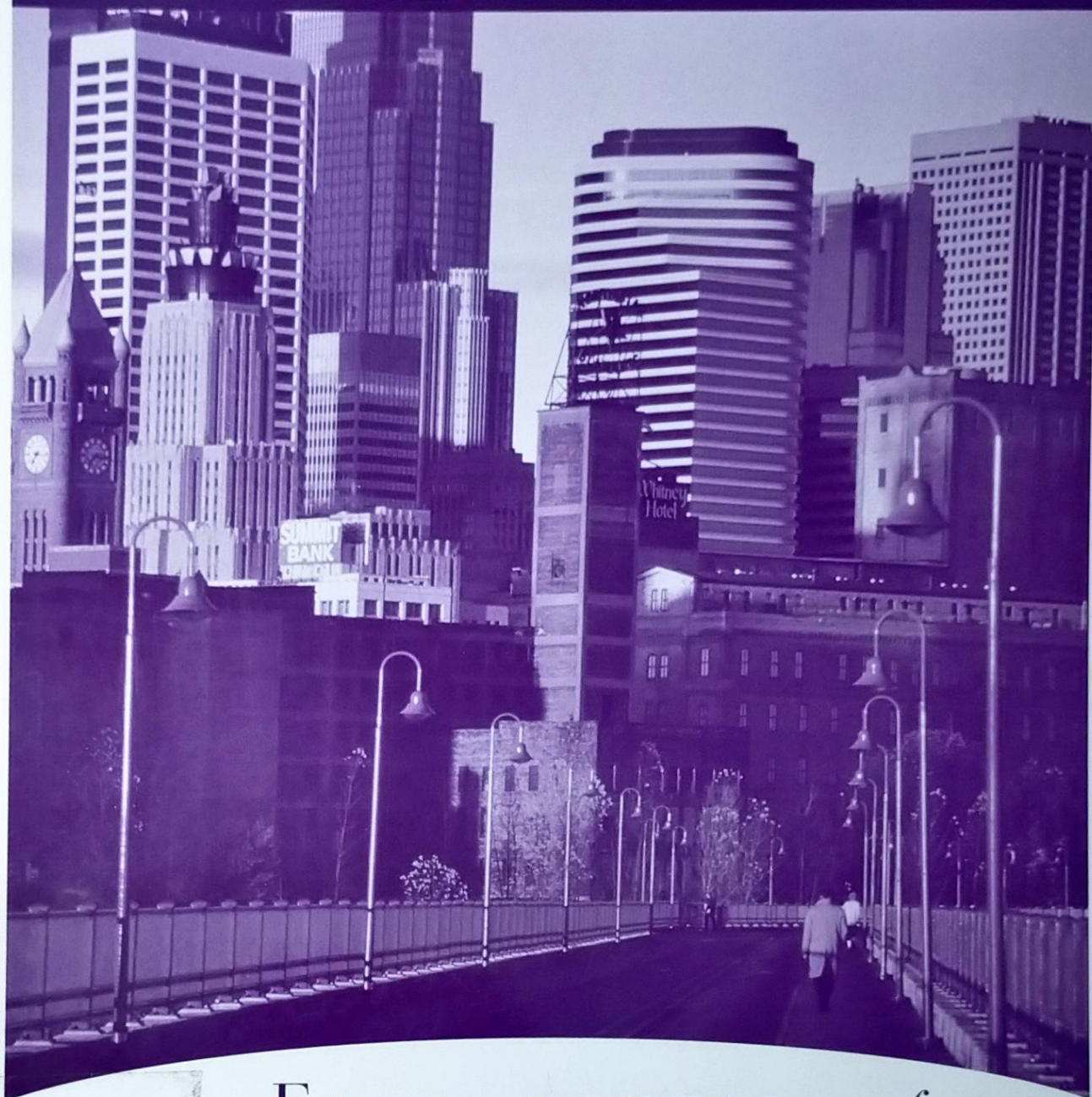


**SOLVING INTERMEDIATE ACCOUNTING PROBLEMS
USING EXCEL FOR WINDOWS**

Rex A Schildhouse



FUNDAMENTALS *of*
INTERMEDIATE ACCOUNTING

KIESO | WEYGANDT | WARFIELD

SOLVING INTERMEDIATE ACCOUNTING PROBLEMS USING EXCEL FOR WINDOWS

to accompany

FUNDAMENTALS OF INTERMEDIATE ACCOUNTING

Rex A Schildhouse, M.B.A., C.M.A.

University of Phoenix – San Diego Campus
San Diego, California

Donald E. Kieso, Ph.D., C.P.A.

KPMG Peat Marwick Emeritus Professor of Accountancy
Northern Illinois University
DeKalb, Illinois

Jerry J. Weygandt, Ph.D., C.P.A.

Arthur Andersen Alumni Professor of Accounting
University of Wisconsin
Madison, Wisconsin

Terry D. Warfield, Ph.D.

PricewaterhouseCoopers Research Scholar
University of Wisconsin
Madison, Wisconsin

GIFT OF THE ASIA FOUNDATION
NOT FOR RE-SALE

QUÀ TẶNG CỦA QUỸ CHÂU Á
KHÔNG ĐƯỢC BÁN LẠI



WILEY

JOHN WILEY & SONS, INC.



COVER PHOTO © Sally Beyer/Stone/Getty Images.

To order books or for customer service call 1-800-CALL-WILEY (225-5945).

Copyright © 2003 John Wiley & Sons, Inc. All rights reserved.

No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, scanning or otherwise, except as permitted under Sections 107 or 108 of the 1976 United States Copyright Act, without either the prior written permission of the Publisher, or authorization through payment of the appropriate per-copy fee to the Copyright Clearance Center, 222 Rosewood Drive, Danvers, MA 01923, (978) 750-8400, fax (978) 750-4470. Requests to the Publisher for permission should be addressed to the Permissions Department, John Wiley & Sons, Inc, 111 River Street, Hoboken, NJ, 07030, (201) 748-6011, fax (201) 748-6008, E-Mail: PERMREQ@WILEY.COM.

ISBN 0-471-22239-9

Printed in the United States of America

10 9 8 7 6 5 4 3 2 1

Printed and bound by Victor Graphics, Inc.

NOTE TO THE INSTRUCTOR

The Weygandt Fundamentals of Intermediate Accounting Excel Workbook templates are available in two formats to meet your needs. The first format is the format found on the CD attached to this booklet. This format provides basic guidance in solving the exercises and problems and contains keys for account title placement, value placement, and formula placement. This format is intended to provide your students a structured environment to reduce the time required to accomplish the exercise or problem without reducing the educational challenge and opportunity afforded by the exercise or problem. Very few account titles and few account values are given in this format. Each student template contains an instructions worksheet and an area for the student to identify him or herself, the course, the due date, and the instructor. The exercise or problem identification is near the top of the first page of every exercise or problem. Each template is also set up with footers stating the exercise or problem identity, the page number of page numbers, and the time printed to assist in compiling the many pages you may receive.

The second template format is a "partially populated" exercise or problem format where, in addition to the standard format described above, some account titles and account values are given to the student to assist in solving the exercise or problem. These are available to you for distribution as downloads from the Weygandt Fundamentals of Intermediate Accounting, 1/e Instructor's Resources web site and Instructor's CD. This format contains the same problem presentation as the first format.

Solutions for both types of templates are available as downloads from the Weygandt Fundamentals of Intermediate Accounting Instructor's Resources web site and Instructor's CD. Each solution template contains the instruction sheet given to the student, the exercise or problem as given to the student, and the solution. The solution template matches the placement of data in the student template and is very closely correlated to the text book solutions manual. This format is intended to assist you in the evaluation of the student's accomplishments without presenting an alternative to textbook presented methodology or solutions manual materials.

INTRODUCTION	xi
Chapter 1	1
FINANCIAL ACCOUNTING AND ACCOUNTING STANDARDS	1
Clues, Hints, and Tips	1
General	1
Opening Excel	1
Opening Excel Files	2
Demo File	4
Pop-up Menus	5
Drop-down Menu	5
New Workbook	6
Read Only Files and Templates	6
Chapter 2	8
CONCEPTUAL FRAMEWORK UNDERLYING FINANCIAL ACCOUNTING	8
Clues, Hints, and Tips	8
Help	8
Command Access	9
Copying and pasting	9
Undo and Redo	10
Saving Excel Files	11
Chapter 3	13
THE ACCOUNTING INFORMATION SYSTEM	13
Clues, Hints, and Tips	13
Sum formula	13
Freeze panes	14
Page setup	15
Page break preview	16
Exercises	16
Exercise E3-1 - Transaction Analysis – Service Company (File 3e-1)	16
Exercise E3-5 - Adjusting Entries (File 3e-5)	17
Problems	18
Problem P3-1 – Transactions, Financial Statements – Service Company (File 3p-1)	18
Problem P3-12 – Adjusting and Closing Entries (File 3p-12)	19
Chapter 4	20
BALANCE SHEET	20
Clues, Hints, and Tips	20
Print Area	20
Print Preview	21
Printing	22
Exercises	23
Exercise E4-6 – Corrections of a Balance Sheet (File 4e-6)	23
Exercise E4-12 – Preparation of a Balance Sheet (File 4e-12)	24
Problems	25
Problem P4-2 – Balance Sheet Preparation (File 4p-2)	25
Problem P4-5 – Balance Sheet Adjustment and Preparation (File 4p-5)	25

Chapter 5	27
INCOME STATEMENT AND RELATED INFORMATION	27
Clues, Hints, and Tips	27
Today and Now	27
Formatting cells	27
Formatting within a cell	30
Exercises	30
Exercise E5-2 – Income Statement Items (File 5e-2)	30
Exercise E5-4 – Multiple-step and Single-step Income Statements (File 5e-4)	31
Problems:	32
Problem P5-2 – Single-step Income, Retained Earnings, Periodic Inventory (File 5p-2)	32
Problem P5-6 – Retained Earnings Statement, Prior Period Adjustment (File 5p-6)	33
Chapter 6	34
REVENUES AND CASH FLOWS	34
Clues, Hints, and Tips	34
Sumif	34
Filter	34
Sort	35
Master Sort Column	36
Exercises	36
Exercise E6-1 – Recognition of Profit on Long-Term Contracts (File 6e-1)	36
Exercise E6-7 – Installment-Sales Method Calculations (File 6e-7)	37
Problems	37
Problem P6-8 – Completed-Contract Method (File 6p-8)	37
Problem P6-16 – Installment-Sales Entries (File 6p-16)	38
Chapter 7	39
CASH AND RECEIVABLES	39
Clues, Hints, and Tips	39
Name ranges	39
Intermediate formulas	40
Concatenate	42
Paste special	42
Exercises	43
Exercise E7-6 – Recording Sales Transactions (File 7e-6)	43
Exercise E7-11 – Bad Debts – Aging (File 7e-11)	44
Problems	44
Problem P7-3 – Bad Debt Reporting – Aging (File 7p-3)	44
Problem P7-6 – Journalize Various Account and Notes Receivable Transactions (File 7p-6)	45
Chapter 8	46
ACCOUNTING FOR INVENTORIES	46
Clues, Hints, and Tips	46
Absolute reference	46
Copying a formula	47
Cut Command	48
Delete and Delete	48
Exercises	49
Exercise E8-4 – Inventoriable Costs – Perpetual (File 8e-4)	49
Exercise E8-7 – Periodic versus Perpetual Entries (File 8e-7)	49
Problems	50

Table of Contents

Problem P8-2 – Compute FIFO, LIFO, and Average Cost – Periodic and Perpetual (File 8p-2)	50
Problem P8-9 – Lower of Cost or Market (File 8p-9)	50
Chapter 9	52
ACCOUNTING FOR PROPERTY, PLANT, AND EQUIPMENT	52
Clues, Hints, and Tips	52
Asset acquisition summary sheet	52
Straight-line depreciation	53
Declining-balance depreciation	53
Declining balance to straight-line depreciation	54
Sum-of-year's-digits depreciation	54
Units of activity	54
Exercises	55
Exercise E9-4 – Treatment of Various Costs (File 9e-4)	55
Exercise E9-6 – Entries for Equipment Acquisitions (File 9e-6)	56
Problems	56
Problem P9-2 – Classification of Land and Building Costs (File 9p-2)	56
Problem P9-4 – Purchases by Deferred Payment, Lump-sum, and Non-monetary Exchanges (File 9p-4)	57
Chapter 10	59
INTANGIBLE ASSETS	59
Clues, Hints, and Tips	59
Comments	59
Linking worksheets	60
Loan payments	60
Payment to principle	61
Payment to interest	62
Exercises	62
Exercise E10-5 – Correct Intangible Asset Account (File 10e-5)	62
Exercise E10-10 – Accounting for Patents (File 10e-10)	62
Problems	63
Problem P10-1 – Correct Intangible Asset Account (File 10p-1)	63
Problem P10-2 – Accounting for Patents (File 10p-2)	63
Chapter 11	65
ACCOUNTING FOR LIABILITIES	65
Clues, Hints, and Tips	65
Present Value	65
Future Value	66
Bond tables	66
Exercises	67
Exercise E11-5 – Entries for Bond Transactions (File 11e-5)	67
Exercise E11-6 – Warranties (File 11e-6)	67
Problems	67
Problem P11-1 – Current Liability Entries and Adjustments (File 11p-1)	67
Problem P11-3 – Warranties, Accruals, and Cash-Basis (File 11p-3)	68
Chapter 12	69
STOCKHOLDERS' EQUITY	69
Clues, Hints, and Tips	69
Audit	69
Find	70

Solving Intermediate Accounting Problems Using Excel For Windows	70
Protection	71
Find and Replace	72
Indent within a cell	72
Exercises	72
Exercise E12-1 – Recording the Issuance of Common Stock (File 12e-1)	72
Exercise E12-6 – Stock Issuances and Repurchases (File 12e-6)	73
Problems	73
Problem P12-6 – Treasury Stock – Cost Method – Equity Section Preparation (File 12p-6)	73
Problem P12-7 – Cash Dividend Entries (File 12p-7)	73
Chapter 13	75
INVESTMENTS	75
Clues, Hints, and Tips	75
Goal seek	75
If statements	76
Subtotal	77
Vlookup	78
Exercises	79
Exercise E13-4 – Trading Securities Entries (File 13e-4)	79
Exercise E13-10 – Equity Method (File 13e-10)	79
Problems	80
Problem P13-2 – Available-for-sale Debt Securities (File 13p-2)	80
Problem P13-6 – Applying Fair Value Method (File 13p-6)	80
Chapter 14	81
ACCOUNTING FOR INCOME TAXES	81
Clues, Hints, and Tips	81
Charting	81
Go to	82
Key strokes & Shortcuts	83
Macros	83
Clear and Cut	84
Exercises	85
Exercise E14-4 – Three Differences, Compute Taxable Income, Entry for Taxes (File 14e-4)	85
Exercise E14-12 – Two Temporary Differences, One Rate, Beginning Deferred Taxes, Compute Pretax Financial Income (File 14e-12)	85
Problems	86
Problem P14-1 – Three Differences, No Beginning Deferred Taxes, Multiple Tax Rates (File 14p-1)	86
Problem P14-5 – Actual NOL without Valuation Account (File 14p-5)	86
Chapter 15	87
ACCOUNTING FOR COMPENSATION	87
Clues, Hints, and Tips	87
Hiding columns and rows	87
Column and row size	87
Conditional formatting	88
Pivot tables	88
Exercises	88
Exercise E15-1 – Compensated Absences (File 15e-1)	89
Exercise E15-4 – Payroll Tax Entries (File 15e-4)	89
Problems	90
Problem P15-2 – Payroll Tax Entries (File 15p-2)	90
Problem P15-5 – Pension Expense, Minimum Liability, Journal Entries (File 15p-5)	90
	91

Chapter 16	92
ACCOUNTING FOR LEASES	92
Clues, Hints, and Tips	92
Drawing on worksheets	92
Exercises	94
Exercise E16-3 – Lessee Entries; Capital Lease with Executory Costs (File 16e-3)	94
Exercise E16-5 – Lessor Entries; Sales-Type Lease (File 16e-5)	94
Problems	94
Problem P16-1 – Lessee-Lessor Entries; Operating Lease (File 16p-1)	94
Problem P16-2 – Lessee-Lessor Entries, Balance Sheet Presentation; Sales-Type Lease (File 16p-2)	95
Chapter 17	96
ADDITIONAL REPORTING ISSUES	96
Clues, Hints, and Tips	96
Excel Tables into Word	96
Word Tables	98
Word Table Formulas	98
Importing Data	99
Exercises	100
Exercise E17-7 – Change in Principle and Error; Financial Statements (File 17e-7)	100
Exercise E17-8 – Weighted Average Number of Shares (File 17e-8)	101
Problems	101
Problem P17-1 – Change in Estimate, Principle, and Error Correction (File 17p-1)	101
Problem P17-4 – EPS with Complex Capital Structure (File 17p-4)	102
Appendices A Through F	103
Exercises and Problems for Appendices A Through F	103
Exercise EA-5 – Computation of Future Values and Present Values (File EA5)	103
Exercise EA-8 – Future Value and Present Value Problems (File EA8)	104
Problem PA-1 – Various Time Value Situations (File PA1)	104
Problem PA-3 – Analysis of Alternatives (File PA3)	105
Exercise EB-1 – Determine Interest Rate (File EB1)	105
Exercise EB-2 – Determine Interest Rate (File EB2)	105
Problem PB-1 – Various Time Value of Money Situations (File PB1)	105
Problem PB-2 – Various Time Value of Money Situations (File PB2)	106
Exercise EC-1 – Retail Inventory Method (File EC1)	106
Exercise EC-2 – Retail Inventory Method (File EC2)	107
Problem PC-1 – Retail Inventory Method (File PC1)	107
Problem PC-2 – Retail Inventory Method (File PC2)	107
Exercise ED-1 – Depletion Computations – Timber (File ED1)	108
Exercise ED-4 – Depletion Computations – Minerals (File ED4)	108
Problem PD-1 – Depletion and Depreciation – Mining (File PD1)	108
Problem PD-3 – Natural Resources – Timber (File PD3)	109
Exercise EE-1 – Accounting For Compute Software Costs (File EE1)	109
Exercise EE-2 – Accounting For Compute Software Costs (File EE2)	110
Exercise EF-2 – Term Modification Without Gain – Debtor's Entries (File EF2)	110
Exercise EF-3 – Term Modification Without Gain – Creditor's Entries (File EF3)	111
Problem PF-1 – Loan Impairment Entries (File PF1)	111
Problem PF-2 – Debtor/Creditor Entries for Continuation of Troubled Debt (File PF2)	111
Exercise EG-2 – Fair Value Hedge (File EG2)	112
Exercise EG-4 – Fair Value Hedge (File EG4)	112
Problem PG-1 – Derivative Financial Instruments (File PG1)	112
Problem PG-4 – Fair Value Hedge Interest Rate Swap (File PG4)	113