illustrate basic financial accounting and reporting concepts are consistently appropriate.

The sixth edition contains an introduction to the accounting profession, and good discussions on how to study accounting and why all business students should be concerned with accounting topics. Chapter 1 introduces all major financial statements and the basic accounting principles that students must understand to begin to appreciate the strengths and limitations of financial accounting.

The entire text contains appropriate materials from the business literature and corporate annual reports which will help students understand the role of financial accounting in real-world business situations. The use of financial ratios is introduced throughout the text to illustrate the use of outputs from the financial accounting system. Ethical issues are raised to demonstrate that accounting is an interesting and changing topic which is affected by judgment and the need to interact with other human beings.

Of particular note in the sixth edition is Chapter 5: "Accounting Theory Underlying Financial Accounting" which discusses the conclusions of the AICPA Special Committee on Financial Reporting (the Jenkins Committee) and various Statements of Financial Accounting Concepts. Chapter 5, which follows the typical bookkeeping chapters, accomplishes the authors' goal of giving students an early theoretical foundation prior to discussing specific accounting topics which draw on accounting theory, such as inventory cost flow assumptions and depreciation methods.

Chapter 14: "Stock Investments: Cost, Equity, Consolidations, International Accounting" which discusses the cost and equity method of accounting for intercorporate investments, and the basic issues involved with consolidated financial statements and international accounting, is also an outstanding feature of this edition.

Chapter 16: "Analysis Using the Statement of Cash Flows" demonstrates both the preparation and use of the Statement of Cash Flows. The sixth edition is one of the few textbooks that illustrates the use of a four column worksheet to compute periodic cash flows from the beginning and ending balance sheets, which is one of the most efficient and effective ways to teach this topic.

Faculty members who want to implement the AECC's recommendations for the first year accounting course should consider the sixth edition of this text for use in their courses. The 17 chapters of the sixth edition contain all of the expected topics and more than enough material for a one semester introductory accounting course.

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KERMIT D. LARSON and PAUL B. W. MILLER, *Financial Accounting*, Sixth Edition (Homewood, IL: Richard D. Irwin, Inc., 1995, pp. xxiii, 686).

The sixth edition of Financial Accounting aims at limiting depth of coverage and deleting less relevant topics included in previous editions. As a result, the new sixth edition is reduced to only 686 pages, down from a sizeable fifth edition of 998 pages. Despite this considerable reduction in volume, the sixth edition provides a good tool for introductory accounting students. The text still provides a good balance between concepts and procedures, and places considerable emphasis on understanding and using financial information.

The text is divided into seven parts and consists of an expanded prologue, 16 chapters and five appendices. Although the number of chapters is equal to that of the fifth edition, the number of appendices is down from eight. The expanded prologue is designed to cover issues relating to the accounting environment; issues which are normally handled in the first chapter of financial accounting texts. This allows the authors to focus Chapter 1 on financial statements and accounting principles.

The authors adopt a quick-paced approach throughout the text. Shorter modules appear to be the theme. The effective use of exhibits, diagrams, transparency overlays and illustrations, reduces the need for extensive verbal explanations. The use of transparency overlays to present work sheet techniques is one of several plus features of this text. Chapter 7 on short-term investments and receivables provides a good example on how the authors manage to cover so much information in a very limited space. The authors obviously resisted the temptation to delve into the details of accounting for discounted notes receivable. Instead, they opted for less depth and broader coverage of the different methods of converting notes to cash.

Eliminating the discussion of the retail inventory method is another example of eliminating less relevant topics from an introductory accounting text. The coverage of depreciation methods is also reduced by eliminating the discussion of how to apportion accelerated depreciation over accounting periods. Again, the authors presume the discussion of this subject is better left to the intermediate accounting level. In the sixth edition, the authors also eliminated the consolidation chapter given strong feedback indicating that it was the least covered at the introductory level. In its place, the authors include a new chapter which covers, among other things, long-term investments. Discussion of other advanced topics such as capital leases and deferred taxes are reduced, leaving some room for novelty when students sign up for advanced courses. Overall, one would fully support these and other changes included in the sixth edition given the fact that these topics are better left to intermediate and advanced accounting texts.

One of several nice features of the sixth edition is the incorporation of financial information throughout the text. The authors include a section at the end of each chapter entitled "Using the Information." In each of these sections, students learn how to calculate, interpret and use financial ratios and other information. Along with this new feature, the authors still provide extensive coverage in Chapters 15 and 16 on reporting, interpreting and modifying cash flows and other financial information.

Overall, the sixth edition provides better text materials and better coverage of relevant financial accounting topics at the introductory level. Probably, the most notable achievement of this text is its recognition of the fact that an introductory financial accounting text can be cut in size and still be effective in providing proper coverage of relevant topics.

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ROBERT F. MEIGS, MARY A. MEIGS, MARK BETTNER and RAY WHITTINGTON, *Accounting: The Basis for Business Decisions*, Tenth Edition (New York: McGraw-Hill, Inc., 1996, pp. xxvii, 1096).

The tenth edition of this accounting principles textbook is described by its authors as evolutionary rather than revolutionary. The book includes both financial and managerial accounting chapters, but there are more than twice as many financial (as compared with managerial) accounting chapters. Thus, the book is best suited for instructors wanting to spend more time on financial accounting topics. In general, this edition has placed increased emphasis upon the needs of accounting information users, and less emphasis on accounting topics which relate primarily to the preparation of accounting information. The authors have continued to move in the direction recommended by the Accounting Education Change Commission. More "real-world" examples are included in the current edition, and increased emphasis is given to materials which require both analytical and critical thinking by students. Materials are included in the textbook which can be used as a basis for individual student or group projects and reports.

In total, there are 18 chapters discussing financial accounting topics. A noticeable feature of the current text is a newly added financial accounting chapter which gives early attention to financial statement analysis and the statement of cash flows, followed by a comprehensive problem involving the analysis of an actual annual report. Among the other financial accounting topics which are new or substantially revised: year-end work sheet procedures are given less emphasis; perpetual inventory systems are emphasized and expanded, while discussions of periodic inventory systems are moved to an appendix; the corporate form of business