

RICHARD E. BAKER, VALDEAN C. LEMBKE, and THOMAS E. KING, *Advanced Financial Accounting*, Fifth Edition (New York, NY: McGraw-Hill Irwin, 2002, pp. xxxii, 1178).

Baker, Lembke and King's (BLK) Fifth Edition continues to include traditional topics for a one-semester financial accounting course designed to follow the intermediate accounting courses. The basic topics are business combinations, intercorporate investments, consolidations, foreign currency transactions and translation, segment reporting, partnership capital accounting, governmental accounting, and not-for-profit accounting. BLK does not include the topic of branch accounting found in some advanced financial accounting texts. The material is available through a custom publishing. BLK include chapters on SEC reporting and bankruptcy reporting not traditionally found in advanced financial accounting texts.

Approximately half the text is on business combinations, intercorporate investments, and consolidations. Most of these topics had remained unchanged for over 30 years, but has been the subject of much activity in the last five years. The authors got a lot of the recent changes in business combinations and accounting for intangible assets that occurred due to the release of SFAS No. 141 and No. 142 into this edition of the text.

Five areas that will need additional emphasis through either supplemental materials or through discussion will be: (1) recognition of intangible assets other than goodwill, (2) the difference between definite life and indefinite intangible life assets and their handling subsequent to the business combination, (3) impairment for indefinite life intangible assets, (4) the handling of in-process R&D at the time of the business combination, and (5) handling of negative goodwill.

Overall, BLK have a sound way to illustrate business combinations and consolidations. The text provides more than adequate textual material for both undergraduate and graduate courses including accounting for mergers and acquisitions and financial reporting for consolidated entities. The use of the Peerless Foods continuing case allows the authors to continually deal with more complex issues within the same corporate environment. The end-of-chapter material in these areas is especially good although it does not include the issues noted above. I would have liked to see the chapter on segment reporting integrated with the consideration of consolidated entities earlier in the text since it does not depend upon understanding of foreign subsidiaries. The materials in the chapter on SEC reporting could have been included anywhere in the text.

BLK's basic materials on foreign currency transactions and foreign currency translation and the hedging of the foreign currencies are very good. They incorporate the new accounting for hedges in SFAS No. 133 and the SFAS No. 115 disclosure requirements. The materials in Appendix 11B are titled as if they relate to multinational companies, but the examples are all U.S. companies with U.S.\$ transactions. The materials are good, just do not seem to be related to the remainder of the chapter. The materials are in an appendix and the instructor wishing not to use them will only have to ensure that end-of-Chapter 11 assignments do not require use of this appendix.

The authors deal with partnership equity accounting issues in the traditional way. The coverage is complete and the end-of-chapter materials are very good.

Accounting for governmental entities is experiencing the most dramatic change of all the materials included in traditional advanced financial accounting texts.

BLK provide an excellent overview of these materials and differentiate between the bookkeeping and the reporting. The materials concerning not-for-profit entities are first presented along with governmental entities in the same industry where both governmental entities and not-for-profit organizations (colleges, healthcare) provide services. This does not allow clear presentation of the financial reporting for not-for-profit organizations even though financial reporting for governmental entities has adopted many similar principles in the past few years.

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EDWARD J. BLOCHER, KUNG H. CHEN, and THOMAS W. LIN, *Cost Management: A Strategic Emphasis*, Second Edition (New York, NY: McGraw-Hill/Irwin, 2002, pp. xxx, 1010).

Blochier, Chen and Lin (BCL) represents one of many books issued in today's competitive market for cost/management accounting textbooks. All such books, including BCL, provide similar chapter outlines, summaries and contents, devoting chapters to traditional topics of cost concepts, cost estimation, cost volume profit analysis (CVP), job order and process costing, and cost allocation, as well as recent topics on just-in-time technology (JIT), activity based costing (ABC), activity management, balanced scorecard, total quality management (TQM) and business process reengineering (BPR). BCL provides chapter end review problems, exercises, problems, and cases and incorporate spreadsheet applications for selected chapter end problems. Their instructor support materials include test banks, ready notes, solutions manual, transparency master outlines, a complete CD-ROM and web sites. Student supplements include a workbook, study guide, and CD-ROM.

Instructors often base adoption decisions on qualitative factors that differentiate a textbook from its competitors, including the book's price and unique features. BCL's stated emphasis on "Strategy" seeks to appeal to a larger audience outside the accounting community, implying that cost accounting concepts form key foci on decision-making and management issues in manufacturing organizations. As indicated in its Preface, BCL address those changing environmental issues—competition, technological development, customer focus, and market growth and changes that affect the preparation and reporting of cost accounting information. Competition and the development of computerized information and manufacturing technologies have increased the demand for cost accounting information. The strategic emphasis and focus on continual business environmental changes presents cost accounting concepts in an integrated format not found in many traditional cost accounting books. BCL more than competently present and integrate cost accounting as an important subject that has become increasingly integrated into the strategic planning and control processes in the management of organizational activities.

By covering extensively traditional cost accounting topics, BCL shows the relevance of these concepts in organizational, operational, and strategic decision-making processes. Its many examples, illustrations and cases show the importance of cost data in strategic management, and its end-of-chapter exercises and problems help students understand the importance of cost accounting data in