Tables

B. Codes of Ethics

C. Alternative Methods of Recording Deferrals

D. Special Journals and Subsidiary Ledgers This appendix was recast in the context of a service business, rather than a merchandising business.

E. Periodic Inventory Systems