Modern Advanced Accounting
Leibowitz, Martin
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the publisher's proprietary software.

However, despite these relatively modest concerns, the authors have written an excellent AIS text in all major respects. This volume, together with its supporting materials, provides comprehensive treatments of both core topics and emerging developments, contains relevant and timely explanations of new technological developments, and effectively prepares students for further study of the area. As such, it may be considered a benchmark of quality and balanced coverage in the AIS field.

ANDREW D. SCHIFF
Associate Professor
Towson University

E. JOHN LARSEN, *Modern Advanced Accounting,* Ninth Edition (New York, NY: McGraw-Hill/Irwin, 2003, pp. xviii, 853).

Larson's ninth edition, emphasizing accounting concepts and their applications, strives to serve as textbook for a one-semester advanced accounting course or as secondary source for a course using original pronouncements. For the most part, this book has the range of topics, depth of analysis, and classroom tools to meet or exceed these goals.

Good organization: Larsen covers a full range of topics with ethical issues integrated throughout: partnerships, joint ventures, branch operations, business combinations, international accounting standards, segment data, interim periods, SEC reporting, bankruptcy, liquidations, reorganizations, estates, trusts, nonprofit organizations, and accounting for state and local governments. The text reflects the eliminations of pooling (SFAS No. 141) and amortization of goodwill (SFAS No. 142) and adds the revised financial reporting model for state and local governmental units (SGAS No. 34). While the book has more topics than can be covered in one semester, nearly all "unused" chapters have sufficient depth and clarity to serve as reference materials.

Other features: Larson develops copious, coordinated, and well-written assignment materials at the end of each chapter including concept-oriented review questions, brief computational exercises suitable for class discussions, problems with more extensive calculations, and cases asking students to properly apply accounting standards or formulate ethical positions. Most exercises and problems have a check figure to provide student feedback. Instructor's materials include a resource guide, solutions manual, solutions transparencies, PowerPoint® slides, and a test bank. The computerized version of the test bank uses software by Brownstone Resources that easily surpasses other programs this reviewer has tried, allowing multiple versions of an exam by scrambling the questions or order of multiple choice answers.

Other strengths: The first pages of chapters clearly define relevant terms. For example, in the business combination chapter he describes "hostile takeovers" along with definitions of colorful terms such as "shark repellent," "poison pill," and "greenmail." Business combinations are particularly well explained and illustrated with examples of journal entries, worksheets, and financial statements. Presentation of parent company and economic unit concepts adds conceptual considerations.

Weaknesses: While the textbook has extraordinary strengths, CPA candidates may need additional topics in the governmental accounting unit, such as deferred property tax revenues, deferred grant revenues, the purchase and consumption methods of recording inventory, criteria to capitalize infrastructure assets, exemptions to depreciation of capital assets, distinctions between blended and discretely presented component units, CAFR statements of net assets and activities. (Note that the governmental unit, as is, *does* present an effective overview.) In light of Enron, a discussion of special-purpose entities and their rules for consolidation would have been appreciated.

Recommendation for prospective adopters: This textbook is outstanding for the breadth and

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depth of its coverage, the clarity of its narrative and illustrations, and the quality of its supplementary materials. For advanced accounting courses requiring less than in-depth analysis of governmental accounting, this text should be considered.

MARTIN LEIBOWITZ
Assistant Professor
Yeshiva University

JESSE T. BARFIELD, CECILY A. RAIBORN, and MICHAEL R. KINNEY, *Cost Accounting: Traditions and Innovations,* Fifth Edition (Mason, OH: South-Western, 2003, pp. xviii, 890).

While this latest edition of a leading textbook used in many cost accounting courses is not a significant change from the prior edition, it maintains the tradition of continuous improvement that has characterized each new release. Like the prior editions, this volume achieves, as the authors state, "balanced coverage of both traditional product costing methods and innovative topics" (xiii). This text is suitable for a one-semester course at undergraduate or graduate level, which introduces students to the major concepts and methods of cost accounting. It may also be appropriate for a two-quarter or -semester course, if used in conjunction with additional material.

The authors maintain a familiar chapter sequencing, with earlier chapters focusing on cost systems and methods, and the later ones covering decision making, budgeting, and performance evaluation. Most chapters cover more topics than other texts, and thus may be difficult to complete within a single 50- or 120-minute class session. However, it is consequently possible to cover the content of a typical undergraduate course in two or three fewer chapters.

Among the strengths of the book are its use of many contemporary examples (including a number from service organizations), comprehensive background discussions of various chapter topics, end-of-chapter exercises and problems that cover all levels of difficulty, and a very straightforward explanation of cost-volume-profit analysis and its related formulas. A complete set of supplemental materials is also available from the publisher.

The text could be improved in several ways. Such topics as standard costing and flexible budgets are briefly discussed in earlier chapters before being covered in detail later, which can distract students from understanding the core concepts in the earlier chapters. Certain illustrations (such as the one for activity-based costing) use a rather unique set of facts, and should be revised so that students can observe their applicability to a broader range of situations; other illustrations (such as the journal entries for joint-cost allocation) are overly complex, should be made more consistent with the introductory nature of the rest of the material presented.

Additionally, all end-of-chapter assignments should be reviewed to ensure that they are consistent with the text's content and format. For example, the text uses raw data to illustrate service department cost allocations, but some exercises require recalculating percentage data to adjust for excluded departments. Also, the solution format to some assignments differs from the text's approach. When this occurs, students are more likely to become confused when the format in the Solution Manual is presented.

Most professors may need a few terms to develop an approach that they find is most effective to teach the material in this text. Nonetheless, it is a very good volume overall. Its content is sufficiently comprehensive to accommodate either a procedural or a strategic emphasis, and the production quality is first-rate. Undergraduate or graduate instructors who adopt this text will have a resource that prepares their students well for more advanced cost accounting courses and other professional issues. Therefore, it is worthy of serious consideration.

ANDREW D. SCHIFF
Associate Professor
Towson University

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