

# Student Study Resource

- Study Outlines
- Solutions to Odd-Numbered Problems
- PowerPoint® Notes

for use with

## Accounting

What the Numbers Mean

6th edition



David H. Marshall ~ Wayne W. McManus ~ Daniel F. Viele



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## What the Numbers Mean

Sixth Edition

David H. Marshall  
*Millikin University - Emeritus*

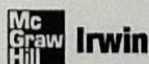
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ACCOUNTING: WHAT THE NUMBERS MEAN

David H. Marshall, Wayne W. McManus and Daniel F. Viele

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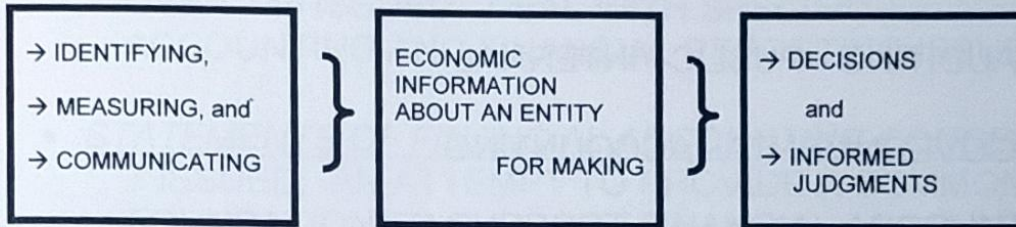
**Study Outlines, Solutions to Odd-Numbered Problems and PowerPoint® Notes are available for all chapters**

## *Chapter*

- 1 Accounting—Present and Past
- 2 Financial Statements and Accounting Concepts/Principles
- 3 Fundamental Interpretations Made From Financial Statement Data
- 4 The Bookkeeping Process and Transaction Analysis
- 5 Accounting for and Presentation of Current Assets
- 6 Accounting for and Presentation of Noncurrent Assets
- 7 Accounting for and Presentation of Liabilities
- 8 Accounting for and Presentation of Owners' Equity
- 9 The Income Statement and the Statement of Cash Flows
- 10 Explanatory Notes and Other Financial Statement Information
- 11 Financial Statement Analysis
- 12 Managerial Accounting and Cost-Volume-Profit Relationships
- 13 Cost Accounting and Reporting Systems
- 14 Cost Analysis for Planning
- 15 Cost Analysis for Control
- 16 Cost Analysis for Decision Making



## ACCOUNTING IS THE PROCESS OF:



## USERS OF ACCOUNTING INFORMATION

- MANAGEMENT
- INVESTORS
- CREDITORS
- EMPLOYEES
- GOVERNMENTAL AGENCIES



## **CLASSIFICATIONS OF ACCOUNTING**

- FINANCIAL ACCOUNTING
- MANAGERIAL ACCOUNTING / COST ACCOUNTING
- AUDITING - PUBLIC / INTERNAL
- GOVERNMENTAL ACCOUNTING
- INCOME TAX ACCOUNTING

## **PROFESSIONAL CERTIFICATIONS**

- CPA → CERTIFIED PUBLIC ACCOUNTANT
- CMA → CERTIFIED MANAGEMENT ACCOUNTANT
- CFM → CERTIFIED IN FINANCIAL MANAGEMENT
- CIA → CERTIFIED INTERNAL AUDITOR



## **FINANCIAL ACCOUNTING STANDARD SETTING**

### **FASB (FINANCIAL ACCOUNTING STANDARDS BOARD)**

- STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS  
OVER 145 ISSUED. DEAL WITH SPECIFIC  
ACCOUNTING AND FINANCIAL REPORTING ISSUES.
- STATEMENTS OF FINANCIAL ACCOUNTING CONCEPTS  
7 ISSUED. AN ATTEMPT TO PROVIDE A COMMON  
FOUNDATION TO SUPPORT FINANCIAL ACCOUNTING  
STANDARDS.
- **KEY OBJECTIVES OF FINANCIAL REPORTING (SFAC #1)**
  - ✓ RELATE TO EXTERNAL FINANCIAL REPORTING.
  - ✓ TO SUPPORT BUSINESS AND ECONOMIC  
DECISIONS.
  - ✓ TO PROVIDE INFORMATION ABOUT CASH FLOWS.
  - ✓ PRIMARY FOCUS IS ON EARNINGS BASED ON  
ACCRUAL ACCOUNTING.
  - ✓ NOT TO MEASURE DIRECTLY THE VALUE OF A  
BUSINESS ENTERPRISE.
  - ✓ INFORMATION REPORTED SUBJECT TO  
EVALUATION BY INDIVIDUAL FINANCIAL STATEMENT  
USERS.
  - ✓ ACCOUNTING STANDARDS ARE STILL EVOLVING.



## **INTERNATIONAL ACCOUNTING STANDARDS**

- IASB (INTERNATIONAL ACCOUNTING STANDARDS BOARD).
- STANDARDS DIFFER SIGNIFICANTLY AMONG COUNTRIES.
- INDIVIDUAL COUNTRY STANDARDS REFLECT LOCAL MARKET NEEDS AND COUNTRY REGULATION AND TAXATION PRACTICES.



## **ETHICS AND THE ACCOUNTING PROFESSION**

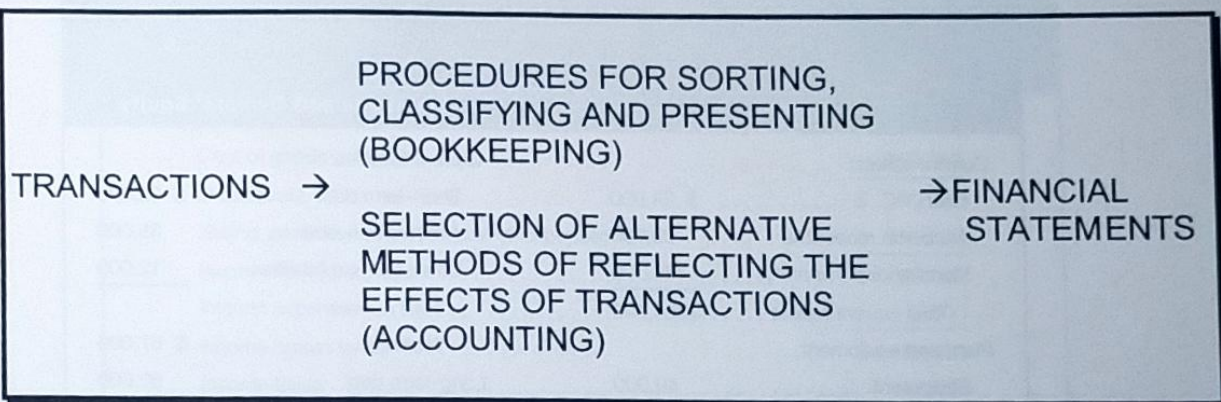
- AICPA CODE OF PROFESSIONAL CONDUCT
- IMA STANDARDS OF ETHICAL CONDUCT FOR MANAGEMENT ACCOUNTANTS

## **KEY ELEMENTS OF ETHICAL BEHAVIOR**

- INTEGRITY
- OBJECTIVITY
- INDEPENDENCE
- COMPETENCE



## TRANSACTIONS TO FINANCIAL STATEMENTS



### TRANSACTIONS

ECONOMIC INTERCHANGES BETWEEN ENTITIES.

### FINANCIAL STATEMENTS

- **BALANCE SHEET**  
FINANCIAL POSITION AT A POINT IN TIME.
- **INCOME STATEMENT**  
EARNINGS FOR A PERIOD OF TIME.
- **STATEMENT OF CASH FLOWS**  
SUMMARY OF CASH FLOWS FOR A PERIOD OF TIME.
- **STATEMENT OF CHANGES IN OWNERS' EQUITY**  
INVESTMENTS BY OWNERS, EARNINGS OF THE FIRM, AND  
DISTRIBUTIONS TO OWNERS FOR A PERIOD OF TIME.