Page 405

INDEX

5S analysis, 262–263 Accounts payable, see Payables Accounts receivable, see Receivables Administrative budget, 326-328 Asset impairment, 71-72 Asset retirement obligation, 62-64 Availability float, 141–142 Available for sale securities, 19-23, 26 Bank overlay structure, 148 Bankers' acceptances, 149 Bargain purchase option, 108 Bill and hold, 5-6 Billing, see Invoice Bonds, see Debt Book value method, 84–85 Boot concept, 55-57 Bottleneck investments, 342-344 Breakeven point, 199-203 Bridge loan, 182 Budget Administrative, 326-328 Capital, 332, 335-336 Capital budgeting, 341-353 Cost of goods sold, 318-322 Facilities budget, 326, 331-332 Financing, 336, 339–340 Flex, 340

Labor, 314–318, 326, 329-330 Marketing, 323-326 Overhead, 318 Production and inventory, 312-314 Purchasing, 314 Research, 332, 333-334 Revenue, 310-31? Sales department, 323-324 System of 397-310

Capital, cost of, 277–280 Capital budgeting, 341–353 Cash Concentration systems, 144-148 Investment options, 148–150 Investment strategies, 150-151 Physical sweeping, 145-147 Cash on delivery terms, 163 Cash to working capital ratio, 275-276 Certificate of deposit, 149 Check Float, 141-142 Receipt controls, 370-372 Check sheets, 263-264 Closing the books Checklist, 138-139 Problems with, 133–134 Process improvements, 134-138 Tasks for public companies, 139 Types of, 133

Collateral trust bond, 181 Itemization matrix, Collection 245-246 Payoff matrix, 244 Agency, 163 Call database, 160-161 Risk matrix, 244 Controls, 367-370 Cost-type contracts, 7-9 Legal action, 164 Cost, insurance, and freight Techniques, 162–163 contract, 33 Collection method, 17 Coupon bond, 180-181 Commercial paper, 150, Credit Controls, 359-361 Completed contract Granting system, 155-156 method, 6-7 Completed performance Insurance, 156–157 method, 17 Policy, 153-154 Consigned inventory, Rating agencies, 34-35 184-185 Reports, 154-155 Construction in progress, accounting for, 65 Reviews, timing of, 157 Constructive retirement Terms, 156-157 method, 97 Cross dockirg, 170 Contracts Current rate method, 121-123 Additional claims under, Current ratio, 280-281 Losses on, 10–11 Customer Types of, 7-9 Contact information, Controls 159 - 160Check receipt, 370-37 Payment deductions, Collection, 367–376 161-162 Drop shipping, 361-362 Turnover, 281-282 Inventory, 362–364 Investment, 372-374 Debenture, 181 Invoicing, 354–367 Debt Order entry, credit, and Attached rights, 80–81 shipping, 359-361 Bond types, 180-182 Payable 355-356 Convertible, 84-85 Payroll, 374-377 Coverage ratio, 283-284 Procurement card, Default, 83 357-359 Discounts and Convertible bond, 84–85, premiums, 76-77 181 Effective interest method, 77-78 Convertible preferred stock, 88-89 Elimination, 83-84 Core growth rate, Extinguishment, 82 Issuance costs, 79–80 276-277 Cost of capital, 277–280 Restructuring, 83 Cost goods sold budget, Term designation, 75 318-322 To Equity ratio, 284-285 Zero interest, 79 Cost reduction

Debt securities, see	Efficiency variances,
Securities, debt	206–207
Deduction management, 161–162	Effective interest method, 77–78
Deferred interest bond, 181	Employee
Deposit method, 11–13	Cost roll-up, 256-258
Depreciation	Profitability analysis, 259
Basis, 66-67	Employee stock ownership
Concepts, 67–68	plan, 104–106
Double-declining	Equity
balance, 68-69	Investments, 26–28
Straight-line, 68	Method, 26–30
Sum of the years' digits,	Registration methods,
69–70	187-191
Units of production,	Error quantification, 265
70-71	Ex-ship delivery, 34
Diluted earnings per share,	Expected commercial
403-404	value, 212-213
Direct financing lease,	Expense coverage days,
114–117	289–290
Dividend	
Dates, 93	Facilities budget, 326,
Liquidating, 95	331-332
Payout ratio, 285–286	Factoring, 177–178
Property, 93–94	Fair value method, 99–100
Stock, 94–95	Fast close, 133
Dollar-value LIFO, 44-16	Fedwire payments,
Donated assets, accounting	395–396
for, 64	Fixed cost analysis,
Double-declining balance	265–266
depreciation, 68-69	Flex budgeting, 340
Double-extension method,	Floorless bond, 181
.14	Field warehouse financing,
Downstream workstations,	178–179
346-347	First-in, first-out method,
Drop shipping, 170,	38-41
361-362	Fixed assets
Dumping, 234-235	Basis, 66-67
Dunning letters, 163	Capitalization
	inclusions, 53
Early payment discounts,	Depreciation, see
159	Depreciation
Earnings credit strategy,	Disposition, 61-62
150-151	Donation of, 64
Earnings per share,	Group of, 57-58
calculation of, 401-404	Improvements to,
Economic value added,	58–59
286-289	Intangible, 72–73

Fixed assets (continued)	Income bond, 182
Interest capitalization,	Impairment
59-61	Asset, 71–72
Obtained through	Installation fees, 13-14
exchange, 54-55	Installment method, 4-5
Trade-in, 55-57	Intangible assets,
Fixed charge coverage,	accounting for, 72–73
290-292	Interest capitalization,
Fixed overhead spending	59-61
variance, 205	Interim reporting, 397–398
Fixed-price contracts, 7-9	Intrinsic value method,
Float, types of, 141–142	97-99
Floor planning, 179	Inventory
FOB shipping point, 34	Accuracy measurement,
Form 10-K and 10-Q,	292–293
388-391	Budget, 312–314
Form 8-K, 382-387	Buffer trend report, 346
Form S-1, 391-393	Closing process, 136-137
Form S-3, 393	Consigned, 34, 35
Form S-8, 394	Controls, 362–364
Foreign currency	Dispositioning, 176
Conversion decision tree,	Dollar-value LIFO,
126	44-46
Current rate method,	Goods in transit, 33
121–123	First-in, first-out
Exchange rates, 128–129	method, 38-41
Intercompany usage of	Last-in, first-out
129	method, 41-43
Remeasurement method,	Link-chain valuation
124–125	method, 46-49
Translation adjustments,	Lower of cost or market
127–123	rule, 36–38
Forward picking, 171–172	Obsolescence, 171,
Franchise sales recognition,	174–176
17-18	Overhead allocation,
Free alongside, 33–34	35–36
Free on board, 34	Picking efficiency,
	171-173
Goods in transit, 33	Record accuracy,
Gross revenue recognition,	165-168
3-4	Reduction strategies,
Guaranteed bond, 181	168-169
****	Scrap reduction, 173–174
Held to maturity securities,	Storage compression,
19, 20, 26	170–171
If an analysis of the state of	Turnover, 294–296
If-converted method,	Weighted-average
4113-4114	vamanon 49-57

Investment Lockbox, 143 Controls, 372-374 Lower of cost or market rule, 36-38 Payback, 351-353 Investments, see Securities, Marketable Mail float, 141-142 Invoice Maintenance, repair, and Controls, 364–367 operations Delivery 158-159 Spend analysis, 250-251 Margin of safety, 296-297 Layout of, 157–158 Market value method. Ishikawa diagrams, 266-267 84 - 85Marketable securities, see Journal entry optimization, Securities, Marketable Marketing budget, 323-326 Matching strategy, 151 Labor budget, 314–318, Material price variance, 204 326, 329-330 Material yield variance, 206 Labor efficiency variance, Materials review board, 206-207 Labor price variance, Maverick spenders, 252 204-205 Money market fund, 150 Laddering strategy, 151 Mortgage bond, 182 Land, accounting for, 66 Last-in, first-out method, Net present value, 349–350 41 - 43Net revenue recognition, Lease or buy decision, 347 - 349Net worth calculation, Leasehold improvements, 297-299 accounting for, 66 Notional pooling, 147–148 Leases Bargain purchase option, Obsolete inventory, see 108 Inventory, obsolete Capital, 108–110, 180 Option, see Stock option Direct finance, 114–117 Order entry controls, Extension of, 118–119 359-361 Operating, 107-108, 111, Outsourcing decision, 179 218-220

Sale-leaseback, 119-120,

Sales-type, 111-114 Sublease, 119

Termination of, 118 Life cycle pricing, 232

183 - 184

Line of credit, 180

Loan, bridge, 182

Link-chain valuation

method, 46-49

Liquidating dividend, 95

Par value, 87
Parts consolidation, 250
Payables
Closing process, 137–138
Controls, 355–356
Turnover, 271

Allocation to inventory,

Overhead

35 - 36

Budget, 318

Payment deduction Registered bond, 180 management, 161-162 Registration Exemptions from, Payroll Closing process, 137 192-196 Controls, 374-377 Statement, 192 Percentage of completion Remeasurement method, method, 6 124-125 Phased deliveries, 169 Remote deposit capture, Physical sweeping, 143-144 145-146 Repurchase agreement, 150 Pick-to-light, 172 Research and development Picking systems, 171–173 Budget, 332, 333-334 Funding decision, Policy, credit, 153–154 Preferred stock, 88 211-213 Presentation float, 141–142 Retained earnings, 91 Price/earnings ratio, Reverse split, 90 299-300 Revenue budget, 310-312 Revenue Recognition Price reduction analysis, 216-218, 227-229 Bill and hold 5-6 Collection method, 17 Price setting Against a price leader, Completed contract 232 method, 6-7 Long-term, 229-232 Completed performance method, 17 Price variances, 204-205 Price war strategies, Deposit method, 11-13 233-234 Franchise, 17-18 Processing float, 141–142 Gross reporting, 3-4 Procurement card controls, Installation fees, 13-14 357-359 Installment method, Product addition analysis, 3-4222-226 Net reporting, 3-4 Product wix analysis, Percentage of 203-204 completion, 6 Production budget, Proportional 312 - 314performance method, Property dividend, 93-94 Proportional performance Right of return, 5 Specific performance method, 15 Purchasing budget, 314 method, 15 Right of return, 5 Quick ratio, 300–301 Risk pooling, 169 Rule 144 security sales, Receivable 195-196 Average collection period, 273-274 Sale-leaseback transaction, 119-120, 183-184 Financing, 178 Securitization, 182-183 Sales, see Revenue

Recognition

Turnover, 272-273

Page 411

Index 411

Sales department budget, 323-324 Sales-type lease, 111-114 Scrap reduction, 173-174 SEC filings, 381-394 SEC payments, 394–396 Securities gains or losses, 30 - 31Securities, debt Accounting for, 24-25 Securities, marketable Accounting for, 19–23, Amortization of, 29 Tax effects, 26 Types of, 19 Segment reporting, 398-401 Serial bond, 182 Services Billings, 15-17 Profit analysis, 207–210 Service life, 67 Shelf registration, 191 Shipping controls, 359–36 Small claims court filing, 164 Soft close, 133 Specific performance method, 15 Spend Analysis, 244-247 Compliance, 251–252 Database, 247–248 Value dating, 143 Reports, 252-255 Value stream mapping, Staffing decision, 220-222 Stock Appreciation rights, 103-104 Convertible preferred, 88-89 Dividend, 94-95 Option, 97-102 Par value, 87 Voice picking, 172 Preferred, 88 Split, 89-90 Subscription, 90-91

Treasury, 96–97

Valuation, 87–88 Warrant, see Warrants Straight-line depreciation, Sublease accounting, 119 Sum of the years' digits depreciation, 69-70 Supplier consolidation, 248-250

Throughput analysis model, 213-226 Time and materials contracts, 7-9 Times interest earned, 301-303 Trading securities, 19 20–23, 26 Trading volume formula, 195 Tranched cash flow strategy, 151 Transfer pricing, 235-242 Treasury stock, 96–97 Treasury stock method, 403-404

Unit price contracts, 7–9 Units of production depreciation, 70-71 Upstream workstations, 345-346

266-269 Variable overhead efficiency variance, Variable overhead spending variance, 205 Variable rate bond, 182 Virtual close, 133

Warrants, 86, 92-93 Waste analysis, 268-270 Wave picking, 172

Weighted-average

412 Index

valuation method, 49-52 Well-known seasoned issuer, 191 Where used report, 175 Workforce reduction Alternatives to, 261-262 Analysis, 255-262 Working capital productivity, 303-304

Zero-balance account, 145 Zero-coupon bond, 182 Zero interest debt, 79 Zone picking, 172–173

ALLO: INVINION SPOOKSHOP. COM

E1BINDEX 03/10/2010 Page 413

Attp://www.pbookshop.com

E1BINDEX 03/10/2010 Page 414

Attp://www.abookshop.com

Attp://www.abookshop.com

Attp://www.pbookshop.com

E1BINDEX 03/10/2010 Page 417

Attp://www.abookshop.com

ntip. Inwww. abookshop.com