analysis, and investment ratios. Part V—Current Developments in Corporate Governance with chapters for corporate reporting and corporate governance and for public trust in corporate reporting.

As mentioned, I eliminated the chapter on debits and credits because of time constraints with no loss of continuity. In my view, this is a major strength compared to competing textbooks that present debits and credits in a very early chapter and then use them in bookkeeping fashion to present following material. I also condensed Part IV to give less emphasis to computational aspects of financial analysis.

No textbook is perfectly ideal, or at least I have not found one yet in my long career. Such is the case with this book that is in its first edition and does not have the benefit of refinement from continued use. One inconsistency was Chapter 12 on the statement of cash flows. Its procedural and computational focus on each section of the cash flow statement stood in marked contrast to the other chapters' user-oriented approach. The largest single weakness is the assignment material. At the end of each chapter, the authors have items labelled as "questions," rather than "exercises" or "problems," which is consistent with a user focus. Yet, some questions asked the student to calculate an amount. This confused students who were led to believe there was a user focus and then were required to do computations. Moreover, in almost all situations, there was no illustration in the text of procedures to compute the amounts, and in some situations, there was not enough information to make the calculation. I suspect the authors did not really intend for the students to make a numerical computation, but instead to use the setting to discuss the issue. That is the way I approached the assignment material in class. It would have been preferable for the authors to eliminate all instructions to compute an amount, and instead ask the students to describe and discuss how a specific item would be interpreted and analyzed using as references some of the numerical information provided. Also, the instructor's manual was at best limited and in some cases, the possible responses to the questions were inconsistent with the questions in the text. I did not use or evaluate the text's website.

Overall, I found the book to be a refreshing change from other competing textbooks. I would use it again, despite its weaknesses, because the strengths outweigh the weaknesses for the non-Anglo Saxon students I teach.

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ROBERT MCGEE AND GALINA PREOBRAGENSKAYA, *Accounting and Financial System Reform in a Transition Economy, A Case Study of Russia* (New York, NY: Springer Science+Business Media, Inc., 2005, vii, 182pp).

Robert McGee and Galina Preobragenskaya's retrospective on modern Russian accounting, *Accounting and Financial System Reform in a Transition Economy, A Case Study of Russia*, addresses the most recent developments in a reform process that began in the late 1980s with Russia's movement away from traditional Communism. Although their topic is Russian accounting, much of the book addresses the desire to attract foreign capital, corporate governance, and the credibility of financial reporting in Russia. This is appropriate, for such issues are driving the most recent developments in accounting.

In their introduction, the authors note that accounting is still in transition in Russia, and they begin, quite correctly, with a review of the current status of Russia's adoption of International Financial Reporting Standards (IFRS). They follow with an examination of auditing, which they view as directly related to the credibility of Russia's corporate financial reporting. After noting the status of public financial reporting, the authors explore corporate governance issues in Russia and the problems Russian corporations are facing in attracting foreign direct investment. Transparency and the rights of stockholders are the underlying themes in these chapters. The topic of taxation follows, and the authors briefly describe the approaches national and local authorities use to assess and collect taxes. The authors point to taxation as a cultural obstacle to transparency, one which promotes secrecy as a tax avoidance strategy. In the final chapters, the book shifts to a discussion of accounting education in Russia and describes the various certifications available to Russian accountants. The authors' study finishes with a chapter of concluding comments.

Except for the introduction and concluding comments, the book is a collection of research papers that the authors have presented at accounting, business, and international conferences. Each chapter/paper begins with an abstract, followed by the text of the paper, and ends with references. The nine chapters vary greatly in length. The longest, addressing IFRS adoption, spans 34 pages, while chapters on taxation and auditing are ten and twelve pages, respectively.

The authors begin their research in each area with a review of the literature. Generally, the authors include Internet and business journal articles rather than research pieces in their literature searches. However, more comprehensive literature searches address the historical development of Russian accounting and corporate governance.

Based on the literature reviews, the authors compiled a list of questions to ask Russian accounting experts. These experts were mainly chosen from large international and regional accounting firms and several universities in Moscow and St. Petersburg. The authors sent their questions to the experts several weeks prior to face-to-face interviews that were conducted in Russia during July and August 2003. Their noted shortage of interviews with academics may be due to the fact that Russian universities take a national two-month holiday during that time period. It becomes apparent as the chapters unfold that one set of interviews was conducted with questions covering all the chapters/papers presented in the book. As the final step of their research methodology, the authors combined the information gathered from interviews with published information to form narratives describing the state of Russian accounting in 2003 for each of their topic areas.

The authors' 2003 study enters an arena characterized by a much-needed update to the Enthoven et al. (2001, 1998, 1994, 1992) four-book series. Enthoven's last two books covered developments in Russian national accounting standards (RAS) and education, as well as auditing and taxation. While the authors extend Enthoven et al.'s coverage, they might have delayed their study a year or two to allow a more substantial update. Further, the authors' narratives describe what is actually taking place in Russia, relying more on the impressions of interviewees, than on Russian law, as with Enthoven et al. The result is a general picture of Russian accounting, one that is flavored more by personal views than current law. Of course, this may have been the authors' intention, leaving readers to consult legal sources on their own. The authors note that such information is easily accessible, providing the web addresses of international public accounting firms and other sources.

While the authors rely heavily on human impressions and present more coverage in some areas than others, they do present a valid picture of a developing Russian accounting environment. Their biggest contribution is the addition of a new perspective on modern Russian accounting; that is, problems attracting foreign capital are driving increased transparency and credibility in financial reporting, along with improvements in corporate governance and stockholder rights. Moreover, couching Russia's experiences within the generic problems encountered by all such transition economies puts current Russian accounting practices in perspective. In their concluding comments, the authors note that Russia's progress to date is impressive. In the end, the authors' study is both interesting and important. Despite the fact that Russia is currently lagging behind their neighbors in world capital markets and IFRS adoption, it is unavoidable that Russia, with its geographical size and wealth of natural resources, will be a strong economic player in the world economy of the future.

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