

A

- Abandonment.** *See* Regulated operations
- ABO.** *See* Accumulated benefit obligation
- Accelerated Cost Recovery System (ACRS), 481,** *See also* Modified ACRS
- Accelerated reporting requirements, 1101**
- Accounting**
 changes, 1263
 summary, 145
 equity method, accounting example, 580
 FV method, 986
 income, definition. *See* Pretax accounting income methods, 369
 policies, 49, 1262
 definition, 115
 principle. *See* Statutory accounting principles reclassifications, 132
 rules, impairment rules (comparison), 489
 treatment, 387
- Accounting changes, 79, 121, 382**
 concepts/rules/examples, 116
 definition, 115
 impact. *See* Interim reporting
 perspective/issues, 113
 terms, definitions, 115
- Accounting estimate, change, 133**
 accounting principle change (impact), definition, 115
 definition, 115
 principle (change), impact, 135
- Accounting information, qualitative characteristics, 18**
 conservatism, role, 20
 constraints, 19
 decision making, usefulness, 18
 relevance, 18
 reliability, 18
 trade-offs, 19
 verifiability, 19
- Accounting measurements**
 cash flow information, usage, 23
 contrast. *See* Present value practical matters, 27
 present value, usage, 23
- Accounting method**
 alternatives, 118
- Accounting policies, 116**
 adoption, 121
 concepts/rules/examples, 116
 perspective/issues, 113
- Accounting principle**
 definition, 115
- Accounting principle, change, 122**
 definition, 115
 disclosures, 131
 impracticability, 129
 indirect effects, 128
 justification, 1156
 preferability, 122
 retrospective application, 122
 example, 123
- Accounting Principles Board (APB)**
 GAAP, creator, 2
 Opinion 11, net of tax method, 869
 Opinion 25
 impact. *See* Employee Stock Ownership Plans Interpretations, 79
- Accounting restatements**
 concepts/rules/examples, 116
 perspective/issues, 113
- Accounts payable (current liabilities), 41**
- Accounts receivable**
 definition, 190
 loan, definition, 1195
- Accounts remeasurement, historical exchange rates (usage), 1141**
- Accounts, aging**
 definition, 190
- Accretable yield, 606**
 definition, 1155
- Accrual basis, contrast. See Cash**
- Accrued contingent liabilities, 871**
- Accrued pension cost, 937**
- Accumulated benefit obligation (ABO), 943, 964**
 beginning/ending, reconciliation, 953
 definition, 937
- Accumulated benefit plan, definition, 1187**
- Accumulated deficit, 1002**
- Accumulated postretirement benefit obligation (APBO), 977,** *See also* Unfunded APBO
 definition, 937
- Acquired structured notes, usage. See Investments ACRS. See Accelerated Cost Recovery System**
- Activation fees, 387**
- Actual returns. See Net periodic pension cost**
- Actuarial method, 1196**
- Actuarial present value, definition, 937**
- Additional paid-in capital, 995**
 definition, 987
- Add-on loans, 1195**
- Adjusted basis, 567**
- Advance refunding, 851**
- Advance royalty, definition, 1252**
- Advances (liabilities), 41**
- Affiliated enterprise**
 definition, 1217
 sales, 1222
- AFS. See Available-for-sale**
- Agency**
 collections/withholdings (current liabilities), 41
- Agency liabilities, 711**
- Agent**
 definition, 1236, *See also* De facto principals/agents received transfers, 1244
- Aging the accounts. See Accounts**
- AICPA. See American Institute of Certified Public Accountants**

- Allocated shares, definition, 987**
- Allocation, interest method, 25**
- Amenities. See Real estate operations**
definition, 424
- American Institute of Certified Public Accountants (AICPA)**
GAAP creator, 2
- Amortization, 738, See also Thrift**
definition, 445, 735, 937
- Annual accounting period, integral part, 1089**
- Annuity contract, 972, See also Nonparticipating annuity contracts; Participating annuity contracts**
definition, 938
- Anticipated costs, 371**
- Antidilution, definition, 1060**
- APB. See Accounting Principles Board**
- APBO. See Accumulated postretirement benefit obligation**
- Appropriation, 1001**
definition. *See* Retained earnings
- Area franchise**
definition, 428
sales, 429
- Arm's-length leases, 860**
- Arm's-length third parties, involvement. See Transaction**
- ARO. See Asset retirement obligation**
- Arrangement**
assessment/reassessment, timing, 805
determination, leases (involvement), 805
fee. *See* Determinable arrangement fee; Fixed arrangement fee
modification, 1228
persuasive evidence, 1226
- Artist compensation, cost, 1253**
- Asset retirement obligation (ARO), 458**
accounting considerations, 460
impairment, 460
measurement, 460
assurance provisions, 464
definition, 445
disclosures, 464
funding provisions, 464
provisions, 464
recognition, requirement, 459
example, 460
related liabilities, accounting, 1256
settlement, 467
- Assets, 37, See Current assets; Employers; Noncurrent assets; Serviced assets; Tangible assets**
acquisition, gifts/grants (usage), 456
definition, 33
element. *See* Financial statements
estimated current value, 1144
definition, 1142
exchanges. *See* Debt expenditures, definition. *See* Segment assets
fair value, 513, *See also* Servicing
group, definition, 445
impairment, accounting, 1256
income tax bases, increases, 869
measurement, 212
offsetting, 43, 731
recognition. *See* Regulated operations
test, 1107
definition, 1106
transfer, accounting, 602
translation, 1120
- Assignment, 198, See also Accounts receivable**
definition, 190
- Assumed health care cost trends, 965**
- Assumptions, 943, 965**
definition, 938
explicit approach, definition, 939
- Attribution**
definition, 938
period, definition, 938
- Authorized shares, definition, 987**
- Automobile dealers, alternative LIFO method, 340**
- Available income. See Common stockholders**
- Available-for-sale (AFS), 258**
debt securities, foreign currency
exchange rates changes (effects, accounting).
See Foreign-currency-denominated AFS debt securities
securities, 528
definition, 525
- Average cost, 348**
LCM, interaction, 348
- Awards**
liabilities/equity classification, 1015
- B**
- Back charges, 372**
definition, 368
- Bad debts, 396**
reserve, 1158
definition, 1155
valuation allowance, 193
- Balance sheet, 31, 516**
alternative segmentations, 46
cash/cash equivalents, 1277
classification. *See* Assets; Capital stock
example, 54
concepts/rules/examples, 35
current liabilities, 1288
date. *See* Fair value
debt extinguishment, 1290
deferred tax
assets/liabilities, 1289
disclosures, 917
checklist, 1277
equity-like instruments, liability classification, 1308
example, 1120

- financial assets,
 - transfers/servicing (accounting), 1285
 - financial
 - instruments/derivatives, 1294
 - form, 36
 - intangibles, 1282
 - inventories, 1280
 - investments, equity method, 1280
 - leases
 - lessees, 1306
 - lessors, 1307
 - limitations, 35
 - long-term debt
 - extinguishment, 1290
 - parenthetical explanations, 48
 - pensions, 1299
 - perspective/issues, 31
 - postretirement benefits, 1299
 - PP&E, 1281
 - presentation
 - example, 54
 - receivables, 1277
 - remeasurement, 1124
 - stockholder equity, 1309
 - section, 1057
 - terms, definitions, 33
 - translation, 1118, 1121
 - Balances. See Compensating balances**
 - Banking/thrift**
 - concepts/rules/examples, 1156
 - institution, acquisition, 1156
 - mergers, goodwill (special accounting elimination), 1157
 - perspective/issues, 1153
 - terms, definition, 1155
 - Bankruptcy. See Corporate bankruptcy/reorganizations**
 - laws, 1054
 - Bargain purchase, 432**
 - definition, 428
 - Bargain purchase option (BPO), 810, 830**
 - definition, 785
 - Bargain renewal option, 810**
 - definition, 785
 - Barter**
 - definition, 1169
 - revenue, 1228
 - Barter transactions, 364**
 - accounting, 1172
 - Base stock**
 - definition, 316
 - method, 353
 - Basic earnings per share (Basic EPS)**
 - computation, 1072, 1073
 - definition, 1060
 - Benefit obligation, definition, 1187**
 - Benefits**
 - full eligibility, definition, 939
 - payment, 946, 964
 - Beta testing, 1178**
 - Bifurcation, definition, 249**
 - Black-Scholes Model (BSM), 1018**
 - usage. *See* Options
 - Bond issue costs, definition, 735**
 - Bonds**
 - definition, 735
 - detachable warrant
 - accounting example, 771
 - impact, 737
 - Bonds payable (noncurrent liabilities), 42**
 - Bonus payments, 717**
 - Book value**
 - approach, 756
 - definition, 735
 - method, example, 756
 - Boot**
 - definition, 445
 - Borrowing rate, definition. See Incremental borrowing rate**
 - BPO. See Bargain purchase option**
 - Broadcaster, definition, 1169**
 - Broadcasting**
 - capitalized costs, amortization, 1169
 - concepts/rules/examples, 1169
 - license agreements, accounting, 1169
 - network affiliation
 - agreements, accounting, 1172
 - perspective/issues, 1168
 - program license agreements
 - accounting, example, 1170
 - gross method, 1171
 - present value approach, 1170
 - program material, license agreement (definition), 1169
 - reporting/disclosure, 1173
 - terms, definitions, 1168
 - BSM. See Black-Scholes Model**
 - Business**
 - enterprises, financial statements (recognition/ measurement), 20
 - interests, 1146
 - investments, tax allocation, 908
 - Business combinations, 893, See also Immaterial business combinations; Mining assets**
 - accounting
 - purchase method, usage, 869
 - impact, 973
 - leases, accounting, 850
 - perspective/issues, 618
 - Business, definition, 795**
 - inputs, impact, 796
 - outputs, impact, 796
 - processes, impact, 796
 - Buyer continuing investment, adequacy, 408**
 - Buyer initial investment, adequacy, 405**
 - Buy-sell agreement, 1042**
- C**
- Cable television**
 - amortization, 1175
 - impairment, 1175
 - concepts/rules/examples, 1174
 - franchise application costs, 1175

- installation revenues/costs, 1175
- perspective/issues, 1173
- plant, definition, 1173
- prematurity period, accounting, 1174
- terms, definitions, 1173
- Call option, definition, 1060**
- Callable bond, definition, 735**
- Callable, definition, 987**
- Capital. See Additional paid-in capital; Contributed capital; Donated capital; Paid-in capital**
 - classification. *See* Partner capital
 - leases, 810, 846
 - accounting, example, 811
 - loss. *See* Net capital loss
 - structure. *See* Simple capital structure
 - complexity, increase, 1067
 - computational guidelines, 1063
- Capital stock, 44, 994**
 - discount, definition, 988
- Capitalization**
 - costs, 503
 - rules. *See* Uniform capitalization rules
- Capitalized computer software development costs, amortization (example), 1180**
- Capitalized costs, amortization. See Broadcasting; Internal use software**
- Career-average-pay formula, definition, 938**
- Career-average-pay plan, 943**
- Carryforwards, 924**
- Carrying amount, 1157**
 - definition, 1155
 - value, definition, 249
- Carrying value**
 - definition, 735
 - example, 749
- Cash**
 - accrual, mandatory change, 871
 - basis, accrual basis (contrast), 871
 - bonds (issuance), example, 739
 - concepts/rules/examples, 191
 - control, maintenance, 205
 - definition, 190
 - exchange, 195
 - notes, issuance, 738
 - accounting, example, 740
 - perspective/issues, 187
 - terms, definitions, 190
- Cash equivalents**
 - current asset classification, 37
 - definition, 96, 190
- Cash flow**
 - assumptions. *See* Inventories
 - expectations, reduction (example), 614
 - information, usage. *See* Accounting measurements reporting. *See* Foreign currency
- Cash flow hedge, 285, 308, See also Foreign currency**
 - effectiveness, 295
 - impairment, 301
 - ineffectiveness, 301
 - usage. *See* Gains; Losses
- Cash flow per share, requirements, 101**
- Cash flow statement, 95, 262, See also Consolidated entities**
 - basis, 1323
 - classification, 96, *See also* Asset retirement obligation; Income tax; Income tax benefit receipt
 - concepts/rules/examples, 96
 - disclosure checklist, 1323
 - example, 1166
 - format, 1323
 - perspective/issues, 95
 - preparation, 103
 - providing. *See* Exempt entities
 - requirement, exemption, 1213
 - remeasurement, 1125
- requirements, 101, *See also* Not-for-profit organizations
- terms, definitions, 96
- translation, 1120, 1121
- Cash focus, 96**
- Ceiling, definition, 316**
- Change order**
 - accounting, 380
 - definition, 368
- Channel stuffing, 365**
- Chief operating decision maker, definition, 1104**
- Claims**
 - accounting, 381
 - cost recognition, 1201
 - definition, 368
- Clawback feature, 1018**
- Cliff vesting, 1019**
 - definition, 987
 - usage, 1026
- Closed form models, 1018**
- Closed-end fund, definition, 1211**
- Closed-up fund, definition, 1211**
- Coding, definition, 1176, 1178**
- Collateral**
 - accounting, 234
 - definition, 190, 735
- Collection method, 386**
 - definition, 383
- Collections, 1248**
 - definition, 1236
- Combination**
 - plans, definition, 987
- Combined unaffiliated revenue. See Reportable segments**
- Combining contracts, definition, 368**
- Commitments, 1217, 1264, See also Expired commitments**
 - costs, 1161, 1222
 - definition. *See* Gap commitment; Standby commitment
 - fees, 1161, 1222
 - definition, 1155
 - payment. *See* Held-for-sale loans
- Committed loans, 1220**

- Committed-to-be-released shares, definition, 987**
- Committee on Accounting Procedure, GAAP creator, 2**
- Commodity pools, 1213**
- Common costs, 425**
allocation, 1109
definition, 424, 1105
- Common shares**
outstanding, weighted-average number, 1062
payment. *See* Preferred stock
- Common stock. *See* In-substance common stock; Mandatorily redeemable common stock; Potential common stock; Two-class common stocks**
contingent issuances, 1068
definition, 1060
- Common stockholders, available income, 1063**
definition, 1061
- Comparability**
definition, 116
- Comparative financial statements, 1144**
- Comparative statements. *See* Financial statements**
- Compensated absences, 717**
- Compensating balances, 191**
- Compensation**
cost measurement, share-based payment arrangements (impact), 1015
recognition, 1017
- Compensatory plan, definition, 987**
- Completed performance method, 386**
definition, 383
- Completed-contract method, 370, 375**
definition, 368
- Component disposal, 977**
- Comprehensive income, 59, 66, 79, 313**
accumulation, 45
concepts/rules/examples, 62
definition, 61, 988, *See also* Other comprehensive income
element. *See* Financial statements
format, 66
gains/losses (inclusion), definition, 862
perspective/issues, 59
reporting, 85
investments, accounting implications, 603
statement
disclosure checklist, 1324
disclosures, 1324
format options, 1324
terms, definitions, 60
- Computer software developers**
concepts/rules/examples, 1176, 1178
perspective/issues, 1177
terms, definitions, 1176, 1178
- Computer software development costs, amortization (example). *See* Capitalized computer software development costs**
CON 7, 728
- Concentrations, current vulnerability, 53**
- Conceptual framework**
components, 15
CON 1, 16
CON 2, 18
CON 5, 20
CON 6, 20
CON 7, 23
- Conditional promise to give, 1237**
- Conditionally redeemable instruments, 1050**
- Conservatism, role. *See* Accounting information**
- Consignments, 320**
definition, 316
- Consistency**
definition, 116
- Consolidated DEPS, 1080**
- Consolidated entities, cash flow statements, 111**
- Consolidated financial statements**
perspective/issues, 618
- Constructive retirement method, 1005**
definition, 988
- Contingencies, 51, 722, 1098, 1264, *See also* Losses**
contrast. *See* Estimates
definition, 707
FAS 5 definition, 722
- Contingent amount, definition, 435**
- Contingent conversion, 766**
variable terms, 767
- Contingent issuance, definition, 1060**
- Contingent obligations, 727**
noncurrent liabilities, 42
- Contingent payments, example, 751**
- Contingent price terms, 766**
- Contingent rentals, definition, 785**
- Contingent stock agreement, definition, 1060**
- Contingently convertible securities, disclosure, 770**
- Contingently issuable shares/stock, definition, 1060**
- Continuing franchise fee, 430, 431**
definition, 428
- Continuing investment, 404**
adequacy. *See* Buyer
continuing investment
definition, 403
nonqualification, 409
- Continuing operations, income, 68**
- Contractors, 1199**
definition, 1198
- Contracts. *See* Shared contracts**
combinations/segmentation, 378
costs, 371
definition, 1198
fixed monetary amount, inclusion (example), 779
losses, 377
options
accounting, 381
termination, 92
types, 372

- Contractual agreements, disclosure, 52**
- Contractual obligation, 265**
definition, 249
- Contractual rights, 266**
definition, 249
notes (issuance), accounting example, 740
- Contributed capital, 44**
definition, 988
- Contributions**
definition, 1236
receipt, 964
- Contributory plan, 979**
definition, 938
- Control**
maintenance. *See* Cash;
Prepaid expenses;
Receivables
surrender, 203
- Controlling financial interest, definition, 785**
- Conversion feature, intrinsic value (example), 765**
- Conversion price, definition, 1060**
- Conversion rate, definition, 1060**
- Conversion value, definition, 1061**
- Conversion, definition, 1114**
- Convertible debt, 755**
conversion, accrued debt, 756
issuance
stock warrants, inclusion, 771
- Convertible preferred stock, 1041, *See also* Participating convertible preferred stock**
- Convertible securities, 1067**
definition, 1061
- Convertible, definition, 988**
- Corporate assets, definition, 1105**
- Corporate bankruptcy/reorganizations, 1054**
- Corporate joint venture, definition, 525**
- Cost**
assumptions, comparison, 344
basis, 567
definition. *See* Standard costs
method, 1005, *See also* Amortized cost method
definition, 525, 988
recovery, 408
method. *See* Real estate sales; Retail land sales; Uncertain sales
collection
definition, 391, 403
reimbursement, 439
- Cost basis, determination, 1219**
- Cost flow assumptions, 329**
- Cost of goods sold, inclusion. *See* Income**
- Cost reduction, definition, 317**
- Cost/book value differential, accounting. *See* Equity method**
- Cost-plus-fixed-fee contracts (CPFFC), 1199**
definition, 1198
- Cost-to-cost method, 375**
definition, 368
- Coupon rate, 505**
- Covenant, definition, 736**
- CPFFC. *See* Cost-plus-fixed-fee contracts**
- Credit enhancement, 218**
- Creditor. *See* Financial Accounting Standards concessions, 748**
- Cross-collateralized, 1227**
definition, 1224
- Cross-references, usage, 49**
- Cumulative effect**
definition, 116
- Cumulative payments, sufficiency, 417**
- Cumulative, definition, 988**
- Currency hedges. *See* Foreign currency hedges**
- Current (normal) servicing fee rate, 1221**
definition, 1218
- Current assets, 37**
classification. *See* Cash; Cash equivalents; Inventories; Prepaid expenses; Receivables; Short-term investments
definition, 190
- Current contingencies**
perspective/issues, 705
terms, definitions, 707
- Current exchange rate, 1119**
definition, 1114
- Current liabilities, 41, *See also* Balance sheet**
amount/payee, knowledge, 710
definition, 708
payee,
knowledge/estimation, 716
perspective/issues, 705
terms, definitions, 707
- Current maturing portion. *See* Long-term debt**
- Current rate method, 1116**
application. *See* Foreign currency
summary, 1127
- Current refunding, 851**
- Current year purchases, pricing, 340**
- Curtailement, 975, *See also* Plan curtailement**
definition, 938
gain/loss, 975
- Customer relationship intangible assets acquisition**
recognition. *See* Business combinations
- Customer support, definition, 1178**
- D**
- Daypart, definition, 1169**
- De facto principals/agents, definition, 790**
- Dealer reserves, 1197**
definition, 1195
- Debenture, definition, 736**
- Debt**
extinguishment, 745, *See also* Balance sheet
embedded conversion
factors, example, 768
example, 747
induced conversion, 770
instruments
modification/exchange,
debtor accounting, 746
issuance

- conversion features,
 - inclusion, 772
 - stock warrants, inclusion, 771
- issue costs, classification. *See* Cash flow statement
- securities, accounting. *See* High-yield debt securities
- settlement, assets exchange, 749
- valuation allowance. *See* Bad debts
- Debt securities, 39, 253, *See also* Held-to-maturity debt securities**
 - accounting, example, 534
 - acquisition, accounting. *See* Transfer
 - transfers. *See* Portfolios
- Debtors**
 - examples, 748
 - financial difficulty, 747
- Decision diagrams, 793**
- Declaration date, 1002**
 - definition, 988
- Defense contracts, termination, 1199**
- Deferral method, usage. *See* Investments**
- Deferred compensation, 871**
 - contracts, 983
- Deferred gain, net deductible effect, 576**
- Deferred gross profit, 392**
 - method, 391, 399
- Deferred income tax assets**
 - computation, example, 876, 890
 - definition, 862
 - measurement, 874
 - tax law changes, effect, 887
 - valuation allowances, 876
- Deferred income taxes, 382, 475, 489, *See also* Regulated operations**
 - classification, 917
 - liabilities
 - computation, example, 876
 - definition, 862
 - measurement, 874
 - tax law changes, effect, 887
 - realization, example. *See* Purchase business combination
 - usage, 1202
- Deferred method, 864**
- Deferred taxes**
 - assets/liabilities. *See* Balance sheet
 - case
 - ignoring, 556, 560
 - inclusion, 557
- Deficit, definition, 988**
- Defined benefit pension plan, 1190**
 - definition, 938, 1187
- Defined contribution pension plan, 1191**
 - definition, 938, 1187
- Defined contribution plan, 972**
- Delivery condition, satisfaction, 1226**
- Demutualizations, 1204**
- Denominator, usage, 1063**
- Depletion, 479**
- Deposits (current liabilities), 41, *See also* Equity certificates of deposit**
 - accounting, 1204
 - method, 410, *See also* Real estate sales; Retail land sales
 - definition, 403
- Depreciation, 476, 871, *See also* Partial-year depreciation; Pre-1981 depreciation**
 - accelerated methods, 477
 - definition, 445
 - method, physical usage (impact), 479
 - present value methods, 478
 - straight-line method, 477
 - time-based methods, 476
- DEPS. *See* Diluted earnings per share**
- Deregulation, accounting. *See* Regulated operations**
- Derivative financial instruments, 266**
- Derivative instruments. *See* Embedded derivative instruments**
 - asset transfer status, 602
 - FAS 133 disclosure requirements, 306
- Derivatives. *See* Balance sheet**
 - definition, 249
 - impact. *See* Sales accounting
 - transactions, accounting, 268
- Detail program designs, 1179**
 - definition, 1178
- Determinable arrangement fee, 1227**
- Development stage enterprises, 88, *See also* Income statements**
 - definition, 61
- Difference reversal. *See* Temporary difference reversal**
- Differentials**
 - accounting. *See* Equity method
 - definition, 525
- Diluted earnings per share (DEPS), 82, 1067, *See also* Consolidated DEPS; Year-to-date DEPS**
 - computation, 1069, 1071, 1073
 - inclusions/exclusions, 1078
 - definition, 1061
 - example, 1086
- Dilution. *See* Potential dilution**
 - definition, 1061
- Dilutive options, 1062**
- Dilutive securities, 1062**
 - identification, 1067
- Dilutive warrants, 1062**
- Direct (variable) costing, definition, 316**
- Direct consumer loan, definition, 1195**
- Direct costs, 386, 1092, *See also* Initial direct costs**
 - definition, 383
- Direct financing leases, 818**
 - accounting, example, 819
 - receivables, 227
 - contrast. *See* Sales-type lease receivables
- Direct method**

- definition, 96
 - indirect method, contrast, 99
 - usage, 99
 - Direct negative costs, 1229**
 - Direct selling costs, definition, 1174**
 - Disclosures, 1277, *See also* Contractual agreements; Fair value; Negotiations, Related parties**
 - accounting principles, 48
 - checklist, 1261
 - Discontinued operations, 72, 493, 1097**
 - requirements, 101
 - Discount, 738**
 - account, 996
 - definition, 736, 1195
 - Discrete view, definition, 1090**
 - Disposal. *See* Long-lived assets**
 - activity
 - costs, inclusion. *See* Income
 - credits, definition, 1198
 - group, definition, 445
 - Disposal (restructuring) costs, 89**
 - reporting/disclosure, 92
 - Dissimilar assets, 470**
 - Distributor, definition, 1224**
 - Dividends. *See* Liquidating dividend; Property; Scrip dividends, Small stock dividend; Stock dividends**
 - tax benefits, EPS treatment. *See* Unallocated stock
 - Dividends payable, 710**
 - current liabilities, 41
 - Dividends-in-kind, definition, 445**
 - Dollar-value**
 - contrast. *See* Specific goods index, 341
 - Dollar-value LIFO, 333**
 - computation, 335
 - definition, 317
 - pools, identification, 334
 - Donated capital, 1000**
 - Donor-imposed condition, definition, 1236**
 - Donor-imposed restriction, definition, 1236**
 - Donor-restricted endowment fund, 1237**
 - Double-extension**
 - definition, 317
 - method, 335
 - Dual presentation, definition, 1061**
- E**
- Earnings. *See* Pro forma earnings; Retained earnings**
 - allocation, 1075
 - organizations, nonreporting, 305
 - reclassifications, 288
 - Earnings per share (EPS), 82, *See also* Basic earnings per share; Diluted earnings per share; Income statements; Restated EPS**
 - computation
 - example, 1064, 1071
 - concepts/rules/examples, 1062
 - definition, 1061
 - disclosure requirements, 1084
 - dual presentation, 1071
 - example, 1035
 - perspective/issues, 1059
 - terms, definition, 1060
 - Economic performance/earnings, 17**
 - Economic resources/obligations/owner equity, 17**
 - ED, disclosure requirements, 1036**
 - ED, discussion, 1034**
 - Effective interest method, 743**
 - application, example, 743
 - definition, 736
 - Effective interest rate, definition, 1195**
 - Effective rate, definition. *See* Market**
 - Embedded beneficial conversion features**
 - examples, 765
 - Embedded derivative instruments, 270**
 - Emerging Issues Task Force (EITF)**
 - GAAP creator, 4
 - Employee**
 - definition, 1019
 - health/welfare plans, 1192
 - termination benefits, 90
 - Employee benefit plans**
 - concepts/rules/examples, 1188
 - government regulations, 1193
 - perspective/issues, 1186
 - risks/uncertainties, 1190
 - terminating plans, 1194
 - terms, definition, 1187
 - transactions, FAS 57, 1190
 - Employee stock options**
 - accounting, 1018
 - Employee Stock Ownership Plans (ESOP), 892**
 - definition, 989
 - stock issuance, accounting, 1045
 - transaction, accounting example, 1046
 - Employee-issued equity instruments, accounting, 1037**
 - Employers**
 - liabilities/assets, 953
 - pension plan. *See* Multiemployer pension plans
 - Ending inventory, value estimation (retail method), 347**
 - Endowment funds, 1245, *See also* Donor-restricted endowment fund; Quasi endowment fund**
 - definition, 1237
 - Entity**
 - component
 - definition, 60
 - income tax status changes (effect), reporting, 890
 - positive intent, 254
 - scoping out, 794
 - Entity-wide disclosures, 1110**
 - EPS. *See* Earnings per share**
 - Equalization, definition, 1211**
 - Equipment (assets), 40, *See also* Property, plant, and equipment**

- Equity**
 accounts, 1013
 definition, 34
 element. *See* Financial statements
 financial instruments, characteristics
 (comparison), 1047
 method. *See* Balance sheet
 securities, 39
 investments, accounting
 (example), 529, 530, 531
 outstanding, rights/privileges, 1266
 shares, fair value. *See* Issuer
- Equity instruments**
 definition, 249
 fair value, recognition, 1038
 portion, fair value measurement. *See* Transaction
 receipt, grantee accounting. *See* Goods/services
- Equity investment**
 definition, 786
 partial sale/purchase, accounting, 578
- Equity method, 528**
 accounting
 example. *See* Accounting
 definition, 525
 discontinuance, accounting
 method, 578
- Equity-classified awards, 1016**
- Equity-like instruments, liability classification. *See* Balance sheet**
- Error correction, 136**
 accounting, summary, 145
- Errors**
 definition, 116
- ESOP. *See* Employee Stock Ownership Plans**
- Estimated annual effective tax rate, definition, 1090**
- Estimated cost to complete, 371**
 definition, 369
- Estimated costs, 871**
- Estimated current amount, definition. *See* Liabilities**
- Estimated current value, definition. *See* Assets**
- Estimated economic life, 807, *See also* Leased property**
- Estimated loss, 926**
- Estimated residual value, 811**
 definition. *See* Leased property
- Estimates**
 contingency, contrast, 724
 disclosure, 52
 usage. *See* Financial statements
- Excess charitable contributions, 871**
- Exchanges**
 definition, 445
 monetary consideration (boot), involvement, 473, *See also* Real estate
- Ex-distribution, definition, 1211**
- Ex-dividend**
 definition, 1211
- Executory costs, 810**
- Exempt entities, cash flow statement (providing), 102**
- Exercise price, definition, 1061**
- Exit costs, 89**
 inclusion. *See* Income reporting/disclosure, 92
- Expected cash flow**
 calculation. *See* Probability-weighted discounted expected cash flows
 decrease, example, 608, 615
 increase, example, 611
 possibilities, computation (example). *See* Leases
- Expected long-term rate of return, 947**
- Expected losses, 786**
 computation, 800
- Expected postretirement benefit obligation, 939**
- Expected present value**
 method, application, 461
- Expected residual returns, 786**
 computation, 800
 definition, 786
- Expected variability**
 definition, 786
- Expenses**
 deduction, income tax purposes, 868
 definition, 61
 inclusion. *See* Income recognition, 386, 868, *See also* Freight service in process
 timing, 860
- Expired commitments, 1223**
- Exploitation**
 commencement, 1227
 costs, 1229
- Extraordinary items, 78, 1097, *See also* Income statements**
 definition, 61
 items, inclusion/exclusion, 78
 occurrence, infrequency, 78
 presentation, 79
 requirements, 101
- F**
- Face value, 737**
 definition, 736
- Factor, definition, 1195**
- Factoring, 198, *See also* Receivables**
 clients, advances/overadvances, 1197
 commission, 1197
 definition, 190, 1196
- Fair value (FV), 149, 153, 425**
 definition, 424, 939, 989, *See also* Implied fair value disclosures, 171, 306
 estimation. *See* Guarantees
 measurement, 1043, *See also* Energy-related contracts
 measurement principles, 158
 method. *See* Accounting methodologies, 158
 mixed attribute model, 153
 recognition, 727, *See also* Equity instruments
 terms
 definitions, 151
- Fair value hedges, 276, 308**
 discontinuance, 283

- effectiveness, measurement, 281
 example, 278
 ineffectiveness, 283
- FASB. See Financial Accounting Standards Board**
- Federal Home Loan Mortgage Corporation (FHLMC)**
 definition, 1218
- Federal National Mortgage Association (FNMA), definition, 1218**
- Fees, deferral, 1160**
- FHLMC. See Federal Home Loan Mortgage Corporation**
- FICA**
 contributions, 710
 definition, 708
 tax, 710
- FIFO. See First-in first-out**
- Film costs, 1227**
 amortization, 1229
 definition, 1224
 valuation. *See* Unamortized film costs
- Film prints**
 cost, 1229
 definition, 1224
- Film, changes, 1227**
- FIN 46(R)**
 GAAP. *See* Post-FIN 46(R)
 GAAP; Pre-FIN 46(R)
 GAAP
- Final-pay formula, definition, 939**
- Final-pay plan, 943**
- Finance companies**
 concepts/rules/examples, 1196
 items, 1197
 perspective/issues, 1194
 terms, definitions, 1195
- Finance receivables, 1196**
- Financial Accounting Standards (FAS)**
 Statement 5, definition. *See* Contingencies
 Statement 19, usage, 1250
 Statement 57. *See* Employee benefit plans; Pension funds
 Statement 66, scope, 403
 Statement 87 application, unrecognized amount (amortization). *See* Initial FAS 87 application date
 Statement 88, 973
 Statement 109, detail, 867
 Statement 128, presentation requirements, 1083
 Statement 131, applicability. *See* Segment reporting
 Statement 133, 268 disclosure requirements. *See* Derivative instruments
 excepted contracts, 268
 underlying principles, 268
 Statement 140, 854, *See also* Financial assets
 Statement 143, scope, 459
 Statement 144, 484
 creditors, example, 752
 Statement 150 applicability, 1048
 application, 1051
 terminology, 1048
 Statement 159, 176
- Financial Accounting Standards Board (FASB)**
 GAAP creator, 2
- Financial assets**
 definition, 190, 250
 prepayment requirements, 235
 servicing, accounting. *See* Balance sheet
 transfers (FAS 140), 202 accounting. *See* Balance sheet
- Financial condition, statement, 1144, 1148**
- Financial guarantee contracts, 269**
- Financial institutions**
 conforming practice, 1164
 net reporting, 102
- Financial instruments, 265, See also Balance sheet; Derivative financial instruments**
 concepts/rules/examples, 253
 definition, 250
 disclosure requirements, 1050
 liability/equity characteristics, 1068
 noncurrent liabilities, 42
 perspective/issues, 245
 terms, definitions, 249
- Financial liability, definition, 190, 251**
- Financial position, statement, 516**
- Financial report**
 definition, 1105
- Financial reporting**
 business enterprises objectives, 16
 requirements. *See* Interim financial reporting requirements
- Financial statements. See Acquired enterprise; Comparative financial statements**
 assets (element), 21
 comparative statements, 50
 comprehensive income (element), 21
 disclosure, risks/uncertainties, 52
 distributions (element), 21
 elements, 20
 equity/net assets (element), 21
 gains (element), 21
 liabilities (element), 21
 losses (element), 21
 notes, 49, 1149
 owner investments (element), 21
 preparation, estimates (usage), 52
 presentation, 364, 1057, 1163, *See also* Trading securities; Uncertain sales collection
 revenues (element), 21
 set, 1188
 translation. *See* Foreign currency
- Financial tax years, 342**
- Financing activities, 197**
 definition, 96
 inclusion, 97
- Financing arrangements, 410**
- Finished goods, 326**

- definition, 317
 - usage, 315
 - Firm commitment, definition, 251, 1224**
 - First mortgage (primary debt), definition, 403**
 - First-in first-out (FIFO)**
 - change. *See* Last-in first-out
 - cost, 347
 - definition, 317
 - LCM, interaction, 348
 - method, 330
 - Fixed arrangement fee, 1227**
 - Fixed assets**
 - concepts/rules/examples, 447
 - definition, 445
 - intercompany profit elimination, example, 576
 - Fixed dollar terms, 765**
 - Fixed options, definition, 989**
 - Flat fee. *See* Multiple films; Single film**
 - Flat-benefit formula, definition, 939**
 - Flat-benefit plan, 943**
 - Floor plan checking, definition, 1196**
 - Floor, definition, 317**
 - FNMA. *See* Federal National Mortgage Association**
 - Forecasted expected cash flows, usage, 939**
 - Forecasted transaction, definition, 251**
 - Foreign currency. *See* Income statements**
 - AFS security hedge, 303
 - cash flows
 - hedges, 304
 - reporting, 103
 - concepts/rules/examples, 1115
 - current rate method, application, 1116
 - definition, 1114
 - financial statements translation, 1115
 - hedges, 302, 1132
 - net investment hedge, 302, 313
 - perspective/issues, 1113
 - remeasured accounts,
 - historical exchange rates (usage), 1141
 - remeasurement method, application, 1124
 - statements, definition, 1114
 - terms, definitions, 1114
 - transactions
 - definition, 1114
 - translation, 1129
 - translation, definition, 1114
 - unrecognized firm commitment hedge, 303
 - Foreign currency denominated forecasted transaction, 303**
 - Foreign operations, 1110, *See also* US foreign operations**
 - definition, 1105
 - Formerly qualifying SPE (FQSPE), 794**
 - Forward contracts**
 - discount/premium, definition, 1114
 - variable settlement date (inclusion), example, 780
 - Forward exchange contracts, 1130, 1137**
 - definition, 1114
 - Forward purchase contract**
 - net cash settlement, requirement, 1052
 - physical settlement, requirement, 1052
 - Fourth quarter adjustments, 1101**
 - Franchise. *See* Repossessed franchises**
 - agreement, 429
 - definition, 428
 - application costs. *See* Cable television
 - definition, 428
 - fee, definition. *See* Initial franchise fee
 - Franchisee operations, 430**
 - Franchising (franchisor accounting)**
 - accounting/reporting issues, 432
 - business combinations, 432
 - concepts/rules, 429
 - costs, 431
 - perspective/issues, 428
 - relationships, 431
 - terms, definitions, 428
 - Franchisor, 429**
 - definition, 429
 - Freestanding financial instrument, 1048**
 - definition, 736
 - Fresh start financial reporting, 1055**
 - FTB 86-2, 854**
 - Full absorption costing (full costing)**
 - definition, 317
 - Full accrual method, 404, 411, *See also* Real estate sales; Retail land sales**
 - definition, 403
 - Full eligibility**
 - date, 978
 - definition, 939
 - definition, 939
 - Functional currency**
 - definition, 1114
 - selection, 1115
 - Funding policy, definition, 940**
 - Funds**
 - definition, 940
 - flows, 17
 - FUTA**
 - definition, 708
 - tax, 710
 - Future deductible temporary difference, definition, 862**
 - Future income, rights, 225**
 - Future periods, 77**
 - Future product returns, 720**
 - Future taxable temporary difference, definition, 862**
 - FV. *See* Fair value**
- G**
- GAAP. *See* Generally accepted accounting principles**
 - Gains, 65, 747**
 - cash flow hedges, usage, 287
 - definition, 61, 940, *See also* Realized gain/loss; Unrealized gain/loss inclusion. *See* Income on disposal, computation, 75

- recognition
 - justification, 366
 - restructuring, example, 749
 - reporting, fair value hedges (usage), 278
 - Gap commitment, definition, 1218**
 - General corporate expenses, 1109**
 - definition, 1105
 - General reserve, definition, 1155**
 - Generally accepted accounting principles (GAAP)**
 - accounting Web sites, 14
 - contrast. *See* Income taxes creation process, 5
 - creators, 2
 - definition, 1
 - development, 1
 - impact, 326
 - materiality, 9
 - problems
 - alternatives, identification, 11
 - analysis, 11
 - evaluation, 12
 - identification, 10
 - research, 10
 - statement, refinement, 11
 - research. *See* Nonpromulgated GAAP procedures, 10
 - strategy, generation, 11
 - Wiley GAAP, usage, 12
 - search authoritative literature, 12
 - Geographic area, 1110**
 - definition, 1105
 - Geographic information, 1112**
 - GNMA. *See* Government National Mortgage Association**
 - Going concern, 489**
 - Goods**
 - exchange, note issuance, 196
 - ownership, 318
 - Goods in transit, 319**
 - definition, 317
 - Goods/services**
 - delivery, 439
 - provisions, equity instrument receipt (grantee accounting), 434
 - Goodwill, 510, 871**
 - case
 - ignoring, 560, 563, 565, 574
 - considerations, 515
 - definition, 525
 - occurrence, 894
 - special accounting, elimination. *See* Banking/thrift
 - Goodwill impairment**
 - losses, inclusion. *See* Income test
 - performing, 512
 - Government contractors**
 - concepts/rules/examples, 1199
 - perspective/issues, 1198
 - terms/definitions, 1198
 - Government National Mortgage Association (GNMA)**
 - definition, 1218
 - securities, issuance, 1222
 - Graded vesting, 1019**
 - definition, 989
 - inclusion, accounting example. *See* Stock options
 - Graded-vesting awards, valuation, 1016**
 - Grant date, 1019**
 - definition, 988
 - difference. *See* Measurement date usage, 1026
 - Gross cash receipts/payments, requirements, 101**
 - Gross deferred income tax asset, 873**
 - Gross method. *See* Broadcasting**
 - Gross profit (margin), 69**
 - definition, 317
 - method, definition, 317
 - Gross profit method, definition, 391**
 - Gross profit rate, 392**
 - Gross reporting basis, net reporting basis (contrast), 364**
 - Gross revenue (components), mischaracterization, 365**
 - Guarantees, 725**
 - fair value, estimation, 728
 - Guaranty funds, 1203**
- ## H
- Health/welfare benefit plan**
 - definition, 1187
 - Health/welfare plan. *See* Employee**
 - Hedges. *See* Cash flow hedges; Fair value hedges;**
 - Foreign currency**
 - accounting, 1135
 - summary, 305
 - effectiveness, measurement, 1135
 - Hedging**
 - expanded application. *See* Interest rates
 - instruments, intercompany derivatives (usage), 304
 - purchased options, usage. *See* Foreign currency
 - Hedging activities**
 - effectiveness, 275
 - overview, 275
 - requirements, 275
 - Hedging transactions**
 - accounting, 268
 - reporting, 102
 - Held-for-sale loans, 1219**
 - commitment fees, payment, 1222
 - Held-to-maturity debt securities, 254**
 - Held-to-maturity securities**
 - definition, 525
 - High-yield debt securities**
 - accounting, 1213
 - financial
 - accounting/reporting. *See* Investment companies
 - Historical exchange rates, usage. *See* Accounts remeasurement; Foreign currency**
 - Holdbacks, 1197**

I

Identification. See Specific identification

If-converted method, 1070

definition, 1061

example, 1072

exceptions, 1070

Impaired fair value, definition, 446

Impairment. See also

Goodwill; Intangible assets;

Long-lived assets

definition, 446

rules, comparison. *See*

Accounting

Implicit interest rate, 807

definition, 787

Imputation, definition, 736

Imputed interest rate, 741

Incidental operations. See

Real estate operations

definition, 424

incremental costs,

definition, 424

incremental revenue, 424

Income

combined statement,

reporting, 85

cost of goods sold,

inclusion, 69

disposal activity costs,

inclusion, 71

exit costs, inclusion, 71

expenses, inclusion, 72

gains/losses, inclusion, 71

goodwill impairment losses,

inclusion, 71

recognition, timing, 860

revenues, inclusion, 71

sales revenues, inclusion, 71

service revenues, inclusion,

71

unusual/infrequent items,

inclusion, 71

Income before income taxes, 69

Income statements, 59, 516

activity, exit/disposal costs,

1321

concepts/rules/examples, 62

development stage

enterprises, 1319

disclosures, 918, 1314

checklist, 1314

EPS, 1323

example, 1117

extraordinary items, 1315

foreign currency, 1321

format, 66

income taxes, 1314

interim financial

information, 1315

limitations, 62

long-term construction

contracts, 1319

marketable securities, 1314

perspective/issues, 59

R&D, 1319

recognition/measurement,

63

remeasurement, 1124

reporting, 1320

retained earnings,

relationship, 84

revenue recognition, 1320

sales, collection uncertainty,

1319

segmented data, 1317

terms, definitions, 60

translation, 1121

Income taxes, 1096. See also

Deferred income taxes;

Income statements

accounting

effect, reporting, 891

asset. *See* Gross deferred

income tax asset; Net

deferred income tax asset

concepts/rules/examples,

864

credit carryforwards,

example, 873

disclosures, 920

effects

example. *See* Subsidiary

expense, 72

extraordinary item

(inclusion), calculation,

929

GAAP, contrast, 354

interim accounting, 863

interim period accounting,

example, 921

methods. *See* Long-lived

assets

deductions, 481

impairment/disposal, 481

perspective/issues, 860

provision, applicability, 927

terms, definitions, 862

years, 342

Incremental borrowing rate, 807

definition, 787

Incremental costs, 1160

Incremental direct costs,

definition, 1155

Indebtedness, indirect

guarantee (definition), 708

Indefinite-lived intangible

assets

combination, indicators, 508

Indexing, 339

Indirect (reconciliation)

method

contrast. *See* Direct method

definition, 96

usage, 100

Indirect costs, 386, 387

definition, 383

Indirect guarantee,

definition. See Indebtedness

Indirect project costs,

definition, 424

Individual-film-forecast-computation model, 1230

example, 1232

Induced conversion expense,

example, 770

Initial direct costs, 387, 814

Initial FAS 87 application

date, unrecognized amount

(amortization), 950

Initial franchise fee, 430

definition, 429

Initial investment, 404

adequacy. *See* Buyer initial

investment

composition, 406

definition, 403

size, 406

Initial services, 429

definition, 429

Initiation fee, 387

definition, 383

Installation fees, 387

Installation revenues/costs.

See Cable television

Installment method. See Real

estate sales; Uncertain sales

collection

definition, 391, 403

- example. *See* Real estate sales; Retail land sales receivables, interest, 395
- Installment sale**
definition, 391
method, 871
- Insurance**
concepts/rules/examples, 1201
contracts, 269, 972, *See also* Nontraditional long-duration insurance contracts
deferred acquisition costs, 1208
matters, 1202
- Intangible assets, 500, *See also* Identifiable intangible assets; Unidentifiable intangible assets**
definition, 446
identification, 1156
inability, 1156
impairment, 504
internal use software, usage, 502
- Intangibles. *See* Acquired intangibles; Balance sheet; Contract-based intangibles; Customer-based intangibles; Market-based intangibles; Statutory-based intangibles; Technology-based intangibles; Unrecognized intangibles**
identification, 507
- Integral view, definition, 1090**
- Intercompany derivatives, usage. *See* Hedging**
- Intercompany profit**
elimination, 1131
example. *See* Fixed assets
- Intercompany transactions, 1131, *See also* Investor accounting, example, 575 profit component, 575**
- Interest capitalization**
requirements, summary, 457
time period, determination, 456
- Interest costs. *See* Projected benefit obligation**
component, 946
definition. *See* Net periodic pension cost
- Interest costs, capitalization, 452, *See also* Tax-exempt borrowings**
accounting, example, 454
amount, 453
- Interest income, 1197**
- Interest method, definition, 1196**
- Interest payment dates**
bonds, issuance, 744
notes, issuance, 744
example, 744
- Interest rates. *See* Imputed interest rate**
definition. *See* Effective interest rate; Implicit interest rate
hedging, expanded application, 301
swap
option, example, 291
- Interest-bearing assets, definition. *See* Long-term interest-bearing assets**
- Interest-bearing loan, definition, 1196**
- Interest-only strip, definition, 190**
- Interim financial information. *See* Income statements**
- Interim financial reporting requirements, 971**
- Interim periods**
discontinued operations, 929
extraordinary items, occurrence, 927
information, 1110
net operating losses, 924
operating loss, occurrence, 927
- Interim reporting, 355, 921**
accounting changes
considerations, 144
concepts/rules/examples, 1091
costs/expenses, 1094
definition, 1090
perspective/issues, 1089
terms, definitions, 1090
- Intermediary**
definition, 1237
received transfers, 1244
- Internal reserve method, definition, 1218**
- Internal software development, sales/lease costs, 1178**
- Internal use software**
usage. *See* Intangible assets
- Interperiod income tax allocation (simplified example), liability method (usage), 865**
- Interperiod tax allocation, definition, 862**
- Intersegment sales, 1109**
definition, 1105
- Intraperiod tax allocation**
accounting, 913
definition, 863
- Intrinsic value**
definition, 990
- Inventories**
accounting, 321
method, change, 130
capitalization. *See* Retailers; Wholesalers
cash flow assumptions, 329
concepts/rules/examples, 318
cost
estimation. *See* Ending inventory
current asset classification, 39
definition, 317
discussion, 355
future purchase hedge, options usage, 295, 302
layer, definition, 317
loan, definition, 1196
perspective/issues, 315
selling price valuation, 355
system, definition. *See* Periodic inventory system; Perpetual inventory system
terms, definitions, 316
valuation, 323
- Investee, 554**
capital transaction
accounting example, 581
definition, 525
investor accounting, 581

- company, income tax
 - effects (example), 910
 - definition, 525
 - earnings, definition. *See* Undistributed investee earnings
 - excess loss, accounting, 568
 - intercompany transactions. *See* Investor
 - losses
 - investor share, investment carrying value (excess), 565
 - temporary differences, summary, 912
 - undistributed earnings, 557, 909
- Investee investments**
 - accounting**
 - postequity method loss recognition, suspension, 573
 - Investing activities**
 - definition, 96
 - inclusion, 96
 - Investment companies**
 - accounting policies, 1212
 - concepts/rules/examples, 1212
 - perspective/issues, 1211
 - taxes, 1213
 - terms, definitions, 1211
 - Investments, 1202, *See also* Balance sheet; Not-for-profit organizations**
 - accounting, 871
 - equity method, 554
 - implications. *See* Comprehensive income carrying value excess. *See* Investee
 - concepts/rules/examples, 527
 - perspective/issues, 522
 - tax allocation. *See* Business tax credits (accounting), deferral method (usage), 868
 - terms, definitions, 525
 - Investor, 525, 554**
 - definition, 525
 - investee, intercompany transactions, 575
 - pro rata share, 575
 - Involuntary conversions, 475**
 - Issued stock, definition, 990**
 - Issuer, 1048**
 - definition, 736
 - equity shares, fair value, 1052

J

 - Joint ventures, 380**
 - definition. *See* Corporate joint venture
 - Junior stock**
 - definition, 990

L

 - Land/building lease, lessee accounting (example), 829**
 - Last-in first-out (LIFO). *See* Dollar-value LIFO**
 - applications, changes, 342
 - conformity disclosures, 341
 - conformity rule
 - definition, 317
 - definition, 317
 - FIFO change
 - example, 130
 - interim reporting, 342
 - inventory
 - liquidation, 1091
 - issues paper, 340
 - layers, 331
 - liquidation, 332, 341
 - definition, 317
 - method, 330, *See also* Automobile dealers partial adoption, 340
 - reserve
 - definition, 317
 - disclosure, 340
 - retail
 - definition, 317
 - method, 349
 - supplemental disclosures, 341
 - Last-twelve-months reports, 1090**
 - Lattice model, 1018**
 - LCM. *See* Lower of cost or market**
 - Leased property**
 - cost, 832
 - estimated economic life, definition, 786
 - estimated residual value, definition, 786
 - fair value, 832
 - definition, 787
 - Leasehold improvements, 501**
 - Leases. *See* Arm's-length leases; Balance sheet; Capital; Leveraged leases; Operating leases; Related parties; Synthetic lease**
 - building, involvement, 827
 - concepts/rules/examples, 792
 - contracts, aggregation, 806
 - definition, 788, *See also* Noncancelable lease
 - early termination, 845
 - equipment, involvement, 831
 - government units, involvement, 855
 - inception, 810
 - definition, 787
 - involvement. *See* Arrangement
 - land only, involvement, 827
 - land, involvement, 827
 - noncancelable term, 810
 - obligations
 - noncurrent liabilities, 42
 - payment, definition. *See* Minimum lease payment
 - perspective/issues, 783
 - provisions, 798
 - changes, 844
 - real estate, involvement, 410, 827, 831
 - renewal failure, penalty, 810
 - renewal/extension, 847
 - definition, 791
 - failure, 789
 - term, 798
 - definition, 788
 - expected cash flow possibilities, computation (example), 802
 - terms, definitions, 785
 - transactions. *See* Money-over-money lease transactions
 - Leasing arrangements, 410**
 - Legal capital, 994**
 - definition, 990
 - Legal obligation, definition, 446**

- Lessee. See Balance sheet**
 accounting, 809, 827, 831, 845
 asset ownership, transfer, 813
 description, 807
- Lessor. See Balance sheet**
 accounting, 814, 827, 846
 description, 807
 returned asset, example, 811
- Level-yield basis, 607**
- Leveraged leases, 808, 821**
 contrast. *See* Sales-type lease receivables
 example. *See* Simplified leveraged lease
- Liabilities. See also Current liabilities; Employers; Noncurrent liabilities; Share-based liabilities**
 classification, 40
 definition, 34
 element. *See* Financial statements
 estimated current amount, 1144
 definition, 1142
 fair value, 513
 example, 781
 measurement, 781
 financial instruments, characteristics
 (comparison), 1047
 imposition. *See* Regulated operations
 increase, 876
 measurement, 24, 212
 method, usage. *See* Interperiod income tax allocation
 offsetting, 43, 731
 translation, 1120
- Liability-classified award, 1015**
- License agreements, definition, 1252**
- Licensors, accounting. See Recording/music**
- Lien, definition, 403**
- Life insurance**
 policyholders. *See* Participating life insurance policyholders
- Limited liability companies (LLCs)**
 reporting, 1055
- Link-chain**
 definition, 317
 method, 337
- Liquidating dividend, 1003**
 definition, 990
- Liquidation. See Last-in first-out**
- Liquidity, 17**
- LLCs. See Limited liability companies**
- Loans**
 acquisition, accounting, 1163, *See also* Transfer
 early repayment, 1223
 fees/costs, 1222
 group purchase, 1162
 held-for-sale. *See* Held-for-sale loans; Long-term investments
 impairment, creditor
 accounting, 1158
 loss allowances, 1196
 origination fees, 1160
 receipt, 1222
 purchase, 1162
 transfer acquisition
 accounting, 1197
 investments (accounting), 607, 611
- Local currency, 1116**
 definition, 1114
- Long-lived assets**
 accounting/impairment rules,
 summary/comparison, 490
 concepts/rules/examples, 447
 disposal, 490
 impairment, 482
 considerations, 489
 example, 485
 income tax methods, 481
 perspective/issues, 443
 reporting/disclosures, 498
 research and development (R&D) costs, 516
 temporary idling, 498
 terms, definition, 445
- Long-term construction contracts, 871, See also Income statements; Revenue recognition**
 completion, percentage
 misstatement, 366
- Long-term contracts (progress billings), definition, 369**
- Long-term debt**
 concepts/rules/examples, 737
 current liabilities, 41
 current maturing portion, 711
 definition, 736
 extinguishment. *See* Balance sheet
 perspective/issues, 733
 terms, definitions, 735
- Long-term interest-bearing assets, 1157**
 definition, 1155
- Long-term investments, 39**
 held-for-sale loans, 1220
- Long-term obligations, 711**
- Long-term servicing. See Mortgage loan**
- Long-term supply arrangements, related preproduction costs (accounting), 451**
- Losses, 65, 747**
 allocation, 1075
 cash flow hedges, usage, 287
 contingencies, 722
 definition, 61, 940, *See also* Realized gain/loss; Unrealized gain/loss inclusion. *See* Income on disposal, computation, 75
 recognition, restructuring
 example, 749
 reporting, fair value hedges (usage), 278
 reserves, 1203
- Lower of cost or market (LCM), 341, 346**
 interaction. *See* Average cost; First-in first-out
- M**
- MACRS. See Modified ACRS**
- Maintenance**
 definition, 1178

- Major customer, 1110, 1112**
definition, 1105
- Management**
approach. *See* Modified management approach
definition, 1105
explanation/interpretations, 17
stewardship/performance, 17
- Mandatorily redeemable common stock, 1042**
- Mandatorily redeemable financial instruments, 1048, 1068**
initial/subsequent measurements, 1050
- Mandatorily redeemable instrument, definition, 1061**
- Mandatorily redeemable preferred shares, example, 776**
- Mandatorily redeemable preferred stock, 1042**
- Mandatorily redeemable shares, 774**
definition, 736
example. *See* Shareholders noncurrent liabilities, 43
- Manufacturer sales incentives, EITF 02-16 (reseller application), 440**
- Manufacturing costs, 1229**
- Markdown, definition, 317**
- Market**
conditions, 1019
definition, 1225
rate (effective rate), 737
definition, 736
reduction, definition, 317
value, determination, 1220
- Market value**
approach, 756
definition, 736
method, example, 756
- Marketable equity securities, 253**
accounting, 527
- Market-related value. *See* Plan assets**
- Materiality. *See* Generally accepted accounting principles**
- Maturity date, 255**
definition, 736
- MBE. *See* Mortgage banking enterprise**
- MBSs. *See* Mortgage-backed securities**
- MDA. *See* Multiple deliverable arrangement**
- Measurement basis, 1109**
- Measurement date, 979, 1037**
accounting, 1038
definition, 940, 991
reporting, 1040
- Mezzanine equity, 1042**
- Minimum guarantee, definition, 1252**
- Minimum initial investment, definition, 403**
- Minimum lease payment, 810**
definition, 788
- Minimum liability approach, development, 953**
- Minimum pension liability, change, 964**
- Minimum rental payment, 789, 810**
- mixed attribute model, 153**
- Modified ACRS (MACRS), 481**
- Modified awards, 1017**
- Modified management approach, 1108**
- Monetary assets, definition, 446, *See also* Nonmonetary assets**
- Monetary issues, definition, 1114**
- Monetary method, 1117**
- Monetary value, 1048**
change, 1052
definition, 736
- Money-over-money lease transactions, 853**
- Mortality rate, definition, 940**
- Mortgage banking**
activities, 1219
concepts/rules/examples, 1219
perspective/issues, 1217
reporting, 1223
terms, definitions, 1217
- Mortgage banking enterprise (MBE), 1218**
- Mortgage loan, 1219**
long-term servicing, 1217
servicing, 1221
- Mortgage-backed securities (MBSs), 1218**
classification/valuation, 1220
fair value. *See* Uncommitted MBS
- Motion pictures**
components, 1229
concepts/rules/examples, 1225
costs/expenses, 1229
perspective/issues, 1224
revenue recognition, 1226
subsequent events, 1233
terms, definitions, 1224
- Moving average, 344**
definition, 318
- Multiemployer pension plans, 972**
- Multiperiod option valuation (example), binomial model (usage), 1022**
- Multiple deliverable arrangement (MDA), 435**
consideration
measurement/allocation. *See* Revenue arrangements
- Multiple deliverables. *See* Revenue arrangements**
- Multiple films, flat fee, 1227**
- N**
- Near term, definition, 52**
- Negative goodwill**
case, ignoring, 564
occurrence, 894
- Negotiations, disclosure, 52**
- Net assets. *See* Permanently restricted net assets; Temporarily restricted net assets; Unrestricted net assets**
changes. *See* Not-for-profit organizations
statement, availability, 1189
definition, 1188, 1237
element. *See* Financial statements
statement, availability, 1189

- Net basis, requirements, 101**
- Net capital loss, 871**
- Net cash settlement, 1048**
requirement. *See* Forward purchase contract
- Net deferred income tax asset, 873**
- Net income, gains/losses exclusion (definition), 862**
- Net markdowns, 348**
- Net markups, 348**
- Net of tax method. *See* Accounting Principles Board**
- Net operating loss carryforwards**
example, 873
treatment, 872
- Net operating losses. *See* Interim periods**
- Net pension cost, gain/loss component, 948**
- Net pension expense, 940**
- Net periodic pension cost, 942**
components, 943
definition, 940
gain component, definition, 940
interest cost component, definition, 940
loss component, definition, 940
plan assets component (actual return), definition, 937
service cost component, definition, 941
summary, 951
- Net realizable value, 396**
definition, 190, 318, 391, 425
method, 353
- Net settlements, definition, 251, 736**
- Net share settlement, 1048**
requirement. *See* Written put options
- Net worth**
changes, statement, 1144, 1148
definition, 1142
- Net-spread method, definition, 1156**
- Network affiliation agreement**
accounting. *See* Broadcasting definition, 1169
- No-cost settlements, definition, 1198**
- Nonaccretable difference, 606**
definition, 1155
- Noncancelable lease, definition, 789**
- Noncash transactions, 741**
- Noncompensatory stock options, definition, 991**
- Noncontingent amount, definition, 435**
- Noncontingent obligation, 727**
- Noncurrent assets, 39**
- Noncurrent liabilities, 42, *See also* Leases**
- Nonemployee goods/services, convertible instrument granting/issuance (accounting), 757**
- Non-exchange traded contracts, 270**
- Nonmonetary assets**
definition, 446
- Nonmonetary exchanges, 470, *See also* Cost-method investments**
accounting, 475
- Nonmonetary issues, definition, 1115**
- Nonmonetary method, 1117**
- Nonmonetary transactions, 468, 1265**
rules, 468
exceptions, 469
scope, 468
types, 468
- Nonparticipating annuity contracts, 972**
- Non-pay-related plan, 943**
- Nonpromulgated GAAP, research, 13**
- Nonpublic companies, measurement alternatives, 1016**
- Nonpublic enterprise, definition, 1105**
- Nonpublic entity, 1048**
stock options accounting, example, 1025
- Nonreciprocal transfer, 469**
definition, 446
- Nonrecourse financing, 852**
- Nonrefundable loan**
costs, 1160
definition, 1196
fees, 1160, 1197
- Nonrefundable minimum guarantee, 1227**
definition, 1225
- Nonrenewable financing, definition, 789**
- Nontraditional long-duration contracts, 1206**
- Non-US pension arrangements, 973**
- No-par stock, definition, 991**
- Normal purchases/sales, 268**
definition, 252
- Normal servicing fee rate. *See* Current servicing fee rate**
- Note issuance, 195, *See also* Services**
- Note receivables, interest rate, 195**
- Notes**
definition, 737
impact, 737
- Notes payable, 710**
noncurrent liabilities, 42
- Not-for-profit organizations**
cash flow statement requirement, 102
concepts/rules/examples, 1237
financial statements, 1239
investments, 1245
net assets, changes, 1240
perspective/issues, 1234
reporting expenses, 1242
reporting revenues, 1240
terms, definitions, 1236
- Notional amount, definition, 252**
- Numerator, usage, 1063**

O

- Obligations, 1048**
net share settlement requirement, 1051

- Oil/gas producers**
 concepts/rules/examples, 1250
 perspective/issues, 1250
- Open-end investment company, definition, 1211**
- Operating activities**
 definition, 96
 inclusion, 97
 presentation, 99
- Operating cycle**
 definition, 190
- Operating expenses, 71**
- Operating income, 69**
- Operating leases, 809, 814, 845**
- Operating loss**
 carryback/carryforward, definition, 863
- Operating profit/loss test, 1107**
 definition, 1105
- Operating segment, 1106**
 definition, 1105
- Operations, nature, 52**
- Options, 1067**
 definition, 1061
 dividends, alternate payments, 1036
 fair value determination
 binomial/lattice model usage, 1021
 BSM usage, 1018
- Ordinary income, definition, 863**
- Ordinary loss, definition, 863**
- Organization costs, 871**
- Origination fees, 1160, *See also* Loans**
 amortization period. *See* Net deferred credit card origination fees
 definition, 1155, 1196
- Other comprehensive income, definition, 526**
- Other postretirement employee benefits (OPEB), 977**
- Other-than-temporary decline, definition, 252**
- Out-of-pocket costs, 386, 387**
 definition, 383
- Outstanding stock, definition, 991**
- Overadvance. *See* Factoring**
 definition, 1196
- Overall deal, 1229**
 definition, 1225
- Overhead, 387**
- Owners**
 distribution, definition, 61
 investments
 definition, 61
 element. *See* Financial statements
- Owners' equity**
 classification, 44
- P**
- Paid-in capital, 44, *See also* Additional paid-in capital**
- Par value method, 1006**
 definition, 991
- Parenthetical explanations. *See* Balance sheet**
- Parking transaction, definition, 318**
- Partial sale, definition, 463**
- Partially paid shares, 1080**
- Partial-year depreciation, 478**
- Participating annuity contracts, 972**
 substance, 974
- Participating annuity cost, reduction, 974**
- Participating life insurance policyholders, 1204**
- Participating securities, 1067, 1074**
- Participating, definition, 991**
- Participation, 995**
- Participation costs, 1229, *See also* Ultimate participation costs**
 amortization, 1229
 definition, 1225
- Partner capital, classification, 45**
- Partnerships**
 reporting, 1055
- Pass-through payments, 229**
- Payment date, 1002**
 definition, 988
- Pay-related plan, 943**
- Pay-through payments, 229**
- Penalty, definition, 790**
- Pension funds**
 concepts/rules/examples, 1188
 definition. *See* Defined benefit pension plan;
 Defined contribution pension plan
 government regulations, 1193
 perspective/issues, 1186
 risks/uncertainties, 1190
 terminating plans, 1194
 terms, definitions, 1187
 transactions, FAS 57, 1190
- Pensions. *See* Balance sheet**
 arrangements. *See* Non-US pension arrangements
 concepts/rules/examples, 942
 considerations, 972
 disclosure requirements, 963
 information, 965
 perspective/issues, 935
 plans. *See* Multiemployer pension plans
 terms, definitions, 937
- Percentage-of-completion method, 369, 375, 377, 418**
 definition, 369
- Percentage-of-sales method, 194**
 definition, 190
- Performance conditions, 1019**
- Performance-based options, definition, 991**
- Period adjustments. *See* Prior period adjustments**
- Periodic benefit cost, 964**
- Periodic inventory system, 323**
 definition, 318
- Permanent differences, 860**
 definition, 863
- Permanent investors, 1217**
 definition, 1218
 mortgage loan sales, 1219
- Permanent restriction, 1236**
- Permanently restricted net assets, 1237**
- Perpetual inventory system, 323**
 definition, 318
- Personal financial statements**

- concepts/rules/examples, 1144
- perspective/issues, 1142
- terms, definitions, 1142
- Phantom stock plan, definition, 991**
- Phase, definition, 425**
- Physical asset, 266**
- Physical settlement, 1048**
 - definition, 737
 - requirement, 1050, *See also* Forward purchase contract; Written put options
- Plain vanilla interest rate swap, example, 288**
- Plan amendment, definition, 940**
- Plan assets. *See* Financial Accounting Standards Board**
 - actual return, 946
 - beginning/ending, reconciliation, 953
 - expected long-term rate of return, definition, 939
 - expected return, 948
 - definition, 939
 - fair value, 946
 - reconciliation, 964
 - information, 964
 - market-related value, 947
 - definition, 940
- Plan benefit obligation, reconciliation, 963**
- Plan curtailment, 977**
- Plan sponsor, definition, 1188**
- Plant (assets), 40, *See also* Property, plant, and equipment**
- Pledging, 198**
 - definition, 190
- Points, definition, 1196**
- Pooling, methods, 340**
- Pools**
 - identification. *See* Dollar-value LIFO
 - new items, entering, 340
- Portfolios**
 - debt securities transfers, 534
- Postemployment benefits, 983**
 - definition, 940
- Post-FIN 46(R) GAAP, 797**
- Postretirement benefits, 977, *See also* Balance sheet**
 - accounting, 978
 - assumptions, 979
 - concepts/rules/examples, 942
 - definition, 940
 - disclosure requirements, 963
 - explanations, 980
 - information, 965
 - perspective/issues, 935
 - terms, definitions, 937
- Postretirement employee benefits. *See* Other postretirement employee benefits**
- Postretirement medical benefit 401(h) features. *See* Defined benefit pension plan**
- Potential common stock, 1062**
 - definition, 1061
- Potential dilution, 1073**
- Pre-1981 depreciation, 481**
- Preacquisition costs, 425**
 - definition, 425
- Precompute loans, 1195**
- Preconstruction relative fair value, definition, 425**
- Precontract costs, 371, 386**
 - definition, 369, 383
- Preengagement costs, 386**
 - definition, 383
- Preferability assessment, 370**
- Preferred shares, example. *See* Mandatorily redeemable preferred shares**
- Preferred stock, 995, *See also* Convertible preferred stock; Mandatorily redeemable common stock**
 - definition, 1061
 - dividends
 - common share payment, 1066
 - form, 1063
- Prematurity period, accounting. *See* Cable television**
- Premium, 738**
 - definition, 737
- Premium income, 1201**
- Prepaid expenses**
 - concepts/rules/examples, 191
 - control, maintenance, 205
 - current asset classification, 39
 - perspective/issues, 187
 - terms, definitions, 190
- Prepaid income, 871**
- Prepaid pension cost, definition, 941**
- Preproduction costs, accounting. *See* Long-term supply arrangements**
- Present value, 1229**
 - approach. *See* Broadcasting definition. *See* Actuarial present value
 - relevance, example, 26
 - tables/formulas, application, 25
 - techniques, accounting measurements (contrast), 24
 - usage. *See* Accounting measurements
- Pretax accounting income, definition, 863, 1155**
- Price concessions, 1228**
- Price determination, quantity (usage), 340**
- Primary asset, definition, 446**
- Primary beneficiary**
 - definition, 790
- Primary debt. *See* First mortgage**
- Principal, 736**
 - amount, 737
- Prior period adjustments, 83**
 - example, 137
- Prior service cost, definition, 941**
- Privilege, notes (issuance), 740**
- Pro forma**
 - earnings, 86
- Probability-weighted discounted expected cash flows, calculation, 803**
- Producer, definition, 1225**
- Product**
 - costs, 1092
 - design, definition, 1178

- enhancement, definition, 1178
 - licensing, 1229
 - masters, definition, 1178
 - returns. *See* Future product returns
 - transaction, 384
 - contrast. *See* Service transaction
 - definition, 383
 - types, description, 1111
 - warranties, 718
 - Product financing**
 - arrangement, 321
 - definition, 318
 - liabilities, 711
 - Production overhead, 1229**
 - Productive assets**
 - definition, 446
 - Profit center, definition, 369, 1105**
 - Profit recognition. *See* Real estate sales**
 - definition, 790
 - methods, 404
 - Profit-sharing arrangements, 410**
 - Program material, license agreement (definition). *See* Broadcasting**
 - Progress billings. *See* Long-term contracts**
 - Project costs. *See* Real estate operations**
 - definition, 425
 - Projected benefit obligation (PBO), 943**
 - beginning/ending, reconciliation, 953
 - definition, 941
 - interest cost, 945
 - Projected tax effect, 558**
 - Promise to give. *See* Conditional promise to give; Unconditional promise to give**
 - definition, 1237
 - Promissory estoppel, definition, 446**
 - Property**
 - assets, 40
 - dividends, 1003
 - equipment future taxable temporary difference, 866
 - exchange, note issuance, 196
 - exchanged note, accounting example, 741
 - fair value, 808
 - improvements, definition, 403
 - partial sales, 410
 - subleasing, intention, 846
 - taxes payable, 716
 - Property, plant, and equipment (PP&E)**
 - usage right, 805
 - Proportional performance method, 384**
 - definition, 383
 - Purchase business combination**
 - deferred income tax, realization (example), 897
 - Purchase commitments, 355**
 - definition, 318
 - Purchase method, 1156**
 - Purchased call option, 1063**
 - definition, 1062
 - Purchases, pricing. *See* Current year purchases**
 - Put option**
 - definition, 1062
 - Put warrant**
 - classification, change, 1045
- Q**
- Qualifying tax strategy, impact, 880**
 - Quasi endowment fund, 1237**
 - Quasi reorganization, 1055**
 - Quasi reorganization, definition, 992**
- R**
- Rate-regulated entities, 464**
 - Raw materials, 323**
 - definition, 318
 - purchase, 315
 - Real estate**
 - exchanges, monetary consideration (involvement), 474
 - Real estate operations**
 - amenities, 425
 - concepts/rules/examples, 425
 - cost allocation, 426
 - estimates, revisions, 426
 - impairment/recoverability, 427
 - incidental operations, 426
 - insurance, 425
 - perspective/issues, 423
 - project costs, 425
 - rental costs, 426
 - selling costs, 426
 - taxes, 425
 - terms, definitions, 424
 - use, abandonment/change, 426
 - Real estate projects**
 - renting, incurred costs (definition), 424
 - selling, incurred costs (definition), 424
 - Real estate property**
 - purchase options, 410
 - Real estate sales, profit recognition**
 - accounting methods, 411
 - concepts/rules/examples, 403
 - cost recovery method, 409, 413
 - deposit method, 415
 - full accrual method, 411
 - installment method, 408, 409, 410
 - perspective/issues, 402
 - reduced profit method, 416
 - terms, definitions, 402
 - Realizable revenue, 383**
 - Realization, definition, 61**
 - Realized gross profit, definition, 391**
 - Realized revenue, 383**
 - Receivables**
 - collectibility, 417
 - concepts/rules/examples, 191, 192
 - control, maintenance, 205
 - current asset classification, 37
 - factoring, 198
 - fees, 197
 - liquidation, 1197
 - nonsubordination, 417
 - perspective/issues, 187
 - sale, 1198
 - terms, definitions, 190
 - transfers, 212
 - Recognition, definition, 61**

- Reconciliation, 1109**
method. *See* Indirect method
- Record date, 1002**
definition, 988
- Recorded cost, 447**
- Recording (record) master**
definition, 1252
production cost, 1254
- Recording/music**
concepts/rules/examples, 1253
licensees, accounting, 1254
licensors, accounting, 1253
perspective/issues, 1252
revenues, 1253
terms, definitions, 1252
- Recourse, definition, 191**
- Redemption price, 1062**
- Reduced profit method, definition, 403**
- Refinancing fees/costs, 1162**
- Refund period, expiration, 417**
- Refund rights, definition, 435**
- Refundable deposits, 710**
- Refunding. *See* Advance refunding; Current refunding**
- Regular-way security trades, 268**
- Regulated operations**
abandonment, 1255
asset recognition, 1255
concepts/rules/examples, 1255
deregulation, accounting, 1257
liabilities, imposition, 1255
perspective/issues, 1254
stranded costs, accounting, 1257
- Regulatory-assisted combinations, 1157**
- Reinsurance, 1203**
- Related parties, 1263**
definition, 790
disclosures, 50
leases, 850
- Related-party leases, FIN 46(R) application (example), 797**
- Relative fair value**
definition. *See* Preconstruction relative fair value
- Relative sales value method, 354**
- Release provision, 409**
definition, 403
- Remeasured accounts, historical exchange rates (usage). *See* Foreign currency**
- Remeasurement. *See* Balance sheet; Cash flow statement; Income statement; Retained earnings**
definition, 1115
loss, 1126
- Remeasurement method, 1117**
application. *See* Foreign currency assets/liabilities, relationship, 1126
revenues/expenses, relationship, 1126
summary, 1127
usage, 1124
- Renegotiation, impact/usage, 1199**
- Rental costs. *See* Real estate operations**
- Rental payment. *See* Minimum rental payment**
- Reorganizations, 1055. *See also* Corporate bankruptcy/reorganizations; Quasi reorganization**
plan, confirmation, 1055
- Replacement cost, 346**
definition, 318
disclosure, 340
- Reportable gains (generation), undervalued assets (sale), 366**
- Reportable segments, 1105**
combined unaffiliated revenue, 1107
identification, factors management (usage), 1111
revenues, deviation, 1111
usage, 1107
- Reported segment information, restatement, 1110**
- Reported segment profit/loss, information, 1109**
- Reporting basis, 1262**
- Reporting currency, 1116**
definition, 1115
- Reporting enterprise, definition, 1115**
- Reporting entity**
change, 136
definition, 115
- Reporting expenses. *See* Not-for-profit organizations**
- Reporting revenues. *See* Not-for-profit organizations**
- Repossessed assets, acquisition, 1197**
- Repossessed franchises, 432**
- Repossessions, 396**
definition, 391
- Repurchase agreements, 232, 1220**
- Research and development (R&D). *See* Income statements; In-process R&D**
costs. *See* Long-lived assets
- Reserve method, definition. *See* Internal reserve method**
- Residual value**
change, 843
definition. *See* Unguaranteed residual value
guarantee, 789, 810
transfer, 854
- Restated EPS, 1084**
- Restatement**
definition, 116
- Restructuring costs, 1162. *See* Disposal costs**
- Restructuring fees, 1162**
- Retail land sales, 403**
accounting methods, 411
cost recovery method, 413
deposit method, 415, 418
development, completion, 418
full accrual method, 411, 417
improvements, progress, 418
installment method, 412, 418
profit recognition, 417

- reduced profit method, 416
 - Retail method. See Ending inventory; Last-in first-out definition, 318**
 - Retailers, inventory capitalization, 354**
 - Retained earnings, 45, 216, 1001**
 - appropriation, definition, 987
 - definition, 992
 - relationship. *See* Income statements
 - remeasurement, 1124
 - statement, 1119
 - translation, 1121
 - Retirement, definition, 446**
 - Retroactive benefits, definition, 941**
 - Return privilege, definition, 399**
 - Returns, 1228**
 - Revenue. See Ultimate revenue**
 - definition, 1225
 - Revenue arrangements (multiple deliverables)**
 - disclosures, 437
 - perspective/issues, 434
 - principles, 436
 - Revenue recognition**
 - concepts/rules/examples, 369
 - disclosures, 367
 - financial reporting purposes, 868
 - general principles, 359
 - incurred costs, 371
 - long-term construction contracts, 367
 - methods, 384
 - perspective/issues, 367
 - problems, evolution, 364
 - requirements, 400
 - right of return, existence
 - concepts/rules/examples, 399
 - perspective/issues, 398
 - terms, definition, 399
 - terms, definitions, 368, 383
 - Revenues, 63, 1091**
 - definition, 62
 - element. *See* Financial statements
 - inclusion. *See* Income measurement, 374
 - percentage, 375
 - test, 1107
 - definition, 1105
 - Reverse treasury stock method, 1079**
 - definition, 1062
 - Revolving-period payments, 229**
 - Revolving-period securitizations, 231**
 - Right of return, 322**
 - Rights**
 - issue, 1083
 - definition, 1062
 - notes, issuance, 738
 - Risks/uncertainties, 1265, See also Employee benefit plans**
 - Royalties. See Advance royalty**
 - definition, 1252
- S**
- Sale, definition, 1255**
 - Sale-leaseback**
 - accounting, definition, 791
 - real estate, involvement, 834
 - transactions, 832
 - accounting example, 836
 - Sales accounting, derivatives (impact), 270**
 - Sales collection. See Uncertain sales collection**
 - Sales consummation, 405**
 - Sales incentives, 718**
 - Sales revenues, inclusion. See Income**
 - Sales value**
 - computation, 405
 - definition, 403
 - Sales-type lease receivables, 227**
 - direct financing lease receivables, contrast, 808
 - leveraged leases, contrast, 808
 - Sales-type leases, 815**
 - accounting, example, 816
 - SAP. See Statutory accounting principles**
 - Schedule L, 801**
 - Script dividends, 1003**
 - Seasonality, 1099**
 - definition, 1091
 - SEC. See Securities and Exchange Commission**
 - Secured debt, definition, 737**
 - Securities. See Dilutive securities**
 - accounting. *See* High-yield debt securities
 - cost, definition, 249
 - definition, 1062
 - disclosure. *See* Contingently convertible securities
 - lending transaction, 233
 - trades. *See* Regular-way security trades
 - Securities and Exchange Commission (SEC) registrants, 1025**
 - Securitization, 228, See also Revolving-period securitizations**
 - definition, 191, 1219
 - Segment assets, 1107**
 - definition, 1105
 - expenditures, definition, 1105
 - information, 1109
 - measurement, 1111
 - Segment operating profit/loss, 1106**
 - definition, 1106
 - Segment profit/loss**
 - assets, measurement, 1111
 - Segment profit/loss, information. See Reported segment profit/loss**
 - Segment reporting**
 - accounting issues, 1109
 - concepts/rules/examples, 1106
 - definition, 1106
 - FAS 131, applicability, 1106
 - perspective/issues, 1103
 - reconciliations, 1111
 - terms, definitions, 1104
 - Segment revenue, 1107**
 - definition, 1106
 - Segmented data. See Income statements**
 - Segmenting contracts, definition, 369**

- Sellers**
 continuing involvement, 409
 receivables, 409
- Selling costs.** *See* **Real estate operations**
- Selling price valuation.** *See* **Inventories**
- Sensitivity date, 965**
- Separately reportable items, accounting example, 577**
- Separate-valuation method, 1156**
 definition, 1155
- Serial bond, definition, 737**
- Service contracts, 1199**
 definition, 1198
- Service revenues**
 concepts/rules/examples, 383
 disclosures,
 recommendations, 388
 inclusion. *See* **Income perspective/issues, 382**
- Service transaction, 383**
 definition, 383
 losses, 387
 product transaction,
 contrast, 384
- Serviced assets, 225**
- Services**
 conditions, 1019
 cost component. *See* **Net periodic pension cost definition, 941**
 exchange, note issuance, 196
 inception date, 1019
 period, definition, 993
 provisions, equity instrument receipt (grantee accounting). *See* **Goods/services rendering, 1222**
 types, description, 1111
- Servicing, 219**
 activities, performing, 1219
 asset
 definition, 191
 fair value, 223
 definition, 1219
 fees, 1221
 rate, definition. *See* **Current servicing fee rate**
 liability, fair value, 223
- Set for production, definition, 1225**
- Settlement, definition, 941**
- Seventy-five percent test, definition, 1106**
- Share options**
 awards, modifications, 1034
 market conditions,
 inclusion, 1034
 performance conditions,
 inclusion, 1034
- Share-based compensation**
 awards, types, 1034
- Share-based liabilities, 1030**
- Share-based payment**
 arrangements. *See* **Compensation**
- Shared contracts, 380**
- Shareholders**
 death, mandatorily redeemable shares (example), 776
- Shares.** *See* **Partially paid shares**
 fixed number, written put option (example), 780
 issuance, 995
 issuance/repurchase,
 obligations, 779
 mandatory redemption,
 1042
 paid dividends, income tax effects, 892
 settlement, 1051
 trades, dividend/capital gains distribution (absence), 1211
 variable number, obligation issuance, 1049
 weighted-average number,
 1062
- Short-term investments, 253**
 classification, 254
 concepts/rules/examples,
 253
 definition, 252
 fair value, 254
 perspective/issues, 245
 terms, definitions, 249
- Significant influence, 527, 554**
 definition, 526
- Silos, variable interests, 796**
- Simple capital structure, 1062**
- Simplified leveraged lease, example, 823**
- Single film, flat fee, 1227**
- Small stock dividend, 1004**
- Software delivery**
 operational rules, SOP 97-2,
 1182
 product, equality, 1180
- Software development, sale/lease costs.** *See* **Internal software development**
- Software revenue recognition, 1180**
 delivery, threshold issue,
 1180
 earnings process, fees
 forfeiture, 1181
 licensing, sales (contrast),
 1180
 revenue allocation, 1181
 purposes, fair values,
 1181
- Solvency, 17**
- SOP 01-6, 237**
- Special funds, investments, 40**
- Special termination benefit offer, 977**
- Specialized industry GAAP, 1151**
- Specific goods, dollar-value (contrast), 340**
- Specific identification, definition, 318**
- Specific performance method, 384**
 definition, 383
- Split-interest agreements, 1248**
- Spot rate, 1131**
 definition, 1115
- Stand-alone value, definition, 435**
- Standard costs**
 definition, 318
- Standby commitment, definition, 1219**
- Start-up activities (costs), reporting, 89**
- Stated rate, 737**

- definition, 737
 - Statement of affairs, 1054**
 - Statement of position (SOP) 03-3**
 - detail, 606
 - disclosure requirements, 616
 - Statements of income. See Income statements**
 - Statutory accounting principles (SAP), 1200**
 - Stock appreciation rights (SAR)**
 - accounting example, 1030
 - Stock options**
 - definition, 993. *See also* Noncompensatory stock options
 - fair value accounting, example, 1026
 - graded vesting inclusion, accounting example, 1027
 - Stock-based compensation, definition, 993**
 - Stockholder equity. See Balance sheet**
 - accounts, 1120
 - concepts/rules/examples, 994
 - disclosure requirement, 1053
 - perspective/issues, 986
 - terms/definitions, 987
 - Stocks**
 - dividends, 1003, 1063
 - issuance, accounting. *See* Employee Stock Ownership Plans
 - rights, definition, 993
 - split, 1063
 - subscriptions, 997
 - Straight-line method, 744**
 - definition, 737
 - Stranded costs, accounting. See Regulated operations**
 - Street date, 1227**
 - Subcontractor**
 - claims, definition, 1199
 - costs, 372
 - definition, 369
 - Sublease**
 - accounting, 838
 - Subordination, 404**
 - definition, 403
 - Subscriber-related costs, definition, 1174**
 - Subsequent events, 1265**
 - examples, 51
 - types, 50
 - Subsidiary**
 - income tax effects, example, 911
 - temporary differences, summary, 912
 - undistributed earnings, 909
 - Substantial completion, 373**
 - definition, 369
 - Substantive plan, definition, 941**
 - Supply contracts, 1199**
 - definition, 1198
 - Supporting schedules, usage, 49**
 - Surplus notes, 1203**
 - Suspense shares, definition, 994**
 - Swaps**
 - option, example. *See* Interest rates
- T**
- Take-or-pay contract, 774**
 - definition, 737
 - Tandem plans**
 - definition, 994
 - Tangible assets, 39**
 - construction, internal use, 451
 - Tax credits, definition, 864**
 - Tax planning strategy, definition, 864**
 - Tax rate. See Estimated annual effective tax rate**
 - Taxable income, definition, 863, 1156**
 - Tax-deductible assets, reductions, 868**
 - Taxes payable, 716**
 - Tax-exempt borrowings, incurred interest costs (capitalization), 456**
 - Tax-exempt debt refunding, lease agreements changes (accounting), 851**
 - Technological feasibility, concept, 1179**
 - Temporarily restricted net assets, 1237**
 - Temporary decline, definition, 252**
 - Temporary differences, 860, 871. See also Property**
 - definition, 864
 - explanation, 867
 - reversal, 558
 - summary. *See* Investee; Subsidiary
 - Temporary restriction, 1236**
 - Termination benefits, 976. See also Employee**
 - Territory, definition, 1225**
 - Testing, definition, 1178**
 - Third parties**
 - involvement. *See* Transaction sale/assignment, 852
 - Through-put agreement, definition, 737**
 - Through-put contracts, 774**
 - Time period determination. See Interest capitalization**
 - Timing differences, 868**
 - Title plant**
 - acquisition costs, 1259
 - concepts/rules/examples, 1259
 - definition, 1259
 - operating costs, 1259
 - perspective/issues, 1258
 - sales, reporting, 1260
 - terms, definitions, 1259
 - Title transfer, 829**
 - Total at-risk investment, definition, 791**
 - Trade notes payable**
 - current liabilities, 41
 - Trade receivables, 197**
 - Trading securities, 528**
 - definition, 527
 - Transaction**
 - accounting. *See* Barter date, definition, 1115
 - equity instrument portion, fair value measurement, 1038
 - gain/loss, definition, 1115
 - mischaracterization, arm's-length third parties (involvement), 366
 - Transfer**
 - accounting, 212

- acquisition, investment
 - accounting. *See* Loans
 - completion, 212
 - debt securities (acquisition), 605
 - definition, 191
 - loans (acquisition), 605
 - example, 607
 - pricing, 1109
 - definition, 1106
 - Transition obligation, 978**
 - definition, 941
 - Translation. *See* Assets; Balance sheet; Cash flow statement; Income statement; Liabilities; Retained earnings**
 - adjustments, 1120
 - definition, 1115
 - methods, 1116
 - Treasury stock, 1005**
 - accounting, example, 1006
 - definition, 994
 - method, 1069
 - definition, 1062, *See also* Reverse Treasury stock method
 - example, 1071
 - Troubled debt restructure, definition, 737**
 - Troubled debt restructuring, 747**
 - Trustee**
 - definition, 1237
 - received transfers, 1244
 - Two-class common stocks, 1067**
 - Two-class method, 1075, 1078**
 - definition, 1062
- U**
- Ultimate participation costs, 1231**
 - Ultimate revenue, 1230**
 - Unamortized film costs, valuation, 1232**
 - Unasserted claims/assessments, 724**
 - Uncertain sales collection. *See* Income statements**
 - concepts/rules/examples, 391
 - cost recovery method, 397
 - financial statement
 - presentation, 394
 - installment method, 391
 - application, 391
 - perspective/issues, 390
 - terms, definitions, 391
 - Uncommitted loans, 1220**
 - Uncommitted MBS, fair value, 1220**
 - Unconditional obligation, 1053**
 - Unconditional promise to give, 1237**
 - Unconditional purchase obligation, definition, 737**
 - Underlyings, definition, 252**
 - Undervalued assets, sale. *See* Reportable gains**
 - Undistributed earnings. *See* Investee; Subsidiary**
 - Undistributed investee earnings, definition, 527**
 - Unearned interest, valuation allowance, 195**
 - Unearned revenues/advances, 710**
 - Unfunded accumulated benefit obligation, 954**
 - definition, 941
 - Unfunded accumulated postretirement benefit obligation, definition, 941**
 - Unfunded APBO, 978**
 - Unguaranteed residual value, definition, 792**
 - UNICAP. *See* Uniform cost capitalization**
 - Uniform capitalization rules, 354, *See also* Inventories**
 - Uniform cost capitalization (UNICAP), 871**
 - Unrealized gain/loss, definition, 253**
 - Unrecognized net gain/loss**
 - amortization, 947
 - definition, 941
 - Unrecognized prior service cost**
 - amortization, 949
 - definition, 942
 - Unrecognized tax benefits, definition, 864**
 - Unrelated parties, definition, 792**
 - Unrestricted net assets, 1237**
 - US foreign operations, 1129**
 - US Treasury stock, 45**
- V**
- Valuation allowance, 253, *See also* Bad debts; Deferred income taxes; Unearned interest**
 - definition, 35, 864
 - establishment, example, 877
 - Valuation allowances, 49**
 - Valuation models, 1015**
 - Variable interest entities (VIEs), 792**
 - definition, 792
 - preparer notes, 1266
 - Variable settlement date, inclusion (example). *See* Forward contracts**
 - Variable terms, 766**
 - Vendor consideration, customer accounting, 437**
 - Vendor-specific objective evidence (VSOE), definition, 435**
 - Vested benefit obligation, determination. *See* Defined benefit pension plan**
 - Vesting, definition, 994**
 - Voluntary health/welfare organization, 1237**
 - VSOE. *See* Vendor-specific objective evidence**
- W**
- Warrants, 1067, *See also* Dilutive warrants**
 - definition, 1062
 - issuance, proposed standards. *See* Convertible debt; Debt
 - Waste obligations**
 - electronic equipment, 467
 - Weighted-average, 344**
 - definition, 318
 - number. *See* Common shares: Shares
 - Wholesalers, inventory capitalization, 354**
 - Wiley GAAP, usage. *See* Generally accepted accounting principles**

WIP. *See* **Work in process;**
Work-in-progress

Work in process (WIP), 316,
326

definition, 318

Working model, definition,
1178

Work-in-progress (WIP),
369

definition, 369

Written put options

example. *See* **Shares**

net share settlement,
requirement, 1052

noncurrent liabilities, 42

physical settlement,
requirement, 1052

Y

Year-to-date DEPS, 1084

Year-to-date reports,
definition, 1091

<http://www.pbookshop.com>

<http://www.pbookshop.com>