

The book would be appropriate as a primary text for an introduction to understanding the not-for-profit environment, as well as a supplement for an accounting for not-for-profit course. The text would also be well suited for a seminar for community members who are considering starting a not-for-profit organization. It is well written and well organized by chapter. The chapters are independent of each other; therefore, select chapters could be included in a course, if desired.

All relevant legal and tax information about starting, organizing, and managing a successful not-for-profit organization are included in the text. Some topics are covered in an in-depth manner, while other more complex issues are identified. The reader is made aware of the existence of other concerns.

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CURTIS L. NORTON, MICHAEL A. DIAMOND, AND DONALD P. PAGACH, *Intermediate Accounting: Financial Reporting and Analysis* (Boston, MA: Houghton Mifflin Company, 2006, pp. xxi, 987).

The authors set forth an ambitious set of six student-centered goals in this first edition of *Intermediate Accounting: Financial Reporting Analysis*. The first goal is "presents the core body of knowledge and skills necessary for professional success" (p. xxi). They accomplish this goal by organizing the material in four sections, comprised of 19 chapters and one Appendix on the time-value of money. The four parts consist of financial concepts and financial statements; measurement of income and assets; financial instruments and liabilities; and stockholders' equity and cash flows. Although the material is organized in a traditional intermediate order, the content reflects the complexities of the current business and accounting environment. The first section of five chapters carefully lays the foundations of accounting theory and models the professional decision-making process to encourage transparency in accounting reporting. The authors continue to emphasize the theoretical foundation throughout the remaining three sections while including emerging accounting issues.

The authors' second goal is "focuses on the uses of financial information for analysis and decision making" (p. xxii). Each chapter, beginning with Chapter 3, contains separate sections illustrating the analysis of the chapter concepts and financial decision making. The financial reporting and ethics cases present intellectually stimulating exercises appropriate for junior students. The use of real financial statements in the beginning, body, and end of each chapter allow students to see real application of the various analyses.

The third goal is "reflects current business practices, including international practices" (p. xxiii). The chapter materials contain current accounting standards with only a few exceptions. Chapter 3 contains a very brief treatment of discontinued operations that omits the details of the computation of its gains or losses. Chapter 3 also presents the traditional treatment of changes in accounting principles, but does include a reference to the new pending standard changes. Because international convergence is mystifying to most students, the informative sections in each chapter on international standards point out the similarities and differences between GAAP and IASB standards. End-of-chapter materials often refer to real companies to give students a real-world perspective.

The author's fourth goal is "introduces accounting controversies and ethical dilemmas" (p. xxiii). Many chapters contain an interesting Point/Counterpoint presentation of current accounting controversies, such as principle- versus rule-based standards, stock options, and off-balance-sheet financing. Many of the end-of-chapter cases require students to analyze,

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research, or interpret an accounting situation. Chapter 2 illustrates a useful ethical decision-making model to help students learn to examine ethical issues. Ethical issues are appropriately addressed in most chapters, as are some fraud issues. Case materials effectively present several ethical situations in each chapter for students to ponder.

Goal five is “presents a straightforward pedagogical framework” (p. xxiv). The authors provide clearly defined learning objectives at the beginning of the chapters and in marginal notes, and organize the chapter summaries by learning objectives. Chapters present the concepts in a logical order, introducing new concepts in a linear progression. The clear writing style uses active voice to engage students. Illustrations and examples simply and clearly amplify the concepts. “Check Your Understanding” questions appear throughout each chapter and the authors provide students with solutions to the questions at the end of the chapter. Critical-thinking questions are included in margin notes. Although the questions are thought provoking, they can get lost among the marginal definitions.

Several pedagogical strengths enhance student learning. Chapters reflect a whole topic without relegating selected concepts to appendices. The text contains an appropriate amount of material to present and digest in two semesters allowing time for students to engage in research, discussion, and writing assignments. The cash flow implications of each chapter’s concepts build throughout the book, which emphasize the importance of cash and help reinforce the concepts necessary to analyze cash and to prepare the cash flow statement in the last chapter. The authors’ intelligent presentation of financial accounting concepts within an atmosphere of critical thinking, analysis, and decision-making create a framework for students to prepare for the auditing and advanced accounting courses.

The author’s last goal is “supports the technologies used in business today” (p. xxvi). The website, bridge tutorial, spreadsheet exercises, and simulations are the typical types of technology offered with most books. The student CD contains the usual type of study materials available with most books. The website, however, includes CPA-adapted simulations for students intending to sit for the CPA examination.

The authors provide a well-written text suitable for undergraduate accounting students, or graduate students, beyond the principles level. The text explains the theoretical framework of accounting, with enough technical and procedural instruction to enable students to grasp accounting concepts and apply them to the real business world. The end-of-chapter materials include a variety of levels of application, analysis, synthesis, and evaluation to satisfy most instructors. Although the text may seem like a traditional intermediate text, it accomplishes more than most nontraditional texts hope for, in bringing accounting into the overall focus of the current politically charged business environment. The authors focus on accounting topics, yet bring enough financial analysis into the topics to complete the conceptual knowledge of today’s accounting professionals. The authors have met their goals clearly.

Having used several intermediate texts in the past 15 years, and examined many for adoption decisions, this book ranks at the top of my list for adoption. Norton, Diamond, and Pagach have blended the best of traditional and current pedagogy into this well-written and accurate text. Whether instructors are new or seasoned, happy or unhappy with their present text, this book deserves close examination for classroom adoption in the intermediate accounting courses.

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