

INDEX

A

- Abacus, 1
- Abatement, 1
- Ability to bear method, 474
- Abnormal spoilage, 1
- Aboriginal cost, 1
- Absolute performance standards, 653–654
- Absolute profitability, 582
- Absorbed overhead, 2
- Accelerated cost recovery system (ACRS), 2
- Accelerated depreciation, 2
- Acceptance, 2
- Account, 2
- Accounts payable, 4, 527
- Accounts receivable, 4, 8, 9, 13, 521, 524
- Accounts receivable turnover, 4
- Accountability center, 2
- Account analysis method, 2, 361–362
- Accountancy, 2
- Accountant's comments, 2
- Accountant's opinion, 2
- Accountant's report, 2
- Account classification method, 493–494
- Account form, 2
- Accounting, 2
- Accounting adjustments, 2–3
- Accounting and Tax Index*, 3, 732
- Accounting changes, 3, 193, 240
- Accounting conventions, 3
- Accounting cycle, 3
- Accounting deficiency, 3
- Accounting equation, 3
- Accounting errors, 3
- Accounting event, 3
- Accounting games, 544
- Accounting Horizons*, 3
- Accounting methods, 3
- Accounting period, 3
- Accounting policies, 3
- Accounting principles, 3–4, 191–192
- Accounting Principles Board of AICPA (APB), 11
- Accounting procedures, 4
- Accounting rate of return, 4, 600
- Accounting Research Bulletin (ARB)*, 4, 745
- Accounting Research Study (ARS)*, 4
- Accounting Review*, 4
- Accounting standards, 4
- Accounting Standards Executive Committee (AcSEC), 4
- Accounting system, 4
- Accounting Terminology Bulletin (ATB)*, 4
- Accounting Trends and Techniques*, 4
- Accretion, 4
- Accrual, 4
- Accrual basis of accounting, 5
- Accrued, 5
- Accrued depreciation, 5
- Accrued expenses, 527, 528
- Accrued payables, 5
- Accrued receivables, 5
- Accrued taxes, 527, 528
- Accumulated benefit obligation, 5
- Accumulated depreciation, 5
- Accumulated other comprehensive income, 5
- Accumulated other comprehensive loss, 529
- Accurate presentation, 5
- Achievability principle, 272–273
- Acid test ratio, 5
- Acquisition cost, 5
- Activities costs, 232, 346–347
- Activity accounting, 5
- Activity analysis, 315
- Activity-based budgets (ABB), 564–565
- Activity-based costing (ABC), 5, 217–233
 - adding value with, 232–233
 - assigning costs to products, 226
 - choosing cost drivers, 224
 - computing cost rate per cost driver, 224–225
 - cost allocation methods, 219
 - cost-benefit decision, 221
 - cost drivers/cost hierarchies, 494–495
 - cost flows through accounts, 229, 230
 - department allocation, 221
 - environmental issues in, 375–376
 - identifying activities, 222–224
 - illustration of, 226–229
 - implementation of, 240
 - in marketing and administration, 231–232
 - in nonprofits, 703
 - overhead allocation, 229, 231
 - plant-wide allocation, 219–220
 - standard cost systems vs., 449, 452–454
 - steps in, 222
 - strategic use of, 233

820 Index

- Activity-based costing (ABC) (*continued*)
 - and transfer pricing, 691
 - variance analysis in, 449, 452–454
- Activity-based depreciation, 6
- Activity-based forecasting, 506
- Activity-based management (ABM), 6, 233–240
 - cost driver estimation for, 360
 - cost hierarchies in, 236–237
 - of customer response time, 235–236
 - implementation of, 240
 - nonfinancial data in, 666–667
 - reporting of unused resources, 238–240
 - resources used vs. supplied, 237–238
 - and value chain, 233–235
- Activity basis, 6
- Activity centers, 6, 224, 225
- Activity variance, 6
- Actual cost (basis), 6, 692
- Actuarial, 6
- Actuarial accrued liability, 6
- Adding value:
 - with activity-based costing, 232–233
 - and functionality-price-quality tradeoffs, 304
- Additional paid-in capital, 6
- Additional processing cost, 6
- Additivity (in financial statements), 505
- Adelphia Communications Corporation, 786
- Adequate disclosure, 6
- Adjunct account, 6
- Adjusted acquisition (historical) cost, 6
- Adjusted bank balance of cash, 6
- Adjusted basis, 6
- Adjusted book balance of cash, 6–7
- Adjusted R-square, 359–360
- Adjusted trial balance, 7
- Adjusting entry, 7
- Adjustments:
 - accounting, 2–3, 7
 - EVA, 675–677
 - for inflation, 169
- Administration, activity-based costing in, 231–232
- Administrative costs (expenses), 7
- Admission of partner, 7
- Ad valorem, 6
- Advances:
 - to affiliates, 7
 - from (by) customers, 7
 - to suppliers, 7
- Adverse opinion, 7
- Affiliated company, 7
- After closing, 7
- After cost, 7
- Agency cost, 7–8
- Agency fund, 8
- Agency problems, 698
- Agency theory, 8
- Agent, 8
- Aging accounts receivable, 8
- Aging schedule, 8
- Alderson, Wroe, 743
- Alford, L. P., 738
- All-capital earnings rate, 8
- All-current method, 8
- Allegheny Health Education and Research Foundation, 781–782
- All-inclusive (income) concept, 8
- Allocate, 8
- Allocated costs, 723
- Allocation(s):
 - of income taxes, 8
 - of revenue, 476–478
 - sterilized, 475
- Allocation base, 8
- Allowable cost, 252, 254, 256, 269–270
- Allowance, 8
 - for bad debts, 781
 - capital consumption, 22
 - for funds used during construction, 8–9
 - for uncollectibles (accounts receivable), 9, 781
- Allowance method, 9–10
- Alternative accounting, 187–195
 - comparison of cash flows, 191
 - depreciation, 188–189
 - income statements/income tax calculation, 189–191
 - inventory cost flow assumption, 188
 - managing earnings, 191–195
 - officers' bonuses, 189
- American Accounting Association (AAA), 10
- American Institute of Certified Public Accountants (AICPA), 8, 732
- American Stock Exchange (AMEX) (ASE), 10
- America Online Inc., 776
- Amortization, 10
- Amortization expense, 534
- Amortized cost, 10
- Annual budgets, 565–566
- Annual percentage rate (APR), 632
- Annual report, 10
- Annuitant, 10
- Annuities, 11, 632–640
- Annuities due, 11, 632
- Annuities in advance, 11, 632
- Annuities in arrears (ordinary), 11, 102, 633–640
- Annuity method of depreciation, 11
- Antidilutive, 11

- APB Opinion (APBs)*, 11, 769
APB Statement, 11
 Applied cost, 11
 Applied overhead, 11, 404
 Appraisal, 11
 Appraisal costs, 11
 Appraisal expenditures, 314
 Appraisal method of depreciation, 11
 Appreciation, 11
 Appropriation, 11
 Appropriation account, 11, 711
 Approximate net realizable value method, 11
 Arbitrage, 12
 Arbitrary, 12
 Arm's length, 12
 Arrears, 12
 Arthur Andersen LLP, 780
 Articles of incorporation, 12
 Articulate/articulation, 12, 505, 509
 As-if cost, 257–258
 Assess, 12
 Assessed valuation, 12
 Assets, 12
 - capital, 22
 - misrepresenting, 778–783
 - projecting, 519, 521–527
 - shortcuts to forecasting, 536
 - timing acquisition/disposition of, 192
 Asset depreciation range (ADR), 12–13
 Asset management, 678
 Asset recognition, 777–778
 Asset securitization, 13
 Asset turnover, 13
 Assignment of accounts receivable, 13
 At par, 13
 Attachment, 13
 Attest, 13
 Attestor, 13
 Attribute measured, 13
 Attribute(s) sampling, 13
 Audit, 13
 Audit committee, 13
Auditing Research Monograph, 14
 Auditing standards, 14
 Auditing Standards Board, 14
 Auditors, 14, 791–792
 Auditor's opinion, 14
 Auditor's report, 14
 Audit program, 13
 Audit trail, 14
 AudSEC, 14
 Authoritative budgeting, 547
 Authorized capital stock, 14
 Available for sale, securities, 14
 Available (term), 710–711
 Average, 14
 Average cost, 167–169
 Average-cost flow assumption, 14
 Average tax rate, 14
 Average total cost (ATC), 167–168
 Avis, 775
 Avoidable cost, 14, 186
- B**
- Babbage, Charles, 735–736
 Backflush costing, 15, 394–396
 Backlog, 15
 Backlog depreciation, 15
 Bad debt, 15
 Bad debt expense, 15
 Bad debt recovery, 15–16
 Bad debt reserves, 781
 Bailout period, 16, 599, 600
 Balance, 16
 Balanced scorecard, 16, 659–664
 - building incentive plan around, 661–663
 - implementation of, 663–664
 - in nonprofits, 704
 - perspectives in, 659–660
 Balance sheet, 16
 - balancing, 531–532
 - projecting assets on, 519, 521–527
 - shortcuts to forecasting, 536
 Balance sheet account, 16
 Balloon, 16
 Bank balance, 16
 Bank reconciliation schedule, 16
 Bankrupt, 16
 Bank statement, 16
 Barony supplier networks, 292
 Base stock method, 16–17
 Basic accounting equation, 17
 Basic accounting model, 391
 Basic cost drivers (BCDs), 452
 Basic cost-flow equation, 17
 Basic earnings per share (BEPS), 17
 Basic standards, 426
 Basis, 17
 Basis point, 17
 Basket purchase, 17
 Batch costs, 363
 Batch-level activities, 17, 494
 Batch-related costs, 236
 Bear, 17
 Bearer bond, 17
 Beginning inventory, 17
 Behavioral congruence, 17, 646
 Benchmarking, 17, 664
 - ex post*, 547
 - in nonprofits, 699, 703–704
 - in spoilage, waste, and scrap accounting, 377

822 Index

- Benefits received methods, 473–474
 - Betterment, 17
 - Bias, 763
 - Bid, 17
 - Biddle, Gary, 676, 681
 - Big 4, 17
 - Big bath, 17, 762, 778, 781
 - Big N, 17–18
 - Bill, 18
 - Bill-and-hold sales, 772
 - Bill of materials, 18
 - Blocked currency, 18
 - Board of directors, 18
 - Bond, 18, 617
 - Bond conversion, 18
 - Bond discount, 18
 - Bond indenture, 18
 - Bond premium, 18
 - Bond ratings, 18
 - Bond redemption, 18
 - Bond refunding, 18
 - Bond sinking fund, 18
 - Bond table, 18
 - Bonuses, 18, 189, 194
 - budget-based, 561–563, 568
 - and manipulation of earnings, 767
 - Bonus method, 18–19
 - Book, 19
 - Book cost, 19
 - Book inventory, 19
 - Bookkeeping, 19
 - Book of original entry, 19
 - Book value, 19
 - Book value per share of common stock, 19
 - Boot, 19
 - Borrow-purchase, 604, 607–608
 - Bottleneck, 19, 576–580
 - Bottom-up approach:
 - in budget negotiation, 549
 - in cost reduction planning, 276
 - Boulton, Matthew Robinson, 735
 - Boulton & Watt, 735
 - Bowen, Robert, 676, 681
 - BP, 410
 - Branch, 19
 - Branch accounting, 19
 - Brandeis, Louis D., 737
 - Breach of contract, 726–729
 - Breakeven analysis, 19
 - Breakeven charts, 19–20, 487, 489
 - Breakeven point, 20
 - Break-even time, 20
 - Brimson, James A., 619
 - Bristol-Myers Squibb, 713
 - Budget, 20
 - Budgetary accounts, 20
 - Budgetary control, 20
 - Budget-based incentives, 561–563
 - Budget-based performance measurement, 556–561
 - Budgeted cost, 20
 - Budget goals, 551–554
 - Budgeting:
 - flexible budget preparation, 435
 - multiple uses of, 545–547
 - negotiation in, 548–551
 - participation in, 547–548
 - process of, 542–543
 - Budget job costs, 397
 - Budget statements, 20
 - Bull, 20
 - Bundled lease allocations, 477–478
 - Bunnell, Sterling, 736
 - Burden, 180
 - Burn rate, 20
 - Business combination, 20–21
 - Business entity, 21
 - Business-level strategies, 659
 - Business process reengineering, 579
 - Buyer-supplier interfaces:
 - improvements in, 292–300
 - interorganizational kaizen costing, 309–311
 - Bylaws, 21
 - Byproducts, 21, 467, 475–476
- C**
- Call, 21
 - Callable bond, 21
 - Called-up share capital, 21
 - Camman, Eric A., 740
 - Canadian Institute of Chartered Accountants, 21
 - Capacity, 21, 437, 483–484
 - Capacity costs, 21, 162, 182, 236, 240
 - Capacity variance, 21
 - Capital, 21–22
 - Capital acquisition planning, 612–614
 - Capital asset, 22
 - Capital budget and budgeting, 22, 587–609, 611–626
 - accounting rate of return, 600
 - bailout period, 590, 599
 - and capital rationing, 601–602
 - case studies for, 588–591
 - cost of capital, 591–592
 - discounted bailout period, 590, 599
 - discounted payback period, 599
 - excess present value index, 595
 - income tax considerations, 593–594

- internal rate of return, 595–598
- investment management as holistic approach for, 619–625
- and investment vs. financing decisions, 588, 602–608
- net present value, 592–593
- payback period, 598–599
- pitfalls of, 612–619
- and ranking of projects, 602
- sensitivity of profits to estimates, 592–593
- with uncertain future cash flows, 608–609
- Capital carrying charges, 173
- Capital consumption allowance, 22
- Capital contributed in excess of par (or stated) value, 22
- Capital expenditure (outlay), 22
- Capital gain, 22
- Capitalization:
 - of a corporation, 22
 - of earnings, 23
- Capitalization rate, 23
- Capitalize, 23
- Capital lease, 22
- Capital loss, 22
- Capital markets, efficiency of, 193–194
- Capital rationing, 22, 601–602
- Capital stock, 22
- Capital structure, 22
- Capital surplus, 22
- Capitation, 706
- Caplan, Edwin H., 745–746
- The Carron Company, 734
- Carryback/carryforward/carryover, 23
- Carrying cost, 23, 347–348
- Carrying value (amount), 23
- Cash, 23, 521
- Cash basis of accounting, 23
- Cash budget, 23
- Cash change equation, 23
- Cash collection basis, 23
- Cash cycle, 23
- Cash disbursements journal, 23
- Cash discount, 23
- Cash equivalent, 23–24
- Cash equivalent value, 24
- Cash flow(s), 24
 - comparison of, 191
 - income flows vs., 588–590
 - increasing NPV of, 669–670
 - from operations, 24
 - statement of, 137, 534–536
 - uncertain future, 608–609
- Cash flow hedge, 24
- Cashier's check, 24
- Cash provided by operations, 24
- Cash receipts journal, 24
- Cash (surrender) value of life insurance, 24
- Catch-up depreciation, 24
- Caterpillar, 789–790
- Cause-and-effect analysis, 24, 469
- C corporation, 21
- Cendant Corporation, 760, 770–771, 782, 783
- Centers for Medicare & Medicaid Services (CMMS), 709
- Central corporate expenses, 24–25
- Central processing unit (CPU), 25
- Certificate, 25
- Certificate of deposit, 25
- Certified check, 25
- Certified financial statement, 25
- Certified General Accountant (CGA), 25
- Certified Internal Auditor (CIA), 26
- Certified Management Accountant (CMA) certificate, 27
- Certified public accountant (CPA), 25
- Chain discount, 25
- Chained target costing, 300–303
- Change fund, 25
- Channel stuffing, 25–26, 772–773
- Charge, 26
- Charge off, 26
- Charitable solicitation act, 701
- Charter, 26
- Chartered accountants (CAs), 26
- Chartered Financial Analyst (CFA), 26
- Chartered Institute of Management Accountants (CIMA), 738, 739
- Chart of accounts, 26
- Chatfield, Michael, 732
- Check, 26
- Check register, 26
- Chrysler, 233
- Church, Alexander Hamilton, 736–738, 744–745
- Circulating capital, 26
- Clark, J. M., 176, 742–743
- Clean surplus concept, 27, 674
- Clearing account, 27
- Clinton, Bill, 712
- Close, 27
- Closed account, 27
- Closing entries, 27
- Coase, Ronald, 575
- Co-determined variables, 533–534
- Coding of accounts, 27, 178–179
- Coinurance, 27
- Collaborative forecasts, 297
- Collateral, 27
- Collectible, 27
- Collusion, 27
- Comfort letter, 27
- Commercial paper, 27

824 Index

- Commission, 27
- Committed costs, 27, 182, 244
- Committee on Accounting Procedure (CAP), 27
- Common costs, 27–28, 169–170, 466, 468–469
- Common-dollar accounting, 28
- Common monetary measuring unit, 28
- Common shares, 28
- Common-size statement, 28, 536
- Common stock, 528–529, 535
- Common-stock equivalent, 28
- Comparative (financial) statements, 28
- Compensating balance, 28
- Compensation:
 - budget-based, 561–563
 - and manipulation of earnings, 767
 - in nonprofits, 699–700
- Competition (in budgeting process), 567–568
- Competitive position:
 - and allowable cost, 252
 - and functionality-price-quality tradeoffs, 304
- Complementarity, 568–569
- Completed contract method, 28
- Complexity, cost as function of, 223
- Compliance audit, 28
- Compliance procedure, 28
- Component-level target costing, 259–266
 - for components, 265–266
 - for major functions, 261–265
 - supplier selection/rewards in, 260–261
- Component-specific kaizen costing, 272, 286–287
- Composite depreciation, 28
- Composite life method, 28
- Compound entry, 28
- Compounding period, 29, 630–632
- Compound interest, 29, 627–644
 - with annuities, 632–640
 - changing compounding period, 630–632
 - continuous compounding, 32
 - and future value, 628–630
 - and implicit interest rate, 642–644
 - with perpetuities, 640–642
 - power of, 628
- Compound interest depreciation, 29
- Comprehensive budget, 29
- Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), 369
- Comprehensive income, 29–30
- Comptroller, 30
- Computer-intensive cost modeling, 365–366
- Conceptual framework, 30
- Concurrent cost management (CCM), 307–309
- Confidence level, 30
- Confirmation, 30–31
- Conformance costs, 387
- Conglomerate, 31
- Conservatism, 31, 763
- Consistency, 31
- Consol, 31, 632
- Consolidated financial statements, 31
- Constant dollar, 31
- Constant-dollar accounting, 31
- Constant-dollar date, 31
- Constant gross margin percentage method, 473
- Constant returns to scale, 168
- Constrained share company, 31
- Constructive liability, 31
- Constructive receipt, 31–32
- Consumer Price Index (CPI), 32
- Contagion effect, 556
- Contingency, 32
- Contingency budgets, 565–568
- Contingent annuity, 32
- Contingent issue (securities), 32
- Contingent liabilities, 32, 787
- Contingent obligations, 784
- Continuing appropriation, 32
- Continuity of operations, 32
- Continuous budget, 32
- Continuous compounding, 32
- Continuous flow processing, 32, 390
- Continuous improvement, 32, 664
- Continuous inventory method, 32
- Continuously Contemporary Accounting (CoCoA), 32
- Contra account, 32
- Contract costing, 172
- Contributed capital, 32–33
- Contributed surplus, 33
- Contribution approach, 33
- Contribution margin, 33, 171, 488, 498–499, 575
- Contribution margin ratio, 33
- Contribution per unit, 33
- Contributory, 33
- Control charts, 33, 459–460
- Control (controlling) account, 33
- Controllability principle, 273
- Controllable costs, 33, 184–185
- Controllable performance measures, 557
- Controlled company, 33
- Controller, 33
- Control limits, 459
- Control systems, 33
 - charts and graphs in, 489
 - for spoilage, waste, and scrap, 376–384

- Conversion, 33
- Conversion audit, 33
- Conversion cost, 33, 181
- Conversion period, 34
- Convertible bond, 34
- Convertible preferred stock, 34
- Cookie-jar accounting, 34, 762–763, 781
- Cooperatives, 34, 700
- Cooperative advertising, 345
- Coproduct, 34
- Copyright, 34
- Core deposit intangible, 34–35
- Corner, 35
- Corporate-level cost-reduction objectives, 274–276
- Corporation, 35
- Correcting entry, 35
- Cost(s), 35, 175–186
 - classifications of, 177–179
 - controllable, 184–185
 - cost-volume classification, 182–183
 - for decision making, 185–186
 - definitions of, 176–177
 - direct, 184–185
 - expenses vs., 352
 - expense vs., 180–181
 - interorganizational cost investigations, 305–307
 - linear functions for, 486–487
 - litigation concepts of, 721–730
 - object of expenditures, classification by, 179–182
 - purpose and concepts of, 176
 - and responsibility accounting, 184
 - uncontrollable, 184
 - variable, 184
- Cost, insurance, and freight (CIF), 26
- Cost accounting, 35
 - environmental (green), 368, 383–387
- Cost Accounting Standards Board (CASB), 23, 712
- Cost accumulation, 35
- Cost-activity relationship, 357–358
- Cost allocation, 35, 219–221, 466–476
 - byproducts, 475–476
 - choosing method for, 469
 - cost-benefit decision in, 221
 - definitions related to, 59–460
 - department, 220, 221
 - fundamental problems in, 467–468
 - incremental-cost method, 468
 - joint, 469–475
 - plant-wide, 219–221
 - reciprocal method, 481–482
 - Shapley Value method, 468–469
 - stand-alone method, 468
 - step-down method, 479–481
- Cost assignment, 170, 466
- Cost-based transfer price, 35
- Cost basis policy, 690–691
- Cost behavior, 35, 615–616
- Cost-benefit criterion, 35
- Cost-benefit test/analysis:
 - for assessing significance of variances, 457–459
 - for budgeting, 543–547
 - in cost allocation, 221
 - for managerial information, 423
 - with multiple cost drivers, 354
 - in product-specific kaizen costing, 284
 - for quality improvement, 313–314, 320–322
- Cost centers, 35, 648–649
- Cost drivers, 35, 224
 - in activity-based costing, 494–495
 - analysis of, 321, 323
 - basic, 452
 - computing cost rate per, 224–225
 - identifying, 623
 - multiple, cost estimation for, 354–356
 - regression analysis of, 357–361
 - secondary, 452
 - single, cost estimation for, 353–354
 - understanding of, 619
- Cost driver rate, 35
- Cost-effective, 35
- Cost estimation, 35, 170, 351–366
 - account analysis method, 361–362
 - account classification method, 493–494
 - computer-intensive cost modeling, 365–366
 - data problems in, 362
 - engineering method, 362–363
 - for jobs, 397
 - primary purpose of, 352–353
 - and queuing theory, 363–365
 - with several cost drivers, 354–356
 - statistical method, 357–361
 - using analysis, 357–361
 - for variable cost with single cost driver, 353–354
- Cost flow(s), 35
 - basic model for, 391–393
 - in job costing, 406–410
 - in operation costing, 420–422
 - through accounts, 229, 230
- Cost flow assumption, 35
- Cost-flow equation, 35
- Cost hierarchies, 35, 236–237, 494–495, 716–717
- Costing, 41

826 Index

- Cost management:
 - concurrent, 307–309
 - cost estimations in, 353
 - interorganizational, 289–312
 - and investment management, 625
- Cost method:
 - for investments, 35–36
 - for treasury stock, 36
- Cost object(ive), 36, 177, 178
- Cost of capital, 36, 591–592, 617
- Cost of goods manufactured, 36
- Cost of goods purchased, 36
- Cost of goods sold, 36, 394–396, 405
- Cost-of-living adjustment (COLA), 27
- Cost of Quality (COQ), 387
- Cost of sales, 36, 518, 519
- Cost percentage, 36
- Cost-plus transfer pricing, 36, 692
- Cost pools, 36, 219, 225
- Cost principle, 36
- Cost-recovery-first method, 36–37
- Cost-reduction objectives:
 - in kaizen costing, 273–278
 - for major functions, 263–265
 - strategic, 255, 269–270
 - target, 254–256, 269–270
- Cost savings, 167
- Cost sheet, 37
- Cost structure, 37
- Cost systems, 389–423
 - backflush costing, 394–396
 - cost flow model, 391–393
 - designing, 422–423
 - job costing, 389–390, 396–410
 - just-in-time, 393–394
 - operation costing, 420–422
 - process costing, 390, 410–420
 - scrap and waste in, 374
 - weighted average, 372, 414–415
- Cost terminology, 37–41
- Cost-to-cost, 41
- Cost variance analysis, 428
- Cost-volume-profit (CVP) analysis, 41, 483–501
 - breakeven chart, 487
 - and cost drivers/cost hierarchies in ABC, 494–495
 - decision situations, 495–497
 - effects of proposed changes, 488–490
 - ex post* use of charts/graphs, 489
 - linear functions for revenues and costs, 486–487
 - linear programming extensions of, 497–500
 - for multiproduct firms, 489, 491–494
 - profit-volume analyses, 487–488
 - short-run economic model, 484–485
 - short-run multiproduct models, 497–500
 - and uncertainty, 500–501
- Cost-volume-profit graph (chart), 41
- Cost-volume relation, 183
- Counterparty, 41
- Coupon, 41
- Coupon rate, 41
- Covenant, 41, 766
- Creative accounting, 41
- Credit bureau, 42
- Credit (Cr.), 41–42
- Credit loss, 42
- Credit memorandum, 42
- Creditor, 42
- Critical accounting judgments, 42
- Critical Path, Inc., 777
- Critical path method (CPM), 42
- Critical success factors (CSFs), 42, 624, 659
- Cross-reference (index), 42
- Cross-section analysis, 42
- Crown corporation, 42
- CUC International, Inc., 770–771, 782–783
- Cum div (dividend), 42
- Cum rights, 42
- Cumulative dividend, 42
- Cumulative preferred shares, 42
- Current assets, 42–43, 525, 534
- Current cost, 43, 169, 173, 254, 258
- Current cost accounting, 43
- Current cost/nominal-dollar accounting, 43
- Current exchange rate, 43
- Current exit value, 43
- Current funds, 43
- Current liabilities, 43, 534
- Currently attainable standard cost, 43
- Current operating performance concept, 43
- Current period cost, 418
- Current purchasing power (CPP), 41
- Current ratio, 43
- Current realizable cost, 43
- Current selling price, 43
- Current service costs, 43
- Current value accounting, 43
- Current yield, 43
- Curvilinear (variable) cost, 43
- Customer costs, 363
- Customer-level activities, 43, 494
- Customer-level costs, 236
- Customer loyalty, 249
- Customer profitability analysis, 341, 342, 662–663
- Customer response time, 44, 235–236
- Customer retention, 662
- Customer satisfaction, 662, 665
- Customers' ledger, 44
- Cutoff rate, 44, 595

D

- Damages (litigation), 726–730
- Data bank, 44
- Database, 44
- Database management system, 44
- Data integrity, 362
- Davidson, Signey, 176
- Days of grace, 44
- Debenture bond, 44
- Debit and credit conventions, 44
- Debit (Dr.), 44, 176
- Debit memorandum, 45
- Debt, 45
- Debt capital, 45, 535
- Debt covenants, 766
- Debt-equity ratio, 45
- Debt financing, 45, 766
- Debtor, 45
- Debt ratio, 45
- Debt service fund, 45
- Debt service payments, 45, 637
- Debt service requirement, 45
- Decentralized decision making, 45
- Decentralized organizations, 566–567, 645–655
 - advantages/disadvantages of, 647–648
 - goal congruence in, 646–647
 - performance evaluation in, 653–654
 - performance measurement in, 646–647, 650–653
 - reasons for, 647
 - responsibility centers in, 648–650
- Decision analysis, 623–624
- Decision making:
 - cost-benefit, 221
 - cost driver estimation for, 360
 - cost estimations in, 353
 - costs for, 185
 - cost-volume-profit analysis in, 495–497
 - evaluating investment projects, 593
 - for investigating cost variances, 457
 - payoff table/matrix for, 461–463
- Decision theory:
 - and significance of variances, 461–463
- Declaration date, 45
- Declining-balance depreciation, 45
- Decomposition, 266
- Deep discount bonds, 45
- Deere & Company, 223, 224, 235, 691
- Defalcation, 45
- Default, 45
- Defeasance, 45–46
- Defect costing, 317
- Defensive interval, 46
- Deferral, 46
- Deferral method, 46
- Deferred annuity, 46, 632
- Deferred asset, 46
- Deferred charge, 46
- Deferred cost, 46
- Deferred credit, 46
- Deferred debit, 46
- Deferred expense, 46
- Deferred gross margin, 46
- Deferred income, 46
- Deferred income tax (liability), 46–47, 527–528
- Deferred revenue, 47, 527, 528
- Deferred tax, 47
- Deficit, 47
- Defined-benefit plan, 47
- Defined-contribution plan, 47
- Deflation, 47
- Delivery, total cost of, 332, 336–338
- Delivery performance, 665
- Deloitte & Touche, 17, 390
- Delphi technique, 47
- Delta Airline, 775
- Demand deposit, 47
- Demand loan, 47
- Demski, Joel, 454, 468
- Denial of opinion, 47
- Denominator volume, 47
- Department(al) allocation, 47, 220, 221, 226–227, 229
- Dependent variables, 47, 357
- Depletion, 47
- Depletion allowance, 47
- Deposits:
 - by customers, 48
 - to sinking fund, 47
 - in transit, 48
- Deposit intangible, 47
- Deposit method (of revenue recognition), 47–48
- Depreciable cost, 48
- Depreciable life, 48
- Depreciation, 48, 188–189
 - as cost vs. expense, 180–181
 - income tax considerations with, 593–594
 - on statement of cash flows, 534
- Depreciation reserve, 48
- Depth-of-processing decisions, 467
- Derivative (financial instrument), 48
- Descartes' rule of signs, 48–49
- Design for manufacture and assembly (DFMA), 256, 257
- Detective controls, 49
- Determine, 49
- Development stage enterprise, 49
- Differentiable cost, 49–50
- Differential, 50

828 Index

- Differential analysis, 50
 - Differential cost, 166, 185
 - Dilution, 50
 - Dilutive, 50
 - Diminishing returns to scale, 168
 - Direct access, 50
 - Direct costs, 50, 184–185
 - kaizen costing for, 271–280
 - in relation profitability analysis, 345
 - standard, 428, 429
 - in Total Cost Assessment, 385, 386
 - Direct costing, 50, 436, 744–745
 - Direct-financing (capital) lease, 50
 - Direct labor cost, 50, 180, 229, 279–280
 - Direct labor variance, 50, 434
 - Direct material cost, 50, 179–180
 - Direct method, 50
 - Direct posting, 50
 - Direct write-off method, 50
 - Disbursement, 50
 - DISC (domestic international sales corporation), 50
 - Disclaimer of opinion, 50
 - Disclosure, 6, 50, 787–791
 - Discontinued operations, 50
 - Discount, 50
 - Discounted bailout period, 51, 599, 600
 - Discounted cash flow (DCF), 51
 - Discounted payback period, 51, 599
 - Discount factor, 51
 - Discount rate, 51, 591, 592
 - Discounts lapsed (lost), 51
 - Discovery sampling, 51
 - Discretionary costs, 51, 162, 182
 - Discretionary cost centers, 649, 650–651
 - Discussion Memorandum*, 51
 - Dishonored note, 51
 - Disintermediation, 51
 - Distributable income, 52
 - Distributable surplus, 52
 - Distributed processing, 52
 - Distributions:
 - on control charts, 459–460
 - in-control/out-of-control, 457–458
 - Distribution channels, 343–344
 - Distribution costs, 743–744
 - Distribution expense, 52
 - Dividends, 52, 535, 767
 - Dividends in arrears, 52
 - Dividend yield, 52
 - Division, 52
 - Division return on investment (ROI), 52
 - Dollar sign rules, 52
 - Dollar-value LIFO method, 52
 - Domestic international sales corporation (DISC), 50
 - Donated capital, 52
 - Double declining-balance depreciation (DDB), 52–53, 593
 - Double entry, 53, 735, 778
 - Double taxation, 53
 - Doubtful accounts, 53
 - Dow Chemical Company, 383, 410, 713
 - Draft, 53
 - Drawings, 53
 - Drawing account, 53
 - Drifting cost, 258
 - Driver, cost driver, 53
 - Drop ship(ment), 53
 - Drum-buffer-rope, 580
 - Dry-hole accounting, 53
 - Duality, 54
 - Dual-transactions assumption (fiction), 53
 - Dual transfer prices, 53–54, 692
 - Dumping, 54
 - Dynegy, Incorporated, 786
- E**
- e, 54
 - Earned surplus, 54
 - Earnings, 54
 - EVA adjustments to, 675–677
 - managing, 191–195
 - Earnings per share (EPS), 54
 - Earnings statement, 54
 - Earn-out, 54
 - Easement, 54
 - EBITDA (earnings before interest, taxes, depreciation, and amortization), 54–55
 - EBIT (earnings before interest and taxes), 54
 - Economic concepts of cost, 157–174
 - applications, 170–173
 - capacity costs, 162
 - common cost, 169–170
 - current cost, 169, 173
 - fixed cost, 161–162, 170
 - incremental cost, 166–167, 171
 - joint cost, 170
 - long-run average cost, 167–169, 172–173
 - marginal contribution, 164–166, 171–172
 - measurement concepts, 159–169
 - negative increments, 167
 - opportunity cost, 167
 - present value, 169, 173
 - programmed costs, 162
 - short run and long run, 159–160
 - short-run marginal cost, 162–164, 171
 - situational concepts, 169–170
 - sunk cost, 167
 - variable cost, 160–161, 170
 - Economic consequences, 55
 - Economic depreciation, 55

- Economic entity, 55
- Economic life, 55
- Economic order quantity (EOQ), 55
- Economics, management accounting and, 158–159
- Economic transfer pricing rule, 55
- Economic value added (EVA®), 55, 669–681
 - adjustments to traditional earnings measures, 675–677
 - concept of, 670
 - implementation issues with, 679–680
 - managerial incentives, 678–679
 - proprietary vs. entity, 670
 - residual income and shareholder wealth, 673–675
 - residual income calculation, 670–673 and shareholder returns, 676–678 and subsequent firm performance, 679
- Economies of scale, 723, 728
- EDGAR, 55
- Effective interest method, 55
- Effective interest rate, 55–56, 630–631
- Efficiency measures, 580–582
- Efficiency variance, 56
- Efficient capital market, 56
- Efficient market hypothesis, 56
- ElectroCatheter, 772
- Electronic commerce (EC), 293–297
- Electronic data interchange (EDI), 294, 296
- Electronic data processing (EDP), 56
- Eligible, 56
- Eliminations, 56
- Emerging Issues Task Force (EITF), 56, 769
- Emerson, Harrington, 740
- Enabling costs, 56, 162
- Encumbrance, 56, 711
- Ending inventory, 56
- Endorsement, 56
- Endorser, 57
- Engineered cost center, 57
- Engineering-driven cost-reduction approach, 274–276
- Engineering method (cost estimation), 57, 362–363
- Enron Corporation, 670, 765, 780, 787
- Enterprise, 57
- Enterprise fund, 57
- Enterprise resource planning (ERP), 623
- Entity, 57
- Entity theory, 57
- Entity view, 670
- Entry value, 57
- Environmental cost accounting (ECA), 368–370, 713–718
- Environmental costs, 713
- Environmental uncertainty, 566–567
- Equalization reserve, 57
- Equities, 57
- Equity, 57, 525
- Equity Funding, 771–772
- Equity method, 58
- Equity ratio, 58
- Equivalent production, 58
- Equivalent units of work (E.U.), 58, 412, 415–416, 419
- ERISA (Employee Retirement Income Security Act of 1974), 58
- Ernst & Young, 17
- Escalator clause, 58
- Escapable cost, 58
- ESOT (Employee Stock Ownership Trust), 58–59
- Estate planning, 59
- Estimates, 317
- Estimated liability, 59
- Estimated revenue, 59
- Estimated salvage value, 59
- Estimation sampling, 59
- Evaluation:
 - budgets for, 546–547
 - performance, 546–547, 554–556, 568
 - of projects, 595–600
 - of spoilage, waste, and scrap, 376–377
- Except for, 59
- Excess present value, 59
- Excess present value index (EPVI), 59, 595
- Exchange, 59–60
- Exchange gain or loss, 60
- Exchange rate, 60
- Excise tax, 60
- Ex div (dividend), 59
- Executory contract, 60
- Exemption, 60
- Exercise, 60
- Exit value, 60
- Expectancy theory, 60
- Expected capacity, 437
- Expected value, 60
- Expected value of (perfect) information, 60, 499–500
- Expendable fund, 60
- Expenditures, 60, 314, 352
- Expenses, 60, 176
 - costs vs., 180–181, 352
 - misrepresenting, 778–783
 - recognition of, 777–778
- Expense account, 60
- Expense budget, 613
- Expense planning and control, 331–336
- Experience rating, 60
- Expired cost, 60
- Ex post* variance analysis, 454–457

830 Index

- Exposure Draft (ED), 60–61
- Ex rights, 59
- External costs, 368
- External failure costs, 61
- Externalities, 368
- External reporting, 61
- Extraordinary item, 61
- Extrinsic rewards, 61

- F**
- Face amount (value), 61
- Facility-level activities, 61, 494
- Factoring, 61
- Factory, 61
- Factory burden, 61
- Factory cost, 61
- Factory expense, 61
- Factory overhead, 61
- Fair presentation (fairness), 61
- Fair value, fair market price (value), 61
- Fair-value hedge, 62
- FASB Interpretation (FIN)*, 62, 769
- Favorable variance, 62, 431, 443
- Federal Express, 662
- Federal income tax, 62
- Feedback, 62
- Fells, John Manger, 737
- FICA (Federal Insurance Contributions Act), 62
- Fiduciary, 62
- Final 4, 17
- Finance, 62
- Financial accounting, 62
- Financial Accounting Foundation, 62
- Financial Accounting Standards Advisory Council (FASAC), 62–63
- Financial Accounting Standards Board (FASB), 63, 695, 701, 763
- Financial Executives Institute (FEI), 63
- Financial Executives Research Foundation (FERF), 739–285
- Financial expense, 63
- Financial flexibility, 63
- Financial instrument, 63
- Financial literacy, 63
- Financial model, 63
- Financial position (condition), 63
- Financial projection, 63
- Financial reporting, 759–808
 - analytic diagnostics for fraud detection, 794–808
 - auditor responsibility for, 791–792
 - current environment for, 761–765
 - for disclosures, 787–791
 - for expense and asset recognition, 777–778
 - for expenses, assets, and liability misrepresentation, 778–783
 - fraudulent, 760, 792–794
 - for liabilities, 783–787
 - management incentives for fraud in, 765–767
 - manipulation of, 767–791
 - for revenue, 769–777
 - SEC cases of accounting restatements, 768
- Financial reporting objectives, 63
- Financial Reporting Release*, 63
- Financial statements, 63, 725–726
- Financial structure, 64
- Financial vice-president, 64
- Financial year, 64
- Financing activities, 64
- Financing decisions, 588, 602–608
- Financing games, 545
- Financing lease, 64
- Finished goods (inventory account), 64
- Firm, 64
- Firm commitment, 64
- First-in, first-out (FIFO), 62, 188, 192, 372, 418–420
- Fiscal year, 64
- FISH (first in, still here), 64
- Fixed assets, 64
- Fixed assets turnover, 64
- Fixed benefit plan, 64
- Fixed budget, 64
- Fixed charges earned (coverage) ratio, 64
- Fixed cost (expense), 64, 161–162, 170, 171, 182, 183, 722
 - cash vs. non-cash, 484
 - in engineering method, 363
 - profit and changes in, 488–490
 - in Theory of Constraints, 582
 - in throughput accounting, 575
- Fixed cost price variance (spending variance), 64
- Fixed interval sampling, 64
- Fixed liability, 64
- Fixed manufacturing overhead applied, 64
- Fixed overhead budget variance, 437, 438
- Fixed overhead variances, 65, 436–439
- Fixed overhead volume variance, 437, 438
- Flexible budgets, 65, 435, 563–564
- Flexible budget allowance, 65
- Flexible evaluation style, 554–556
- Float, 65
- Flow, 65
- Flow assumption, 65
- Flow of costs, 65–66
- Flow-through method, 65
- FOB (free on board), 66
- Folio, 66
- Footing, 66
- Footnotes, 66

- Forecast/forecasting, 66, 504–505
 collaborative, 297
 and *ex post* variance analysis, 456
 general principles for, 505–506
 queuing theory, 363–365
 shortcuts to, 536
- Forecasting variance, 456
- Foreclosure, 66
- Foreign currency, 66
- Foreign currency translation, 66
- Foreign exchange gain or loss, 66
- Foreign sales corporation (FSC), 66
- Forfeited share, 66
- Forward contract, 66
- Forward-exchange contract, 66
- Forward price, 66
- Franchise, 66
- Fraudulent conveyance, 66–67
- Fraudulent financial reporting, 67, 761
- Free cash flow, 67
- Freight-in, 67
- Freight-out, 67
- Full-absorption cost-based transfers, 691
- Full absorption costing, 67, 436
- Full cost accounting (FCA), 385
- Full costing, full costs, 67, 172
- Full disclosure, 67
- Fully diluted earnings per share, 67
- Fully vested, 67
- Function, 67
- Functional classification, 68
- Functional currency, 68
- Functionality, 249–250, 283
- Functionality-price-quality (FPQ) tradeoffs, 304
- Functionality-price tradeoffs, 249–250
- Fund (assets), 68, 710
- Funds (working capital), 68
- Funds provided by operations, 68
- Funds statement, 68
- Fund accounting, 68, 710–712
- Fund balance, 68
- Funded, 68
- Funding, 68
- Funny money, 68
- FUTA (Federal Unemployment Tax Act), 68
- Futures contract, 68
- Future cash flows, 608–609
- Future value, 68, 628–630
- G**
- Gain, 69
- Gaming behavior, 543–545
- Gantt, H. L., 736, 738
- Garcke, Emile, 737
- Garner, S. Paul, 732
- GDP Implicit Price Deflator (index), 69
- Gearing, 69
- Gearing adjustment, 69
- General and administrative (G&A) overhead, 224
- General debt, 69
- General Electric, 651, 789
- General expenses, 69
- General fixed asset (group of accounts), 70
- General fund, 70
- General journal, 70
- General kaizen costing, 271–273
- General ledger, 70
- Generally accepted accounting principles (GAAP), 70, 187, 193, 677–678, 711, 763, 768, 769
- Generally accepted auditing standards (GAAS), 70–71, 791
- Generally accepted rules, 354
- General Motors, 647, 664, 690, 787
- General partner, 70
- General price index, 70
- General price level-adjusted accounting (GPLA), 71
- General price level-adjusted statements, 70
- General price level (GPL), 71
- General price-levels changes, 70
- General purchasing-power accounting, 70
- General purchasing power (GPP), 70
- Geographic segment, 71
- Gillespie, Cecil, 740
- Goals:
 budget, 551–554
 organizational, 574–575
 strategic, 622
- Goal congruence, 71, 556, 646–647
- Going-concern assumption, 71
- Going public, 71
- Goods, 71
- Goods available for sale (GAS), 71
- Goods-in-process, 71
- Goodwill, 71, 526
- Goodwill method, 71
- Governmental Accounting Standards Advisory Council, 71
- Governmental Accounting Standards Board (GASB), 69, 71, 710, 711
- Government entities, 710–718
 budgets, 711–712
 fund accounting, 710–712
 regulatory reporting for environmental accounting, 714–718
 regulatory reporting for government contracts, 712–714
- Graded vesting, 72
- Graham, Benjamin, 762

832 Index

Grandfather clause, 72
 Green accounting, 375, 383–387
 Greer, Howard C., 743
 Gross, 72
 Gross domestic product (GDP), 72
 Gross margin, 72
 Gross margin percent, 72
 Gross price method, 72
 Gross profit, 72
 Gross profit method, 72
 Gross sales, 72
 Group depreciation, 72
 Group-level cost-reduction objectives, 277–278
 Guarantee, 72

H

Half-year convention, 73
 Halliburton Corporation, 774
 Halsey, F. A., 736
 Hamilton, Robert, 734, 735
 Hardware, 73
 Harris, Jonathan N., 744
 Harrison, G. Charter, 740
 Hash total, 73
Hasselback, 73
 Health-care benefits obligation, 73
 Hedge, 73
 Hedge accounting, 73
 Held-to-maturity securities, 73
 Henkel, Callie B., 619
 Henrici, Stanley, 740
 Hewlett-Packard, 228, 229, 233, 355
 HFS Incorporated, 770–771
 Hidden costs, 716
 Hidden reserve, 73–74
 Hire-purchase agreement (contract), 74
 Historical cost, 6, 74
 Historical cost/constant-dollar accounting, 74
 Historical exchange rate, 74
 Historical summary, 74
 History of management accounting, 731–756

- Caplan and behavioral school of management, 745–746
- Church's influence, 737–738
- Clark's studies of overhead costs, 742–743
- cost controls and expenditures during World War I, 741–742
- direct costing, 744–745
- distribution costs, 743–744
- engineering and scientific management era, 736–737
- Industrial Revolution, 734–736
- Pacioli and the Renaissance, 732–734
- professional institutions, 738–740
- Relevance Lost*, 746–747

Solomon's divisional performance, 746

- standard costing, 740–741
- timetable for, 747–756

 H.J. Heinz Company, 553
 Holdback, 74
 Holding company, 74
 Holding gain or loss, 74
 Holding gain or loss net of inflation, 74
 Hoover, Herbert, 741, 743
 Horizontal analysis, 74
 Horizontal integration, 74
 Hospitals, 707–710
 Hotwire, 775
 House account, 74
 Huang, Philip Y., 741
 Human resource accounting, 74
 Hurdle rates, 74, 616–617
 Hybrid security, 74
 Hypothecation, 74

I

IBM, 233
 Ideal standard costs, 75
 Idle capacity variance, 437, 438
 Impairment, 75
 Implicit interest, 75, 642–644
 Implied dividend, 532
 Imprest fund, 75
 Improvement, 75
 Improvement projects, 321–322
 Imputed cost, 75
 Incentives:

- budget-based, 561–563
- and fraud, 792

 Incentive compatible compensation, 76
 Incentive plan, 661–663
 Income, 76
 Income accounts, 76
 Income before taxes, 76
 Income determination, 76
 Income distribution account, 76
 Income flows, 588–590
 Income from continuing operations, 76
 Income from discontinued operations, 76
 Income smoothing, 76
 Income statements, 76, 189–191
 Income summary, 76–77
 Income tax, 77

- allocation of, 8, 77
- calculation of, 189–191
- and capital budgeting, 593–594
- on pro forma statements, 530

 Incomplete performance measures, 560
 In-control distributions, 457–458
 Increasing returns to scale, 168
 Incremental, 77

- Incremental cost, 166–167, 171, 185, 722–723
- Incremental-cost method, 468, 476
- Incur, 77
- Independence, 77
- Independent accountant, 77
- Independent variables, 77, 357
- Indeterminate-term liability, 77
- Indexation, 77
- Indirect costs, 77, 180
 - cost rates per cost driver for, 224
 - kaizen costing for, 272, 280–282
 - in Total Cost Assessment, 385, 386
- Indirect cost pool, 77
- Indirect labor (material) cost, 77
- Individual proprietorship, 77
- Industrial organization economists, 158, 159
- Industrial Revolution, 734–736
- Industry Audit Guides*, 77
- Inescapable cost, 77
- Inflation, 77, 169
- Inflation accounting, 77
- Information asymmetry, 544, 566–568
- Information circular, 78
- Information system, 78
- Information technology (IT), 293–297
- Inherent interest rate, 78
- Initial cash flows, 78
- Initial public offerings (IPOs), 765–766
- In-process R&D, 75–76, 762
- Insolvent, 78
- Installment, 78
- Installment contracts receivable, 78
- Installment sales, 78
- Installment (sales) method, 78
- Institute of Certified Management Accountants (ICMA), 78
- Institute of Cost Accountants, 738
- Institute of Cost and Management Accountants, 738
- Institute of Internal Auditors (IIA), 78
- Institute of Management Accountants (IMA), 78, 732, 738, 739
- Insurance, 78
- Intangible asset, 78–79
- Integrative budget design, 569–572
- Interamerican Accounting Association (IAA), 79
- Intercompany profit, 79
- Intercompany transaction, 79
- Intercorporate investment, 79
- Interdepartment monitoring, 79
- Interest, 79, 181
- Interest, imputed, 79
- Interest expense, 529–530
- Interest factor, 79
- Interest income, 530
- Interest method, 79
- Interest rates, 79, 592
- Interfund accounts, 79
- Interim statements, 80
- Internal audit, internal auditor, 80
- Internal controls, 80
- Internal costs, 368
- Internal failure costs, 80
- Internal rate of return (IRR), 80, 591, 595–598, 642–643
- Internal reporting, 80
- Internal Revenue Services (IRS), 80, 700
- International Accounting Standards Board (IASB), 80
- International Financial Reporting Standards (IFRS), 75
- International Organization of Securities Commissions (IOSC), 80
- Internet, 294
- Interorganizational cost investigations (ICIs), 305–307
- Interorganizational cost management (IOCM), 289–312
 - for product-related activities, 300–311
 - for transaction-related activities, 291–300
- Interorganizational kaizen costing, 309–311
- Interperiod tax allocation, 80
- Interpolation, 80
- In the black (red), 75
- Intrastatement tax allocation, 80
- Intrinsic rewards, 80–81
- Inventoriable costs, 81
- Inventory, 81
 - assigning costs to, 414–418
 - cost flow assumptions for, 188
 - in just-in-time system, 394
 - projecting, for balance sheet, 524
 - work in process, 411–414
- Inventory equation, 81
- Inventory profit, 81–82
- Inventory turnover, 82
- Invested capital, 82
- Investee, 82
- Investing activities, 82
- Investment(s), 82
 - projecting, 525
 - quality-related, 313–314
- Investment centers, 82, 649, 651–653
- Investment credit, 82
- Investment decisions, 82, 588, 602–608
- Investment games, 545
- Investment management, 619–625
- Investment securities, 534–535
- Investment tax credit, 82, 594
- Investment turnover ratio, 82
- Invoice, 82

834 Index

I.O.U., 82–83
 Isoprofit line, 83
 Issue, 83
 Issued shares, 83
 Item-specific kaizen costing, 272, 283–287

J

Jobs, 83, 229, 397
 Job costing, 83, 389–390, 396–410
 importance of, 397–398
 job cost flows summary, 406–410
 operating cycle completion, 404–406
 process costing vs., 411
 for scrap and waste, 370, 374–375
 for spoilage, 370
 tracking costs, 398–404
 Job cost record (sheet/card/file), 83, 398
 Job development credit, 83
 Job shop, constraints in, 574
 Johnson, H. Thomas, 746–747
 John Wiley & Sons, 390
 Joint cost, 83, 170, 466
 Joint cost allocation, 83, 469–475
 Joint process, 83
 Joint-process costs, 466
 Joint products, 83, 466
 Joint variance, 430
 Journal, 83
 Journal entry, 83
 Journalize, 84
Journal of Accountancy, 83
Journal of Accounting and Economics, 83
Journal of Accounting Research, 83–84
 Journal voucher, 84
 Judgment(al) sampling, 84
 Junk bonds, 84, 617
 Justification analysis, 614–618
 Just-in-time (JIT), 84, 277, 291, 393–394, 580, 741

K

k, 84
 Kaizen costing, 84, 271–288
 achievability principle in, 272–273
 component-specific, 272, 286–287
 controllability principle in, 273
 for direct costs, 271–280
 for indirect costs, 272, 280–282
 interorganizational, 309–311
 item-specific, 272, 283–287
 in nonprofits, 704–705
 product-specific, 272, 283–286
 Kanban, 292–293, 345
 Kaplan, Robert S., 741, 746–747
 Kingdom supplier networks, 292

Kiting, 84
 Korger, 349
 KPMG Peat Marwick, 17

L

Labor costs, 180–182, 229, 279–280, 401
 Labor efficiency variance, 85, 581–582
 Labor price (or wage) variance, 85
 Labor variances, 85
 Laid-down cost, 85
 Land, 85
 Lapping (accounts receivable), 85
 Lapse, 85
 Lardner, Dionysius, 735, 736
 Last-in, first-out (LIFO), 87, 188, 192
 Lead time, 85
 Lean supply system, 291–293, 340–341
 Learning curve, 85, 723, 728
 Learning effect, 427–428
 Lease, 85
 Leasehold, 85
 Leasehold improvement, 85
 Leasing, 604, 607–608
 Least and latest rule, 85
 Ledger, 85
 Legal capital, 86
 Less tangible benefits, 385, 386
 Less tangible costs, 717
 Letter stock, 86
 Leverage, 86, 706–707
 Leveraged lease, 86
 Levitt, Arthur, 761–764
 Liabilities, 86
 in litigation, 724–726
 misrepresenting, 778–783
 projecting, 527–528
 recognition of, 783–787
 Liability costs, 385, 386, 716–717
 Lien, 86
 Life annuity, 87
 Life cycle, organizational, 550–551
 Life cycle assessment (LCA), 714–716
 Life-Cycle Cost Analysis, 715, 716
 Life cycle cost/costing, 251–252, 384–385
 LIFO, dollar-value method, 87
 LIFO conformity rule, 87
 LIFO inventory layer, 87
 LIFO reserve, 87
 Limited, 89
 Limited liability, 87
 Limited partner, 87
 Linear programming, 87, 497–500
 Line-of-business reporting, 87
 Line of credit, 87
 Liquid, 87
 Liquid assets, 87

- Liquidating dividend, 87
 - Liquidation, 87
 - Liquidation value per share, 87–88
 - Liquidity, 88
 - LISH (last-in, still-here), 88
 - List price, 88
 - List price method, 88
 - Litigation, cost concepts in, 721–730
 - damages aspects of, 726–730
 - definitions of concepts, 722–723
 - liability aspects of, 724–726
 - Loan, 88
 - Lockheed, 390
 - Logistics, 329–349
 - changing role of, 329–330
 - defined, 330
 - expense planning and control, 332–336
 - and relation profitability, 341–349
 - supply chain activities, 330–332
 - total cost of delivery, 336–338
 - total cost of ownership, 339–341
 - Long-lived (term) asset, 88
 - Long run, long term, 88
 - average cost, 167–169, 172–173
 - construction contract accounting, 88
 - cost concepts, 159–160
 - debt ratio, 88
 - liability (debt), 88, 528
 - solvency risk, 88
 - Long-term investments, 534–535
 - Loophole, 88
 - Loose budgeting, 570
 - Loss, 88
 - Loss contingency, 88
 - Lost sales models, 318–319
 - Lower control limits, 459
 - Lower of cost or market (LOCOM), 88–89
 - Low quality earnings, 761
 - Ltd, 89
 - Lump-sum acquisition, 89
- M**
- Macroeconomists, 158, 159
 - Macy's Department Store, 392, 646, 658
 - Maintenance, 89
 - Major functions, target costs for, 261–265
 - Make money, making money, 89
 - Make-or-buy decision, 89–90
 - Maker (of note) (of check), 90
 - Managed costs, 162
 - Management, 90
 - activity-based, 6, 233–240
 - by exception, 90, 457
 - forms of cost data for, 176
 - by objective, 90
 - Management accounting, 90, 158–159, 170–173
 - Management Accounting*, 90
 - Management audit, 90
 - Management information system (MIS), 90
 - Management's discussion and analysis (MD&A), 90, 789–790
 - Managerial accounting, 90
 - Managerial economists, 158
 - Managing earnings, 191–195
 - Manufacturing, basic cost flow model for, 391–391
 - Manufacturing activities, 309–311
 - Manufacturing costs, 90, 180–181
 - Manufacturing cycle efficiency, 666
 - Manufacturing cycle time, 665
 - Manufacturing expense, 90, 180–181
 - Manufacturing overhead, 90, 180, 401–400, 406–410
 - Margin, 90
 - Marginal contribution, 164–166, 171–172
 - Marginal cost, 90, 162–164, 171, 185
 - Marginal costing, 90
 - Marginal revenue, 90
 - Marginal tax rate, 90
 - Margin analysis, 348–349
 - Margin of safety, 90
 - Markdown cancellation, 91
 - Marketable equity securities, 91
 - Marketable securities, 535–536
 - Market-based transfer price, 91
 - Market-driven costing, 245–252
 - allowable cost, 252
 - long-term sales and profit objectives, 246–248
 - setting selling price, 248–250
 - structuring product mix, 248
 - in target costing chain, 303
 - target profit margin, 250–252
 - Market-driven cost-reduction approach, 274–275
 - Marketing, activity-based costing in, 231–232
 - Marketing costs, 91, 331–332
 - Market price, 91, 689–690
 - Market price-based transfer pricing, 690
 - Market rate, 91
 - Market share, 662
 - Market value, 91
 - Mark to market, 91
 - Markup, 91
 - Markup percentage, 91
 - Master budget, 92
 - Master coding system, 178–179
 - Matching convention, 92
 - Material, 92
 - Materials price variance, 92

836 Index

- Materials requisition form, 400
 - Material costs, 179–182
 - cost-reduction objectives for, 278–279
 - raw material variances, 432–434
 - tracking, 399–401
 - Material efficiency variance, 92
 - Materiality, 92, 763–764
 - Material variances, 92, 432–434, 442, 446
 - Mathematical concepts:
 - queuing theory, 363–365
 - Matrix, 92
 - Matrix inverse, 92
 - Matrix product design structure, 262–263
 - Maturity, 92
 - Maturity value, 92
 - Mautz, R. K., 739–285
 - May Clinic, 390
 - McNair, C. J., 741
 - Measurable (term), 711
 - Measuring unit, 92
 - Menu pricing, 349
 - Merchandise, 92
 - Merchandise costs, 92
 - Merchandise turnover, 92
 - Merchandising business, 92
 - Merger, 92
 - Mergers and acquisitions, 767
 - Merger reserves, 782
 - Merrill Lynch, 678
 - Metcalfe, Henry, 736
 - The Method of Venice, 733–734
 - Microeconomists, 158
 - MicroStrategy, 760, 775
 - Miller, Peter, 741
 - Minority interest, 92
 - Minority investment, 92–93
 - Minutes book, 93
 - Mission statement, 659
 - Mitchell, Falconer, 741
 - Mixed cost, 93
 - Mix variance, 93
 - Models:
 - computer-intensive, 365–366
 - cost flow, 391–393
 - lost sales, 318–319
 - for short-run output problem, 484–485
 - simulation, 318
 - two-factor variance, 428
 - Modified Accelerated Cost Recovery System (MACRS), 93
 - Modified cash basis, 93
 - Monetary assets and liabilities, 93
 - Monetary gain or loss, 93
 - Monetary items, 93
 - Monetary-nonmonetary method, 93
 - Money, 93–94
 - Money purchase plan, 94
 - Morrison-Knudsen, 389
 - Mortality table, 94
 - Mortgage, 94
 - Mosconi, William, 741
 - Moving average, 94
 - Moving average method, 94
 - Multinational transfer pricing, 693–694
 - Multiple regression, 360–361
 - Multiple-step, 95
 - Municipal bond, 95
 - Mutual fund, 95
 - Mutually exclusive (investment) projects, 95, 596–598
- N**
- NASDAQ (National Association of Securities Dealers Automated Quotation System), 95
 - National Association of Accountants (NAA), 95, 738
 - National Association of Cost Accountants (NACA), 738, 745
 - National Automated Accounting Research System (NAARS), 95
 - National Council on Governmental Accounting, 710
 - National Recovery Administration (NRA), 742
 - Natural business year, 95
 - Natural classification, 95
 - Natural resources, 95
 - Negative goodwill, 95–96
 - Negative increments, 167
 - Negative variance, 431
 - Negotiable, 96
 - Negotiated transfer price, 96, 693
 - Negotiating price, 693
 - Net, 96
 - Net assets, 96
 - Net bank position, 96
 - Net book value, 96
 - Net change in cash, 535
 - Net current assets, 96
 - Net current asset value (per share), 96
 - Net income, 96, 530, 531, 534, 536
 - Net loss, 96
 - Net markup, 96
 - Net of tax method, 96
 - Net of tax reporting, 97
 - Net operating profits, 97
 - Net operating profits after tax (NOPAT), 671
 - Net present value (NPV), 97
 - of borrowing vs. purchase, 607
 - in capital budgeting, 592–593
 - of cash flows, 669–670

for government projects, 718
 positive, choosing between projects with,
 601–602
 Net present value (NPV) graph, 590–591
 Net price method (of recording purchase or
 sales discounts), 97
 Net realizable (sales) value (NRV), 97, 470,
 473
 Net sales, 97
 Network activities, IOCM for, 291–292
 Network analysis, 97
 Net working capital, 97
 Net worth, 97
 New product development time, 97
 New York Stock Exchange (NYSE), 97
 Nicholson, J. Lee, 738
 Nielsen, A. C., 744
 FIFO (next-in, first-out), 97
 Nissan, 391
 No loss rule of target costing, 305
 Nominal accounts, 97
 Nominal amount (value), 97
 Nominal dollars, 98
 Nominal interest rate, 98, 592, 630–631
 Noncancelable leases, 603–606
 Nonconformance costs, 387
 Noncontributory, 98
 Noncontrollable cost, 98
 Noncurrent, 98
 Noncurrent accrued expenses, 534
 Nonexpendable fund, 98
 Nonfinancial performance measures, 560–561
 Noninterest-bearing note, 98
 Nonmanufacturing costs, 98
 Nonmonetary items, 98
 Nonoperating, 98
 Nonprofit accounting, 657–718
 current cost accounting practices, 702–705
 customer perspective in, 663
 for-profit accounting vs., 698–702
 government entities, 710–718
 hospitals, 707–710
 service organizations, 705–707
 Nonprofit corporation, 98
 Nonrecurring, 98
 Non-sustainable earnings, 761
 Non-value-added activity, 98
 Nonvalue-added costs, 234–235
 No par, 97
 Normal capacity, 437
 Normal cost, 98
 Normal costing, 98
 Normal costing system, 98–99
 Normal spoilage, 99
 Normal standard cost, normal standards, 99
 Normal volume, 99

Norris, Thomas, 741
 Northrop-Grumman, 390
 Note (promise), 99
 Notes (footnotes), 99
 Note receivable discounted, 99
 NOW (negotiable order of withdrawal)
 account, 99
 Number of days sales in inventory (or receiv-
 ables), 99
 Nurnberg, Hugo, 475

O

Objective, 99, 622
 Objective function, 99
 Objectivity, 99
 Object of expenditure, classification by,
 177–182
 Occupational Safety and Health Act (OSHA),
 103
 Off-balanced-sheet financing, 99–100, 784
 Off-balance-sheet risk, 100
 Offsetting variances, 432
 Old Age, Survivors, Disability, and Health
 Insurance (OASDHI), 100
 O'Leary, Ted, 741
 Olympus Optical, 284
 On consignment, 100–101
 On-cost, 180
 One-line consolidation, 101
 One-write system, 101
 Ongoing improvement, 576–579
 On (open) account, 101
 On-time performance, 101
 Open account, 101
 Operating, 101
 Operating accounts, 101
 Operating activities, 101
 Operating budget and budgeting, 101, 539–571
 activity-based and subunit budgets,
 564–565
 annual and rolling budgets, 565–566
 benefits of, 543
 budget-based incentives, 561–563
 budget-based performance measures,
 556–561
 budget goals, 551–554
 budgeting process, 542–543
 complementary relations among compo-
 nents, 568–569
 components of, 542, 545–566
 contingent factors in, 566–569
 costs related to gaming behavior, 543–545
 defined, 541–542
 integrative design of, 569–572
 multiple uses of budgeting, 545–547
 negotiating budgets, 548–551

838 Index

- Operating budget and budgeting (*continued*)
 - nonbudgeting factors influencing, 542
 - participation in budgeting, 547–548
 - potential problems with, 540
 - static and flexible budgets, 563–564
 - Operating cash flow, 101
 - Operating cycle, 101, 404–406
 - Operating expenses, 101, 518–520, 575
 - Operating games, 544–545
 - Operating goals, 620
 - Operating lease, 101
 - Operating leverage, 101–102, 706–707
 - Operating margin, 102
 - Operating margin based on current costs, 102
 - Operating ratio, 102
 - Operations, 102, 390
 - Operational measures of time, 102
 - Operation costing, 390–391, 420–422
 - Opinion, 102
 - Opinion paragraph, 102
 - Opportunity cost, 102, 167, 171, 186, 438, 456, 498–499, 591
 - Opportunity cost of capital, 102
 - Optimal output level, 485–486
 - Option, 102
 - Order costing, 83
 - Order-delivery process, standardizing, 297
 - Ordinary annuities (annuities in arrears), 102, 632, 633–640
 - Ordinary income, 102
 - Organization costs, 102–103
 - Organization goals, 103
 - Original cost, 103
 - Original entry, 103
 - OSHA (Occupational Safety and Health Act), 103
 - Other assets, 535
 - Other comprehensive income, 103
 - Outlay, 103
 - Outlier, 103
 - Out-of-control distributions, 457–458
 - Out-of-pocket cost, 103, 458
 - Out-of-stock cost, 103
 - Output, 103
 - Outside director, 103
 - Outstanding, 103
 - Over-and-short, 103
 - Overapplied (overabsorbed) overhead, 103, 406
 - Overdraft, 103
 - Overhead:
 - allocation of, 229, 231
 - based on volume of output, 223
 - flexible budget for, 435
 - general and administrative, 224
 - predetermined rates for, 402–404
 - tracking, 401–402
 - Overhead costs, 103
 - Overhead rate, 103
 - Overhead variance, 405–410, 435–439
 - Overspecification, 304
 - Over-the-counter, 103
 - Owners' equity, 104
 - Ownership, total cost of, 338–341
- P**
- Pacioli, Luca, 732–734
 - Paid-in capital, 104
 - Paid-in surplus, 104
 - Paper profit, 104
 - Par, 104
 - Parallel engineering, 308
 - Parent company, 104
 - Pareto chart, 104
 - Pareto principle, 341
 - Partially executory contract, 104
 - Partially funded, 105
 - Partially vested, 105
 - Partial obsolescence, 104
 - Participating dividend, 105
 - Participating preferred stock, 105
 - Participative budgeting, 105, 547–548
 - Partner's drawing, 105
 - Partnership, 105
 - Par value, 104
 - Par value method, 104
 - Patent, 105
 - Patent infringement, 729–730
 - Payable, 105
 - Pay-as-you-go, 105
 - Payback period, 105, 598–599, 717
 - Payback reciprocal, 105
 - Payee, 105
 - Payen, Jean-Baptiste, 735
 - Payoff, future, 504
 - Payoff table/matrix, 461–463
 - Payout ratio, 105
 - Payroll taxes, 105–106
 - Pension Benefit Guarantee Corporation (PBGC), 106
 - Pension fund, 106
 - Pension liabilities, 786–787
 - Pension plan, 106
 - Per books, 106
 - Perceived value, 249
 - Percent, 106
 - Percentage depletion (allowance), 106
 - Percentage-of-completion method, 106
 - Percentage statement, 106
 - Performance evaluation:
 - budget-based, 546–547, 554–556, 568
 - in decentralized organizations, 653–654

- flexible, 554–556
- rigid, 555–556
- Performance measures, 557–561
- Performance measurement, 657–668
 - balanced scorecard, 659–664
 - benchmarking, 664
 - budget-based, 556–561
 - components of, 658
 - continuous improvement, 664
 - in decentralized organizations, 646–647, 650–653
 - improving, 664
 - measures used in, 664–667
 - and transfer pricing, 684
- Performance targets, 614, 618, 622
- Performance tracking, 625
- Period, 106
- Period cost, 106, 182, 436
- Period expense (charge), 106
- Periodic cash flows, 106
- Periodic inventory, 106, 392–393
- Periodic procedures, 106
- Permanent account, 106
- Permanent difference, 106–107
- Permanent file, 107
- Perpetual annuity, 107
- Perpetual inventory, 107, 392–393
- Perpetuities, 107, 632, 640–642
- Perpetuity growth model, 107
- Personal account, 107
- PERT (Program Evaluation and Review Technique), 107
- Petty cash fund, 107
- Physical quantities method, 473
- Physical units method, 107
- Physical verification, 107
- Planning and control process, 107
 - budgeting, 542–543, 546
 - cost estimations, 353
 - green accounting, 384–387
- Plant, 107
- Plant assets, 107–108
- Plant asset turnover, 107
- Plant-level cost-reduction objectives, 276–277
- Plantwide allocation method, 108, 219–221
- PLC (public limited company), 108
- Pledging, 108
- Pledging of receivables, 108
- Plow back, 108
- Plug, 108
- PNC Financial Services Group, Inc., 785–786
- Point of sale, 108
- Pooling-of-interests method, 108
- Population, 108
- Portfolio approach, 613
- Portfolio development, 622–623
- Position assessment, 622
- Positive confirmation, 108
- Positive variance, 431
- Post, 108
- Post-closing trial balance, 109
- Post-sale activities, 347
- Post-statement events, 109
- Potentially dilutive security, 109
- Practical capacity, 109
- Precision, 109, 557
- Preclosing trial balance, 109
- Predatory prices, 109
- Predetermined (factory) overhead rate, 109, 402–404
- Preemptive right, 109
- Preference as to assets, 109
- Preferred shares, 109
- Preferred stock, convertible, 34
- Premium, 109
- Premium on capital stock, 109
- Prepaid expense, 109
- Prepaid income, 110
- Prepayments, 110
- Present value, 110, 169, 173, 459, 629–630
- Prevention costs, 110
- Prevention expenditures, 314
- Price(s), 110
 - profit and changes in, 488–490
 - projecting, 514
 - tradeoff with functionality, 249–250
 - transfer, 684–687
- Price earnings (P/E) ratio, 110
- Price index, 110
- Price level, 110
- Price level-adjusted statements, 110
- Priceline, 775, 776
- Price variance, 110
- PricewaterhouseCoopers, 17, 390
- Pricing, 583–585
- Primary earnings per share (PEPS), 110
- Prime cost, 110, 182, 185
- Prime rate, 110
- Principal, 110, 627
- Principle, 110
- Prior-period adjustment, 110–111
- Prior service cost, 111
- Probable, 111
- Proceeds, 111
- Process costing, 111, 390, 410–420
 - ABC and information for, 232
 - assigning costs to inventory, 414–418
 - assigning costs to products, 411–414, 418–420
 - importance of, 411
 - job costing vs., 411
 - for spoilage, 370–373

840 Index

- Process improvement, 662
- Process industries, costing in, 179
- Products, 111
 - assigning costs to, 226, 411–414, 418–420
 - measuring profitability of, 582–583
- Product cost, 111, 232, 244, 253–260, 363, 436
- Product costing operations, 420–422
- Product design, 256–257
- Product development activities, 300–309
 - chained target costing, 300–303
 - concurrent cost management, 307–309
 - cost investigations, 305–307
 - functionality-price-quality tradeoffs, 304
- Product enhancement expenditures, 314
- Production cost, 111
- Production cost account, 111
- Production Cost Report, 416–418
- Production cost variances, 446–451
- Production cycle efficiency, 112
- Production cycle time, 112
- Production department, 111
- Production method:
 - accounting systems for, 390
 - depreciation, 111
 - revenue recognition, 112
- Production mix variance, 440–442
- Production process:
 - in just-in-time system, 394
 - scheduling, 580
- Production volume variance, 112
- Productive capacity, 112
- Product-level activities, 112, 494
- Product-level target costing, 253–259
 - and costing chain position, 303
 - designing product, 256–257
 - disciplining mechanisms of, 257–259
 - setting target cost, 254–256
- Product life cycle, 111
- Product mix, structuring, 248
- Product-related activities, 300–311
 - manufacturing activities, 309–311
 - product development, 300–309
- Product-related costs, 236
- Product-specific kaizen costing, 272, 283–286
- Product take-back, 347
- Professional accounting institutions, 738–740
- Profit, 112
 - assessing effect of changes on, 488–490
 - long-term objectives for, 246–248
 - variances in, 441–444
- Profitability:
 - loss of, 285–286
 - product, measurement of, 582–583
 - relation profitability analysis, 338, 341–349
 - relative vs. absolute, 582
- Profitability accounting, 112
- Profit-and-loss account, 112
- Profit-and-loss (P&L) statement, 104, 112
- Profit-and-loss sharing ratio, 112
- Profit centers, 112, 649, 651
- Profit margin, 112, 250–252
- Profit margin percentage, 112
- Profit maximization, 112
- Profit plan, 112
- Profit-sharing plan, 112
- Profit variance analysis, 112
- Profit-volume analysis, 112, 487–489, 491–494
- Profit-volume ratio, 112
- Pro forma financial statements, 111, 503–538
 - analyzing, 536–537
 - balance sheets, 531–532
 - deriving statement of cash flows (step 6), 534–536
 - general principles for, 505–506
 - implementing, 509–510
 - non-GAAP, 790–791
 - preparation of, 505
 - project assets on balance sheet (step 3), 519, 521–527
 - project interest expense/interest income/income tax expense/change in retained earnings (step 5), 529–531
 - project operating expenses (step 2), 518–520
 - project sales and other revenues (step 1), 514–518
 - for sensitivity analysis/strategic planning, 537
 - shortcuts to forecasting, 536
 - six-step plan for, 506–536
 - solving for co-determined variables, 533–534
 - Starbucks example of, 510–535
- Pro forma income, 111
- Program, cost classification by, 178
- Program budgeting (PPB), 113
- Programmed costs, 113, 162, 182
- Programmed fixed costs, 171
- Progressive tax, 113
- Progress monitoring/measurement, 321–322
- Projected benefit obligation, 113
- Projected financial statement, 113
- Project financing arrangement, 113
- Projection, 113
- Project liabilities, 527–528
- Promissory note, 113
- Proof of journal, 113
- Property, plant, and equipment (PP&E), 525, 535
- Property dividend, 113

- Proportionate consolidation, 113
 Proprietary accounts, 113
 Proprietary view, 670
 Proprietorship, 113
 Proprietorship theory, 113
 Prorate, 113
 Proration of variances, 446
 Prospectus, 114
 Protest fee, 114
 Provision, 114
 Proxy, 114
 Pseudo-participative budgeting, 548
 Public accountant, 114
 Public accounting, 114
 Public Company Accounting Oversight Board, PCAOB, 114
 PuPU, 114
 Purchase allowance, 114
 Purchase discount, 114
 Purchase investigation, 114
 Purchase method, 114
 Purchase order, 114
 Purchasing power gain or loss, 115
 Pure price variance, 430
 Pure quality variance, 430
 Push-down accounting, 115
 Put, 115
- Q**
- Qualified report (opinion), 115
 Quality, 115
 of earnings, 115–116
 of financial position, 116
 Quality control, 665
 Quality function deployment (QFD), 256–257
 Quality improvement, 313–327
 costs and benefits of, 313–314
 framework for managing, 323–327
 managing costs/benefits of, 320–322
 quality-related costs, 315–318
 and revenue effects of quality, 318–320
 Quantitative performance measure, 116
 Quantity discount, 116
 Quantity variance, 116
 Quasi-reorganization, 116
 Queuing theory, 363–365
 Quick assets, 116
 Quick ratio, 116
- R**
- Railroad Accounting Principles Board (RAPB), 117
 Random number sampling, 117
 Random sampling, 117
 Ratchet budgets, 553
 Rate of return on assets, 117
 Rate variance, 117
 Ratios, 117–119, 536–537
 Raw material, 119
 Raw material variances, 432–434
 Reacquired stock, 119
 Real accounts, 119
 Real amount (value), 119
 Real interest rate, 119, 592
 Realizable value, 119
 Realization convention, 119
 Realize, 119
 Realized gain (or loss) on marketable equity securities, 119
 Realized holding gain, 119
 Real state, 119
 Rearrangement costs, 119
 Recapitalization, 119
 Recapture, 119–120
 Receipt, 120
 Receivable, 120
 Reciprocal cost allocation, 481–482, 707
 Reciprocal holdings, 120
 Recognize, 120
 Reconciliation, 120
 Record date, 120
 Recurse, 120
 Recovery of unrealized loss on trading securities, 120
 Recurring, 120
 Redemption, 120
 Redemption premium, 120
 Redemption value, 120
 Refinancing, 120
 Refunding bond issue, 120
 Regional profitability analysis, 341–343
 Register, 120
 Registered bond, 120
 Registrar, 120
 Registration statement, 120
 Regression analysis, 120–121, 318, 357–361, 727
 Regressive tax, 121
 Regulation G, 790
 Regulation S-K, 121, 789
 Regulation S-T, 121
 Regulation S-X, 121
 Rehabilitation, 121
 Reinvestment rate, 121
 Reitell, Charles, 744
 Relation profitability analysis, 338, 341–349
 by distribution channels, 343–344
 by individual customers, 341, 342
 by order size, 344–345
 by region, 341–343
 Relative performance evaluations (RPEs), 121, 654

842 Index

- Relative profitability, 582
 - Relative sales value method, 470–472
 - Relevant cost, 121
 - Relevant cost analysis, 121
 - Relevant range, 121, 355, 358
 - Relief from royalty method, 641
 - Remit earnings, 121
 - Remittance advice, 121
 - Renaissance, 732–734
 - Rent, 121
 - Reorganization, 122
 - Repair, 122
 - Replacement cost, 122
 - Replacement cost method of depreciation, 122
 - Report, 122
 - Report form, 122
 - Reporting objectives (policies), 122
 - Representative item sampling, 122
 - Reproduction cost, 122
 - Republic supplier networks, 292
 - Required rate of return (RRR), 122
 - Requisition, 122
 - Resale value, 122
 - Research and development (R&D), 122
 - Reserve, 122–123
 - Reserve recognition accounting (RRA), 123–124
 - Reset bond, 124
 - Residual income (RI), 124, 652–653, 670–675
 - Residual security, 124
 - Residual value, 124
 - Resources:
 - constraints on, 623
 - planning, 336
 - for spoiled units, 369
 - unused, 237–240
 - used vs. supplied, 237–238
 - Resources supplied, 124, 237–238
 - Resources used, 124, 237–238
 - Resource Conservation Recovery Act (RCRA), 369
 - Responsibility accounting, 124, 184, 646
 - Responsibility centers, 124, 178, 648–650, 654
 - Restricted assets, 124
 - Restricted retained earnings, 124–125
 - Retail inventory method, 125
 - Retained earnings, 125, 529–531
 - Retained earnings statement, 125
 - Retirement method of depreciation, 125–126
 - Retirement plan, 126
 - Retroactive benefits, 126
 - Returns, 126
 - Returns to scale, 168
 - Return on assets (ROA), 126, 671–673
 - Return on capital, 126
 - Return on investment (ROI), 126, 314, 600, 651–652
 - Revenue, 126, 325
 - drivers of, 321
 - effects of quality on, 318–320
 - linear functions for, 486–487
 - projecting, 514–518
 - received in advance, 126
 - recognition of, 764, 769–777
 - Revenue allocation, 476–478
 - Revenue centers, 126, 649
 - Revenue expenditure, 126
 - Revenue (reversing) entry, 126–127
 - Reverse stock split, 127
 - Revolving fund, 128
 - Revolving loan, 128
 - Rework, 377
 - Right, 128
 - Rigid evaluation style, 555–556
 - Rigips, 341, 342
 - Risk, 128
 - assessment of, 620, 623–624
 - in capital budgeting, 617–618
 - non-disclosure of, 789–790
 - Risk-adjusted discount rate, 128
 - Risk aversion, 501
 - Risk-free rate, 128, 592
 - Risk premium, 128
 - Rite Aid, 670
 - Rolling budgets, 565–566
 - Roos, Charles F., 742
 - Roosevelt, Franklin, 742
 - Round-tripping transactions, 776–777
 - Royalty, 128
 - R-square (R^2), 117, 359
 - Rule of 69, 128, 644
 - Rule of 72, 128–129, 644
 - Rule of 78, 129
 - Ruling (and balancing) an account, 129
 - Rutgers Accounting Web Site, 129
 - Rynco Scientific Corporation, 413
- S**
- Safe-harbor lease, 130
 - Safety stock, 130
 - Saint-Gobain, 735
 - Sakurai, Michiharu, 741
 - Salary, 130
 - Sale(s), 130
 - long-term objectives for, 246–248
 - projecting, 514–518
 - shortcuts to forecasting, 536
 - Sales activity variance, 130
 - Sales allowance, 130
 - Sale and leaseback, 130

- Sales basis of revenue recognition, 130
- Sales contra, estimated uncollectibles, 130
- Sales costs, 331–332, 441–444
- Sales discount, 130
- Sales mix variances, 443
- Sales price variances, 443
- Sales quantity variances, 443
- Sales return, 130
- Sales-type (capital) lease, 130
- Sales value method, 130
- Sales volume variance, 130
- Salvage value, 131
- Sam's Warehouse, 348, 349
- Sarbanes-Oxley Act, 131
- SAS (*Statement of Accounting Standards*), 131
- Scale effect, 598
- Scatter diagram, 131
- Schedule, 131
- Schindler, James S., 176
- Scientific Management Movement, 736–737
- Scientific method, 131
- S corporation, 130
- Scrap, 369
- Scrap value, 131
- Sears, 782
- Secondary cost drivers (SCDs), 452, 453
- Seconds, 377
- Secret reserve, 131
- Securities and Exchange Commission (SEC), 131, 765, 768–773, 775, 777, 779–782, 785–786, 788–791
- Securitization, 131
- Security, 131
- Security available for sale, 131
- Security held to maturity, 131
- Segment (of a business), 131–132
- Segment reporting, 132, 695
- Self-balancing, 132
- Self-check(ing) digit, 132
- Self-selection budgets, 547
- Self-sustaining foreign operation, 132
- Selling and administrative expenses, 132
- Selling price, target, 248–249
- Semifixed costs, 132, 354
- Semivariable costs, 132, 355–356
- Senior securities, 132
- Sensitivity, 557, 592–593
- Sensitivity analysis, 132, 510, 537
- Separable costs, 170, 467
- Sequential access, 132
- Serial bonds, 132–133
- Services, 133
- Service basis of depreciation, 133
- Service bureau, 133
- Service cost, (current) service cost, 133
- Service department, 133
- Service department cost allocation, 133, 479–482
- Service enhancement expenditures, 314
- Service industries/organizations, 179, 184, 391–391, 705–707
- Service life, 133
- Service potential, 133
- Setup, 133
- Setup costs, 180, 452–453
- Shadow price, 133
- Shapley Value method, 468–469
- Share, 133
- Shareholder returns, 676–678
- Shareholders' equity, 133, 527–529
- Shareholder value, 678
- Shareholder wealth, 673–675
- Share premium, 133
- ShopKo Stores, Inc., 775
- Short run, 133
 - cost concepts, 159–160
 - marginal cost, 162–164, 171
 - multiproduct models, 497–500
- Short-run economic model, 484–485
 - breakeven chart, 487
 - ex post* use of charts/graphs, 489
 - linear functions for revenues and costs, 486–487
 - for multiproduct firms, 489, 491–494
 - profit-volume analyses, 487–488
 - and uncertainty, 500–501
- Short-term borrowing, 528
- Short-term investments, 534–535
- Short-term liquidity risk, 133
- Short-term operating budget, 133
- Shrinkage, 133–134
- Shutdown cost, 134
- Side letters, 772
- Sight draft, 134
- Signal Tech, 785
- Simple interest, 134, 628
- Simulation models, 318, 365–366
- Simultaneous engineering, 308
- Single-entry accounting, 134
- Single proprietorship, 134
- Single-step, 134
- Sinking fund, 134
- Sinking fund method of depreciation, 134
- Sirena Apparel Group, 773
- Skeleton account, 134
- Slide, 134–135
- Sloan, Alfred, 670
- SMAC (Society of Management Accountants of Canada), 135
- Smith, Oberlin, 736

844 Index

- Soak-up method, 135
- Social Security taxes, 135
- Software, 135
- Sole proprietorship, 135
- Solomons, David, 177, 670, 746
- Solvent, 135
- Sophisticated budgeting, 569–570
- Sound value, 135
- Sources and uses statement, 135
- Source documents, 398
- Source of funds, 135
- Southwest Airlines, 233
- Special assessment, 135
- Special journal, 135
- Special purpose entities (SPEs), 135, 784, 785
- Special revenue debt, 135
- Specific costs, 170
- Specific identification method, 135–136
- Specific item sampling, 136
- Specific price changes, 136
- Specific price index, 136
- Spending variance, 136
- Split, 136
- Split-off point, 136, 467
- Spoilage, defined, 136
- Spoilage, waste, and scrap, 367–368
 - control and evaluation systems for, 376–384
 - cost accounting for, 370–376
 - definitions related to, 368–369
 - green accounting, 383–387
 - history of accounting treatment for, 369–370
 - use of terms, 368–369
- Spot price, 136
- Spreadsheet, 136
- Squeeze, 136
- Stabilized accounting, 136
- Stable monetary unit assumption, 136
- Staff Accounting Bulletin (SAB)*, 136, 769, 770
- Stakeholders, 136, 658
- Stand-alone method, 468, 476
- Standards:
 - accounting, 4
 - auditing, 14
 - for controlling spoilage, waste, and scrap generation, 378–379
 - cost estimations in setting, 353
 - efficiency, 581
 - factors in setting, 426–427
- Standard bill of materials, 378
- Standard cost, 136–137, 373–374, 426, 692, 723
- Standard costing, 137, 740–741
- Standard cost(ing) system, 137, 425–478
 - accounting entries in, 444–446
 - activity-based costing vs., 449, 452–454
 - assessing significance of variances, 457–463
 - basic vs. theoretical, 426
 - calculations, 428, 429
 - direct labor variances, 434
 - evaluating deviations from, 428, 430–444
 - ex post* variance analysis, 454–457
 - factors in standard setting, 426–427
 - fixed overhead variances, 436–439
 - flexible budget preparation, 435
 - integrated reporting for, 446–451
 - and learning effect, 427–428
 - production mix and yield variances, 440–442
 - raw material variances, 432–434
 - sales and profit variances, 441–444
 - three-factor variances, 439–440
 - two-factor variances, 428, 430–432
 - variable overhead variances, 435, 436
- Standard deviation, 460
- Standard direct cost, 428
- Standard error, 137, 359
- Standard manufacturing overhead, 137
- Standard price (rate), 137
- Standard quantity allowed, 137
- Standby costs, 137, 162, 182
- Starbucks, 510–535
- Stated capital, 137
- Stated value, 137
- Statement of Accounting Standards (SAS)*, 131
- Statement of affairs, 137
- Statement of cash flows, 137, 534–536
- Statement of changes in financial position, 137
- Statement of charge and discharge, 137
- Statement of Financial Accounting Concepts (SFAC)*, 137, 701, 769, 788
- Statement of Financial Accounting Standards (SFAS)*, 137
- Statement of financial position, 138
- Statement of Position (SOP)*, 138, 769, 788
- Statement of retained earnings (income), 138
- Statement of significant accounting policies (principles), 138
- Statement on Auditing Standards (SAS)*, 138, 792
- Statement on Standards for Accounting and Review Services (SSARS)*, 138
- Static budgets, 138, 563
- Statistical analysis:
 - for cost estimation, 357–361
 - of quality-related costs/revenues, 318–320
- Status quo, 138

- Statutory tax rate, 138
 - Step allocation method, 138
 - Step-down method, 138, 479–481, 707
 - Step method, 138
 - Step(ped) cost, 138, 354–355
 - Sterilized allocations, 138, 475
 - Stern Stewart & Co., 669, 679
 - Stewardship, 138–139
 - Stock, 139, 765–766
 - Stock appreciation rights, 139
 - Stock dividend, 139
 - Stock option, 139
 - Stockout, 139
 - Stockout costs, 139
 - Stock split(-up), 139
 - Stores, 139
 - Straight-debt value, 139
 - Straight-line depreciation, 139
 - Strategic cost-reduction objective, 255, 269–270
 - Strategic goals, 622
 - Strategic plan, 139, 620
 - Strategic planning:
 - budgeting in, 542–543
 - in investment management, 621, 622
 - pro forma financial statements for, 537
 - Strategic pricing, 584–585
 - Stratified sampling, 139–140
 - Street security, 140
 - Stretch budgets, 553–554
 - Stretch targets, 553
 - Subchapter S corporation, 140
 - Subject to, 140
 - Subordinated, 140
 - Subscribed stock, 140
 - Subscription, 140
 - Subsequent events, 140
 - Subsidiary, 140
 - Subsidiary ledger, 140, 399
 - Subsidiary (ledger) accounts, 140
 - Subunit budgets, 564–565
 - Subunit interdependence, 567
 - Successful efforts costing, 140
 - Summary annual report (SAR), 140
 - Summary of significant accounting principles, 140
 - Sum-of-the-years'-digits depreciation (SYD, SOYD), 140
 - Sunbeam Corporation, 760, 761, 773, 781
 - Sunk cost, 140–141, 167, 185, 186
 - Superfund Amendments and Reauthorization Act (SARA), 369
 - Supplementary statements (schedules), 141
 - Suppliers:
 - buyer-supplier interface improvements, 292–300
 - and interorganization cost management, 290
 - relations with, 661–662
 - selecting/rewarding, 260–261
 - total cost performance for, 340
 - Supplier networks, 291, 292, 305
 - Supplier rating index, 317
 - Supply chain:
 - buyer-supplier interface in, 292–300
 - interorganizational costing in, 290
 - logistics activities in, 330–331
 - logistics channels in, 337
 - marketing and selling activities in, 331–332
 - target costing chains in, 301
 - Supply chain management, 743
 - Supportive overheads, 162
 - Surplus, 141
 - Surplus reserves, 141
 - Suspense account, 141
 - Sustainable income, 141
 - Swap, 141
 - SWOT analysis, 548–550
 - System, 574
- T**
- T-account, 141
 - Take-home pay, 141
 - Take-or-pay contract, 141
 - Taking a bath, 141
 - Tangible, 141–142
 - Target (company), 349
 - Target cost, 142, 269, 285
 - Target costing, 243–268
 - chained, 300–303
 - component-level, 259–266
 - market-driven, 245–252
 - no loss rule of, 305
 - in nonprofits, 704–705
 - and product launch decisions, 284–285
 - product-level, 253–259
 - Target price, 142
 - Task uncertainty, 566–567
 - Tax, 142
 - Taxable income, 142–143
 - Tax allocation: interperiod, 142
 - Tax allocation: intrastatement, 142
 - Tax avoidance, 142
 - Tax basis of assets and liabilities, 142
 - Tax credit, 142
 - Tax deduction, 142
 - Tax evasion, 142
 - Tax shelter, 142
 - Tax shield, 142
 - Tax status, nonprofit, 700–701
 - Tax-transfer lease, 143
 - Taylor, Frederick W., 736, 737

846 Index

- Technical Bulletin* (FASB), 143
- Technology, 143
 assessing, 623
 information technology, 293–297
 integrated, 143
- Temporary account, 143
- Temporary difference, 143
- Temporary investments, 143
- 10-K, 144, 789
- Terms of sale, 144
- Term bonds, 144
- Terminal cash flows, 144
- Term loan, 144
- Term structure, 144
- Theoretical capacity, 437
- Theoretical standards, 426
- Theory of Constraints (TOC), 144, 573–574
 for business process reengineering, 579
 controlling fixed costs in, 582
 and efficiency measures, 580–582
 for efficient production scheduling, 580
 and goals of organization, 574–575
 increasing NPV of cash flows, 669–670
 and measurement of product profitability, 582–583
 and pricing, 583–584
 process of ongoing improvement, 576–579
 strategic pricing in, 584–585
 throughput accounting in, 575
 for total quality management, 579
- Thin capitalization, 144
- Three-factor variances, 439–440
- 3M, 383
- Three-way analysis, 438–439
- Throughput accounting, 575
- Throughput contract, 144
- Throughput contribution, 144
- Tickler file, 144
- Tight budgeting, 570–571
- Time-adjusted rate of return, 144, 595
- Time cost, 144
- Time deposit, 144
- Time reporting, 315
- Time-series analysis, 144
- Times-interest (charges) earned, 144
- Time studies, 316–317
- Timing difference, 144
- Tinker Air Force Base, 713
- Tip-toe objectives, 273
- Top-down approach, 276, 548–551
- Toronto Stock Exchange (TSX), 144
- Total assets, 536
- Total assets turnover, 145, 536
- Total cost:
 of delivery, 332, 336–338
 estimating, 493–494
 of labor, 401
 of ownership, 338–341
- Total cost assessment (TCA), 385–386, 714, 716–718
- Total fixed overhead variance, 438
- Total quality management (TQM), 145, 579
- Total sales, forecasting, 536
- Towne, H. R., 736
- Toyota, 344
- Traceable cost, 145
- Tracking costs, 394, 398–404
 beginning inventories, 399
 labor, 401
 manufacturing overhead, 401–402
 materials, 399–401
 predetermined overhead rates, 402–404
 recording job costs in accounts, 399
- Trade acceptance, 145
- Trade credit, 145
- Trade discount, 145
- Trade-in, 145
- Trade-in transaction, 145–146
- Trademark, 146, 641
- Trademark right, 146
- Trade payables (receivables), 146
- Trade secret, 146
- Trading on the equity, 147
- Trading securities, 147
- Transaction, 147
- Transaction costs, 298, 299–300
- Transaction-related activities, 291–300
 buyer-supplier interface activities, 292–300
 network activities, 291–292
- Transfer, 147
- Transfer agent, 147
- Transfer price, 147, 683–687
- Transfer pricing, 683–696
 centrally established policies for, 689–692
 global practices, 693
 and interests of company vs. individual managers, 687–689
 management intervention in, 689
 multinational, 693–694
 negotiating price, 693
 and performance measurement, 684
 and segment reporting, 695
 setting prices, 684–687
- Transfer-pricing problem, 147
- Translation adjustment, 147
- Translation gain (or loss), 147
- Transportation-in, 147
- Transposition error, 147
- Treasurer, 147
- Treasury bond, 147

Treasury shares, 147–148
 Treasury stock, 148, 529
 Trend analysis, 148
 Trial balance, 148
 Trial rate, 642–643
 Troubled debt restructuring, 148
 Trump Hotels & Casino Resorts, Inc., 790–791
 T-statistic, 148, 359
 Turnover, 148
 Turnover of plant and equipment, 148
 T-value, 148
 20-F, 148
 Two-factor variances, 428, 430–432
 Two-factor variance model, 428
 Two T-account method, 148
 2/10, n(et)/30, 148

U

UMI, 732
 Unadjusted trial balance, 148
 Unappropriated retained earnings, 148
 Unavoidable cost, 148
 Uncertainty:
 buyer-initiated reductions in, 298
 buyer-supplier reductions in, 293
 and cost-volume-profit analysis, 500–501
 environmental, 566–567
 supplier-initiated reductions in, 299
 task, 566–567
 Uncollectible account, 148–149
 Unconsolidated subsidiary, 149
 Uncontrollable costs, 149, 184
 Uncontrollable performance measures,
 557–560
 Underapplied (underabsorbed) overhead, 149,
 406
 Underinvestment, 679
 Underlying document, 149
 Underwriter, 149
 Undistributed earnings, 149
 Unearned income (revenue), 149
 Unencumbered appropriation, 149
 Unexpired cost, 149
 Unfavorable variance, 149, 431
 Unfunded, 149
 Uniform Partnership Act, 149
 Unify Corporation, 776–777
 Unissued capital stock, 149
 Units-of-production method, 149
 Unit costs, 228, 363
 United Parcel Service, 233
 United Way, 706
 Uniting-of-interests method, 149
 Unit-level activities, 149, 494
 Unit of output, 488–490

Unit-related costs, 236
 Universal Studios, 390
 Unlimited liability, 149
 Unrealized appreciation, 149
 Unrealized gain (loss) on marketable
 securities, 149
 Unrealized gross margin (profit), 149–150
 Unrealized holding gain, 150
 Unrecovered cost, 150
 Unused capacity, 150
 Unused resources, 238–240
 Unused resource capacity, 237–238
 Upper control limits, 459
 U.S. Environmental Protection Agency
 (EPA), 713
 Usage variance, 150
 Useful life, 150
 Use of funds, 150
 Usual costs, 716

V

Valuation, assessed, 12
 Valuation account, 150
 Value, 150
 Value added, 150
 Value-added activities, 150, 233–234
 Value-added tax (VAT), 151
 Value analysis (VA), 257
 Value chain, 150, 233–235
 Value engineering (VE), 150, 256, 257
 Value variance, 150
 Vangermeersch, Richard, 732
 Variables sampling, 151
 Variable annuity, 150
 Variable budget, 150
 Variable cost, 150, 160–161, 170, 182, 184,
 353, 488–490, 722
 Variable costing, 150, 436
 Variable interest entity (VIE), 150–151,
 784–786
 Variable overhead budget (rate) variance, 436
 Variable overhead efficiency variance, 151,
 436
 Variable overhead price variance, 151
 Variable overhead variance, 151, 435, 436
 Variable rate debt, 151
 Variances, 151, 428, 430–444
 accounting disposition of, 445–446
 direct labor variances, 434
 ex post variance analysis, 454–457
 fixed overhead variances, 436–439
 flexible budget preparation, 435
 offsetting, 432
 production mix and yield variances,
 440–442

848 IndexVariances (*continued*)

- proration of, 446
- raw material variances, 432–434
- sales and profit variances, 441–444
- in standard cost systems, 457–463
- three-factor variances, 439–440
- two-factor variances, 428, 430–432
- variable overhead variances, 435, 436

Variance analysis, 151

- in activity-based costing, 449
- ex post*, 454–457
- for spoilage, waste, and scrap control, 379–382

Variance analysis investigation, 151

Variation analysis, 151

VAT (value-added tax), 151

Vendor, 151

Vendor managed inventory (VMI), 348

Verifiable, 151

Verification, 151

Vertical analysis, 151

Vertical integration, 151

Vested, 151

Visual curve fitting method, 151–152

Volume:

- allocation rates based on, 223
- cost as function of, 223
- on pro forma statements, 514

Volume variance, 152

Voucher, 152

Voucher system, 152

Vouching, 152

W

W. R. Grace & Company, 781

Wage, 152

Walker, Stephen, 741

Wallace, J., 676, 678–681

Wal-Mart, 233, 345, 346

Warning signal, 152

Warrant, 152

Warranty, 152

Warranty reserve, 784–785

Wash sale, 152

Waste, 152, 369

Waste Management, Inc., 760, 761, 780

Wasting asset, 152

Watered stock, 152

Watt, James, Jr., 735

Weighted average, 152–153, 372

Weighted-average costing, 414–415, 418–420

Weighted-average cost of capital, 153

Weighted-average inventory method, 153

Weil, Roman L., 176

Wells, M. C., 732

Where-got, where-gone statement, 153

Window dressing, 153

Wind up, 153

Withdrawals, 153

Withholding, 153

Without recourse, 153

With recourse, 153

Working capital, 153

Work(ing) papers, 153

Work-in-process (inventory account), 153, 411–414

Work sheet (program), 153

WorldCom, 779–780

Worth debt ratio, 153

Write down, 153

Write off, 153

Write-off method, 154

Write up, 154

X

Xerox Corporation, 321, 322, 775, 781

Y

Yield, 154

Yield curve, 154

Yield to maturity, 154

Yield variance, 154, 440–442

Z

Zannetos, Zenon S., 740

Zero-base(d) budgeting (ZBB), 154–155