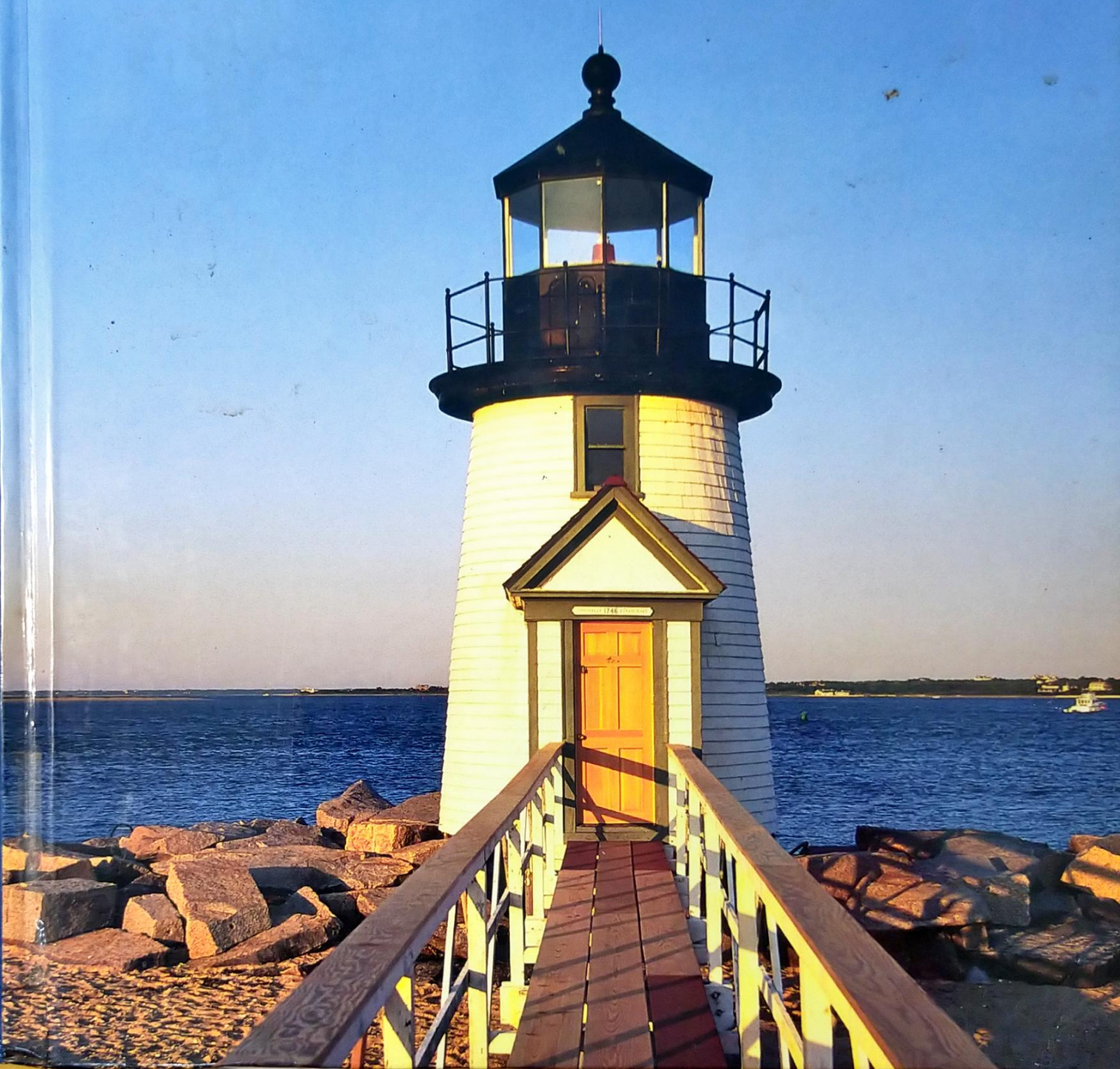


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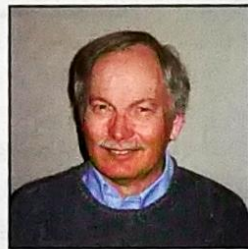


About the Authors



Ray H. Garrison is emeritus Professor of Accounting at Brigham Young University, Provo, Utah. He received his B.S. and M.S. degrees from Brigham Young University and his D.B.A. 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 Professor Emeritus of Accounting at the University of Washington and was Visiting Price Waterhouse Professor of Management Information & Control at INSEAD, an international graduate school of business located in France.

He received his B.A. degree from the University of Washington and MBA and Ph.D. 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 published 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*. He is a frequent presenter at workshops and conferences throughout the world.

Professor Noreen has taught management accounting at the undergraduate, master's, and doctoral levels and has won a number of awards from students for his teaching.

What's new about the Tenth Edition?

Chapter 1

The discussion of JIT, TQM, and Process Reengineering has been condensed.

The chapter has been reorganized by bringing forward the section that discusses organizational structure and the work of the management accountant.

The role of the CFO is discussed.

Links between e-commerce and subsequent chapters are discussed.

Chapter 2

The illustration of inventory flows in Exhibit 2-3 has been improved.

The alternative approach to computation of cost of goods sold has been eliminated.

New material dealing with ethical issues in the determination of product and period costs has been added.

Cost of quality material has been moved from an appendix at the back of the book to an appendix to Chapter 2.

Chapter 3

The section on use of information technology has been updated to cover new web-based technologies.

Chapter 4

Changes have been made in the format of the production report to improve its readability.

Rounding has been eliminated as an issue in all examples and end-of-chapter materials by ensuring that all computations carried out to the nearest whole cent yield exact answers.

Chapter 5

Scattergraph plots now precede the high-low method.

We now refer to the method for estimating fixed and variable costs based on the visual fit to the scattergraph plot as the **quick-and-dirty** method. The emphasis in the scattergraph section of the text is now on diagnosis of cost behavior patterns rather than as a way to estimate fixed and variable costs.

The term **regression line** is now reserved for the line that is computed by least-squares regression.

Hand calculation of the least-squares regression estimates has been eliminated. In the appendix we show how Excel or another spreadsheet application can be used to estimate slope, intercept, and the R^2 of the regression.

Chapter 6

The CVP graph is introduced before break-even analysis to provide a more intuitive basis for the mathematics.

Chapter 7

New “In Business” boxes have been added.

Chapter 8

The “Manufacturing Costs and Activity-Based Costing” section has been extensively rewritten.

The “Steps for Implementing Activity-Based Costing” have been more clearly highlighted.

“Step 4: Calculate Activity Rates” has been extensively rewritten.

The “Targeting Process Improvements” section has been moved later in the chapter, after the “Comparison of Traditional and ABC Product Costs” section.

A new section on “The Limitations of Activity-Based Costing” has been added.

Technically complex material has been moved to a new appendix entitled “ABC Action Analysis.” This appendix covers “Activity Rates—Action Analysis Report,”

“Assignment of Overhead Costs to Products—Action Analysis Report,” “Ease of Adjustment Codes,” and “The Action Analysis View of the ABC Data.”

Chapter 9

The Appendix covering Economic Order Quantity and the Reorder Point has been eliminated.

The mechanics of how to construct the various schedules in the master budget are more thoroughly explained in the text.

Chapter 10

A new exhibit, Exhibit 10-1, provides an overview of the variance reporting process.

Chapter 11

New “In Business” boxes have been added.

Chapter 12

Material on mandated segment reports has been added.

Chapter 13

A new, easy-to-understand example has been added illustrating the identification of relevant and irrelevant costs.

Material dealing with the reconciliation of the total and differential approaches has been added.

The section dealing with equipment replacement decisions has been eliminated. This subject is covered in the capital budgeting chapter.

The section on joint costs has been completely rewritten and features a new, appealing example.

Chapter 14

The material on income taxes that was in Chapter 15 has been simplified by eliminating MACRS depreciation and has been condensed and moved to Appendix 14D.

The section on automated equipment has been generalized and rewritten as a section on evaluating projects with uncertain future cash flows.

The section on interpolation in internal rate of return calculations has been eliminated.

Problem materials now ask for the internal rate of return to the nearest whole percent.

The present value tables have been expanded to include all rates of return between 5% and 25%.

Many new “In Business” examples have been added.

Chapter 15 (formerly Chapter 16)

New “In Business” boxes have been added.

Chapter 16 (formerly Chapter 17)

New “In Business” boxes have been added.

Chapter 17 (formerly Chapter 18)

New “In Business” boxes have been added.

Pricing Appendix

New “In Business” boxes have been added.