

MANAGEMENT AND COST ACCOUNTING

Fourth Edition

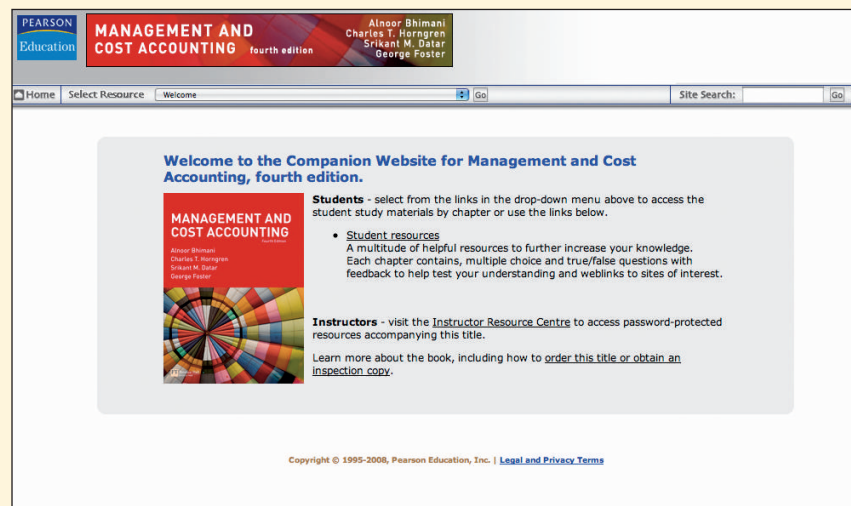
Alnoor Bhimani
Charles T. Horngren
Srikant M. Datar
George Foster



MANAGEMENT and COST ACCOUNTING

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Fourth Edition

MANAGEMENT and COST ACCOUNTING

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and Political Science

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FT Prentice Hall
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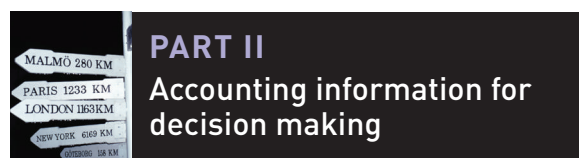
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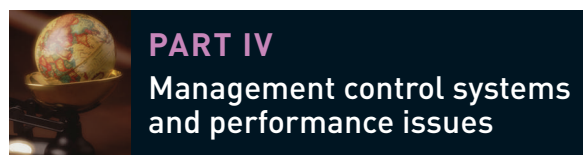
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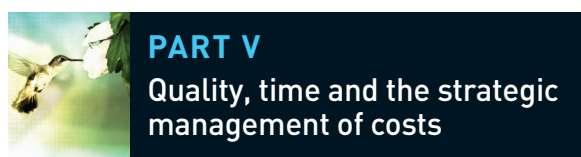
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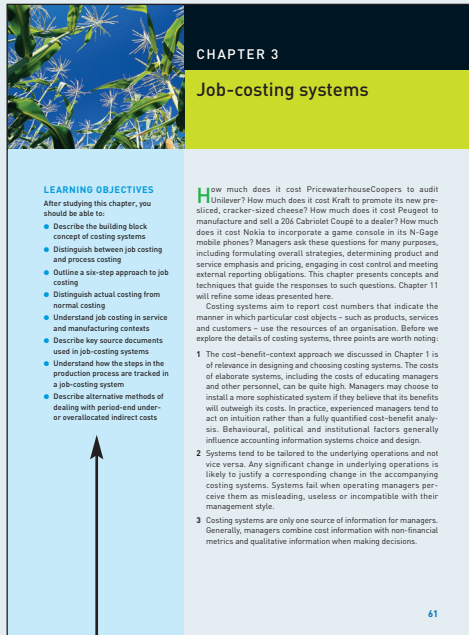
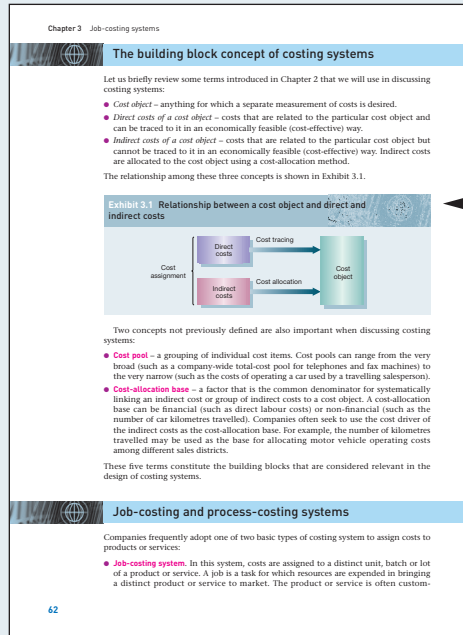
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Guided tour

Parts – the book is split into five parts, each with a part opener describing the main themes and links between chapters within that part.

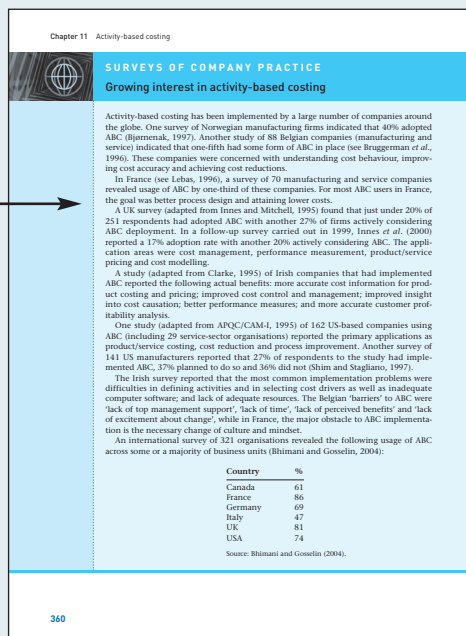
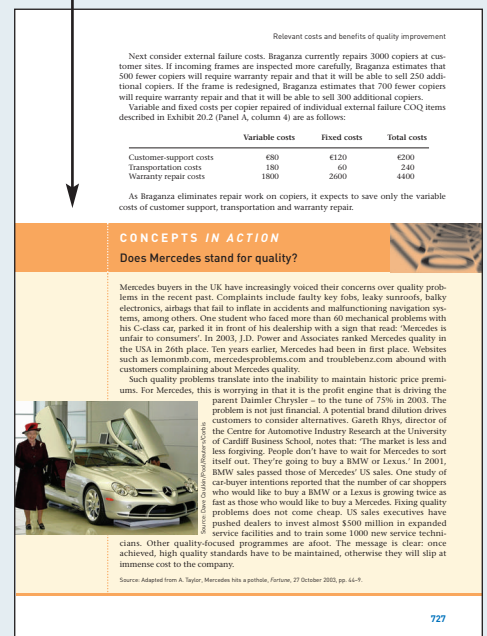


Exhibits, figures and diagrams – feature throughout the text to illustrate key points and clarify topics discussed.

Learning objectives – introduce topics covered and summarise what you should have learnt by the end of the chapter.

Concepts in action – highlight the practical application of accounting concepts and techniques by real companies. They are taken from a range of commercial sectors and countries from around the globe.

Surveys of company practice – summarise and discuss the survey results of companies from various countries to evidence and contrast the practical use of accounting concepts and techniques in business.



Professional ethics

Summary

The following points are linked to the chapter's learning objectives.

- 1 Cost accounting measures and reports financial and other information related to an organisation's acquisition or consumption of resources. It is an important component of both management accounting and financial accounting.
- 2 Cost management and strategy are increasingly relevant aspects of management accounting processes.
- 3 Accounting systems are intended to provide information for five broad purposes: (a) formulating overall strategies and long-range plans, (b) resource allocation decisions such as product and customer emphasis, (c) cost planning and cost control, (d) performance measurement, and (e) meeting external regulatory and legal reporting obligations.
- 4 Accounting influences planning, control and decision making through budgets and other financial benchmarks, its systematic recording of actual results and its role in performance evaluation.
- 5 In most organisations, management accountants perform scorekeeping, attention-directing and problem-solving functions. The first function emphasises the importance of the integrity of information, while the other two emphasise the helper role of the accountant.
- 6 Economic benefits and costs in the design, implementation and use of accounting systems need to be assessed in the light of organisational context and process issues. Assessing costs, benefits and context is important to understanding the functioning of management accounting in enterprises.
- 7 Important management themes are shaping the design and uses of management accounting systems.
- 8 A variety of global forces are affecting management accounting thinking and practices, including organisational structure changes, digitisation, the need to assess intellectual capital and recognise the significance of knowledge management.

APPENDIX

Professional ethics

Ethical guidelines

Professional accounting organisations representing management accountants exist in many countries. For example, CIMA in the UK provides a programme leading to membership in the institute. Membership signals that the holder has passed the admission criteria and demonstrated the competence of technical knowledge required by the CIMA to become a chartered management accountant.

To become a CIMA member, completion of three levels (Foundation, Intermediate and Final) spanning fifteen examinations is required (see www.cimaglobal.com for more information).

Management accounting topics are also covered by several other professional bodies. The syllabus for the examinations of the Association of Chartered Certified Accountants (ACCA) has three Parts. Skills examined in Part 3 include strategic

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Chapter 6 Cost allocation: joint-cost situations

Key terms

joint cost (166)
split-off point (166)
separable costs (166)
product (166)
joint products (166)
main product (166)
by-product (166)

scrap (166)
sales value at split-off method (169)
physical measure method (170)
estimated net realisable value (NRV) method (172)
constant gross-margin percentage NRV method (174)

Further reading

Bromwich, M. and Bhimani, A. (1994) *Management Accounting: Pathways to Progress* (London: CIMA).

Drury, C. and Tayles, M. (1994) 'Product costing in UK manufacturing organisations', *The European Accounting Review*, pp. 443-69.

Weblinks

Hindu Business Line
<http://www.thehindubusinessline.com/bline/mentor/2003/02/17/stories/2003021700051000.htm>
This article details the problems faced by accountants in emerging markets with distributing joint costs to the different cost centres within an organisation.

CIMA Global
<http://www.cimaglobal.com/main/resources/knowledge>
The website of the Chartered Institute of Management Accountants is a comprehensive resource detailing news and industry opinion for practitioners together with research and exam questions for students of management accounting. The site also contains a list of recent articles and current publications on issues such as joint cost allocation.

Journal of Management Accounting Research
<http://accounting.utrgv.edu/caw/aaasamas/JMAR/JMAR.html>
The objective of this website is to contribute to improving the theory and practice of management accounting by promoting high-quality applied and theoretical research. There are a number of articles and links on cost allocation and the problems associated.

Ingenta
<http://www.ingenta.com/journals/browse/ap/mg>
This is a new website that contains 27 000 articles that can be accessed on a pay-per-view basis, ranging from technical accounting issues to management strategies. It also enables visitors to access and review publications that are available to view online. There are a number of articles on cost allocation and joint costing.

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Key terms – each chapter concludes with a list of the main concepts defined, explained, and illustrated in the chapter.

Further reading – offers sources of additional information for those who wish to explore a topic further.

Weblinks – provide an annotated guide to useful websites relevant to each chapter.

Summaries – pull together the key points addressed in the chapter to provide a useful reminder of topics covered. The summary directly connects with the learning outcomes of the chapter.

Case studies – a set of problem-based illustrative case studies with questions are provided at the end of each part. These allow you to apply your understanding of accounting concepts, issues and techniques within a broader organisational context.

Review questions – short questions which encourage you to review and/or critically discuss your understanding of the main topics and issues covered in each chapter.

Chapter 22 Assessment material

Review questions

- 22.1 Define strategy.
- 22.2 Describe two generic strategies.
- 22.3 What are the four key perspectives in the balanced scorecard?
- 22.4 What is reengineering?
- 22.5 Describe three features of a good balanced scorecard.
- 22.6 What are three important pitfalls to avoid when implementing a balanced scorecard?
- 22.7 How does an engineered cost differ from a discretionary cost? Are these strategic costs?
- 22.8 Define SMA.
- 22.9 Why is SMA practice organisation-specific?
- 22.10 What affects SMA's potential?

Exercises

BASIC LEVEL

*22.11 **Balanced scorecard.** (20 minutes)

La Quinta Ltd manufactures corrugated cardboard boxes. It competes and plans to grow by producing high-quality boxes at a low cost that are delivered to customers in a timely manner. There are many other manufacturers who produce similar boxes. La Quinta believes that continuously improving its manufacturing processes and having satisfied employees are critical to implementing its strategy in 2005.

Required

- 1 Is La Quinta's 2005 strategy one of product differentiation or cost leadership? Explain briefly.
- 2 Indicate two measures you would expect to see under each perspective in La Quinta's balanced scorecard for 2005. Explain your answer briefly.

22.12 **Strategy, balanced scorecard.** (30 minutes)

Meredith Ltd makes a special-purpose machine D4H used in the textile industry. Meredith has designed the D4H machine for 2005 to be distinct from its competitors. It has been generally regarded as a superior machine. Meredith presents the following data for the years 2004 and 2005.

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PART V

Case study problems

CASE 501

High-Tech Limited

Jenice Prather-Kinsey, University of Missouri-Columbia

Adapted with the kind permission of the Institute of Management Accountants, Volume 16 of the Cases from Management Accounting Practices

This case demonstrates the importance of strategy and cost allocation in the IT manufacturing environment. The case requires the development of a relevant balanced scorecard for the business together with the construction of an appropriate ABC model.

Background

High-Tech (H-T) is a computer manufacturer founded in Yorkshire, England, in 1901. H-T originated as a commercial scale, cheese and meat slicing, punch card, tabulating and time recording conglomerate. The company began with 1300 employees and with sales in England, Scotland and Wales. The company had a difficult time managing its diversified products in numerous locations. H-T undertook several strategies to overcome its faltering operations. First, H-T increased sales by implementing healthy sales incentives, grooming its salesmen in dark suits, promoting company pride and loyalty in its employees and beefing up customer services. Second, H-T focused on selling tabulating machines, and expanded sales to the USA, Asia, Australia and South America. These strategies helped H-T overcome its sinking operations. While other companies were folding during the Great Depression, H-T continued to grow and began providing employee benefits such as life insurance and paid vacations. Just-in-time inventory control would not have been useful to H-T during the Depression. Because H-T had large inventories on hand, it was able to undertake large government contracts during the 1930s. H-T had become so large in the computer industry that it was constantly being used, but unsuccessfully, for monopoly violations. During World War II, H-T continued to grow through government contracts. H-T used some of its profits to finance orphans and widows of war casualties. This goodwill helped to foster employee loyalty and demonstrated good community citizenship.

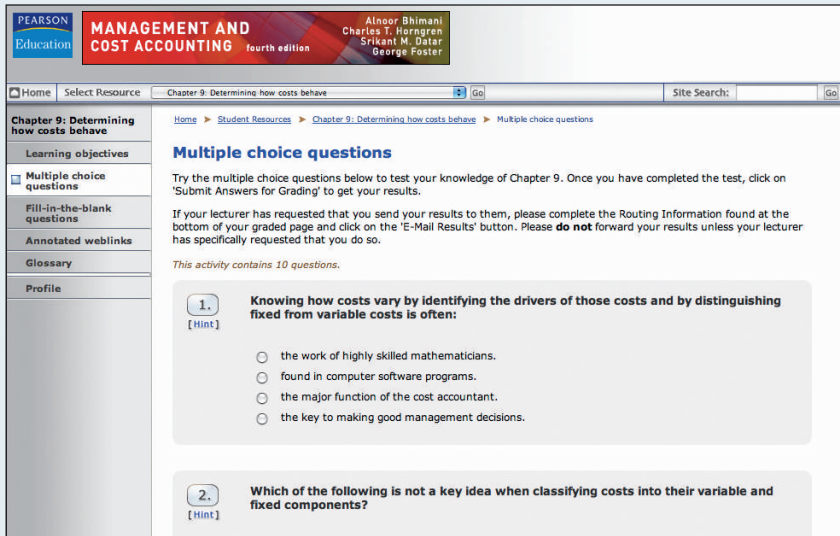
Technological development escalated beginning in the 1950s. H-T first developed a 5-ton 50-foot by 8-foot calculator. This calculator was replaced with vacuum tubes and later with a mainframe transistor that was later and smaller than the vacuum tube. By 1957, H-T had a spinning disk storage system that could access and process accounting data on as many as 50 disks and introduced the FORTRAN computer language. H-T was so large that it supplied 90% of Europe's computers, had £80 billion in sales and

816

Exercises – comprehensive questions which are graded and grouped by their level of difficulty can be found at the end of every chapter. Fully worked solutions to exercises marked by an asterisk are given in Appendix A.

Guided tour (*continued*)

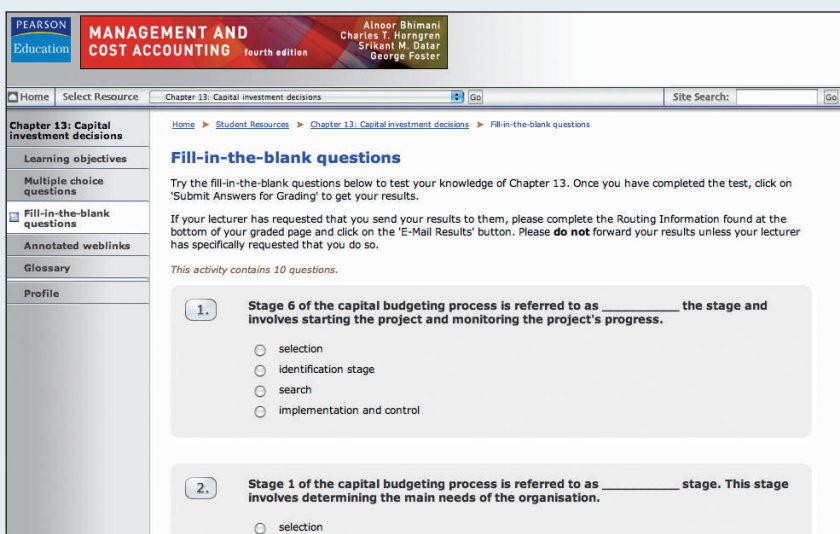
Multiple choice questions



The screenshot shows the Pearson Education website for 'MANAGEMENT AND COST ACCOUNTING' (fourth edition) by Alnoor Bhimani, Charles T. Horngren, Srikant M. Datar, and George Foster. The page is for Chapter 9: Determining how costs behave. The left sidebar lists navigation options: Home, Select Resource, Chapter 9: Determining how costs behave, Learning objectives, Multiple choice questions (selected), Fill-in-the-blank questions, Annotated weblinks, Glossary, and Profile. The main content area is titled 'Multiple choice questions' and includes instructions: 'Try the multiple choice questions below to test your knowledge of Chapter 9. Once you have completed the test, click on 'Submit Answers for Grading' to get your results.' It also mentions that if a lecturer has requested results, the user should complete the Routing Information and click on the 'E-Mail Results' button. A note states 'This activity contains 10 questions.' Two questions are visible: Question 1 asks 'Knowing how costs vary by identifying the drivers of those costs and by distinguishing fixed from variable costs is often:' with four radio button options. Question 2 asks 'Which of the following is not a key idea when classifying costs into their variable and fixed components?' with a hint button.

A set of interactive questions, including **multiple choice**, **fill-in-the-blank** and **true/false question sets** are included for every chapter to allow students to test and consolidate their understanding.

Fill-in-the-blank questions



The screenshot shows the Pearson Education website for 'MANAGEMENT AND COST ACCOUNTING' (fourth edition) by Alnoor Bhimani, Charles T. Horngren, Srikant M. Datar, and George Foster. The page is for Chapter 13: Capital investment decisions. The left sidebar lists navigation options: Home, Select Resource, Chapter 13: Capital investment decisions, Learning objectives, Multiple choice questions, Fill-in-the-blank questions (selected), Annotated weblinks, Glossary, and Profile. The main content area is titled 'Fill-in-the-blank questions' and includes instructions: 'Try the fill-in-the-blank questions below to test your knowledge of Chapter 13. Once you have completed the test, click on 'Submit Answers for Grading' to get your results.' It also mentions that if a lecturer has requested results, the user should complete the Routing Information and click on the 'E-Mail Results' button. A note states 'This activity contains 10 questions.' Two questions are visible: Question 1 asks 'Stage 6 of the capital budgeting process is referred to as _____ the stage and involves starting the project and monitoring the project's progress.' with four radio button options. Question 2 asks 'Stage 1 of the capital budgeting process is referred to as _____ stage. This stage involves determining the main needs of the organisation.' with one radio button option.

Annotated weblinks

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Education

MANAGEMENT AND
COST ACCOUNTING
fourth edition

Alnoor Bhimani
Charles T. Horngren
Srikant M. Datar
George Foster

Home

Select Resource

Chapter 5: Cost allocation

Go

Site Search:

Go

Chapter 5: Cost allocation

Learning objectives

Multiple choice questions

Fill-in-the-blank questions

Annotated weblinks

Glossary

Profile

Home > Student Resources > Chapter 5: Cost allocation > Annotated weblinks

Annotated weblinks

These are links to external websites over which Pearson Education has no control. Pearson Education cannot be held responsible for any content within these websites.

All links provided below were active on website launch. However, due to the dynamic nature of the Internet, links do occasionally become inactive. If you find a link that has become inactive, please try using a search engine to locate the website in question.

- [Oklahoma State University](#)
This article published by the Oklahoma State University uses the agricultural industry as a basis to describe the problems associated with inappropriate cost allocation.
- [Journal of Management Accounting Research](#)
The objective of this website is to contribute to improving the theory and practice of management accounting by promoting high-quality applied and theoretical research. There are a number of articles and links on cost allocation and its associated problems.
- [Ingenta](#)
This is a new website that contains 27,000 articles that can be accessed on a pay-per-view basis, ranging from technical accounting issues to management strategies. It also enables visitors to access and review publications that are available to view online. There are a number of articles on cost allocation and joint costing.
- [Harvard Business Review](#)
At the forefront of thought leadership on Management issues, the Harvard Business Review websites provides excellent access to articles and journals by the most respected authors in the field, including articles on the implication of various costing systems and their impact on the management of a company.

A set of **annotated weblinks** provide guidance and ideas about where to find useful further online resources and information.

Glossary

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MANAGEMENT AND
COST ACCOUNTING
fourth edition

Alnoor Bhimani
Charles T. Horngren
Srikant M. Datar
George Foster

Home

Select Resource

Chapter 5: Cost allocation

Go

Site Search:

Go

Chapter 5: Cost allocation

Learning objectives

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Glossary

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Home > Student Resources > Chapter 5: Cost allocation > Glossary

Glossary

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

A

Absorption costing. Stock costing method in which all variable manufacturing costs and all fixed manufacturing costs are included as inventoriable costs.

Account analysis method. Approach to cost estimation that classifies cost accounts in the ledger as variable, fixed or mixed with respect to the cost driver. Typically, qualitative rather than quantitative analysis is used in making these classification decisions.

Accounting rate of return (ARR). Accounting measure of income divided by an accounting measure of investment. Also called return on investment (ROI).

Activity. An event, task or unit of work with a specified purpose.

Activity-based accounting. Examination of activities across the entire chain of value-adding organisational processes underlying causes (drivers) of cost and profit.

Activity-based budgeting. Approach to budgeting that focuses on the costs of activities necessary to produce and sell products and services.

An online **glossary** is available with concise definitions of all the key concepts and techniques discussed in the book.

Guide to the case studies

Case number	Case details	Short/Long	Manu/Service Sector	Budgeting	Pricing	Ethical Issues	Environmental Issues	Activity Based Costing	Behaviour/Organisation Factors	Cash Flow	Costing System	Profit/Loss Measurement	ROI	Transfer Pricing Systems	Management Control Systems	Balanced Scorecard	Performance Measurement	Variance	Market Assessment/Competitor Analysis	Tableau de Bord	Strategic Issues	Profitability	Country/Area of origin
PART 1																							
101	The European Savings Bank: Legal and ethical issues involved in software piracy.	short	SS			●			●														Europe
102	The ethical dilemma at Northlake: How far does the notion of 'different costs for different purposes extend'?	mid	M			●	●														●		USA
103	Electronic Boards plc: Design of costing systems for a firm operating in a high tech environment. Simplistic vs complex costing.	short	M	●				●	●		●						●				●		N/A
PART 2																							
201	Permaclean Products plc: Analysis of costs and price-demand information using past sales data to make decisions on product pricing.	mid	M		●						●	●										●	UK
202	Morgan Components: Highlights aspects of decision analysis, cost issues and strategy.	long	M		●			●			●												Germany
203	Tankmaster Manufacturing Company: ABC in an altered production environment. Behavioural, organisational and cultural issues are explored.	mid	M					●	●		●										●		UK
204	Torquemada PLC: considers problems connected with capital project control and ex-post review.	short	M			●			●	●			●		●		●		●				UK
205	Colombo Frozen Yoghurt: explores adapting to competitive markets and development of strategies according to market.	short/mid						●	●		●	●					●		●				USA
PART 3																							
301	Zeros plc: Use of ROI to measure divisional performance. Use of costing systems to produce meaningful profit statements.	mid	M	●	●				●		●	●	●				●					●	UK
302	Instrumental Ltd: Analysis of budgeted vs actual performance for different organisational functions. Considers strategic vs operational issues.	mid	M	●	●					●	●	●					●	●			●		UK
303	Fiddler Ltd: Compares cost-volume-profit based calculations to absorption based costing profit figures.	short	M	●	●					●	●	●			●								UK
304	Hereford Steak Houses: Use of variance analysis in the restaurant industry. Variance calculations using both standard and flexible budgets.	short	SS	●	●					●		●			●		●	●					UK

Case number	Case details	Short/Long	Manu/Service Sector	Budgeting	Pricing	Ethical Issues	Environmental Issues	Activity Based Costing	Behaviour/Organisation Factors	Cash Flow	Costing System	Profit/Loss Measurement	ROI	Transfer Pricing Systems	Management Control Systems	Balanced Scorecard	Performance Measurement	Variance	Market Assessment/Competitor Analysis	Tableau de Bord	Strategic Issues	Profitability	Country/Area of origin
	PART 4																						
401	BBR plc: Transfer-pricing problem where divisional interests are pitted against total corporate profitability.	mid	M	●	●	●			●		●	●		●			●	●					UK
402	Cresta Plating Company Ltd: Considers issues of decentralisation and responsibility within accounting issues.	long	M	●	●	●			●		●	●	●	●	●		●					●	UK
403	Procurement at Betapharm: Discusses centralisation, sourcing and strategy issues.		SS						●			●			●				●		●		Germany
	PART 5																						
501	High-Tech Ltd: Importance of strategy and cost allocation within the IT manufacturing industry. Considers JIT inventory systems..	long	M & SS		●			●	●		●	●			●	●			●	●	●		N/A
502	Dogfight over Europe Ryanair (A, B and C): Cost-benefit analyses with an assessment of competitor pricing and market-based strategies to stage a comeback from a near-bankruptcy situation.	long	SS			●			●		●	●	●				●		●	●	●		Ireland/Europe
503	Osram: Analysis of potential savings made by newer, more efficient consumables as opposed to traditionally used ones.	mid/long	M	●	●						●	●						●				●	Germany
504	Coors: Demonstrates importance of supply chain management and compares strategies through the use of EVA.	long	M						●		●	●			●	●	●			●			USA

	new case study
	harvard case study



Preface

Accounting shapes our lives. It changes organisations and alters our social, economic and physical environment. Whether or not we engage in producing and/or reading accounting information, it influences what we can and cannot do. Corporate decisions regarding new product developments, pricing strategy, staff recruitment and salary levels are generally influenced by accounting information. The way in which a manager acts is often associated with how he or she reacts to accounting data. At times, accounting motivates certain types of behaviour and discourages others. In most organisations, decisions, actions and human behaviour find direct links with the nature, use and focus of accounting information. This text is about understanding the preparation and use of management and cost accounting information in this light.

Whereas management accounting is concerned with the measurement and reporting of financial and other types of information to managers in their pursuit of organisational and other goals, cost accounting is more concerned with information on the acquisition and consumption of resources. Cost accounting tends to provide a useful input into management accounting. Our concern is to encompass both management and cost accounting, stressing particularly the design, use and role of accounting information in the management of organisational activities. The intent is to balance technical detail and organisational insight so as to encompass issues of primary interest to the discharge of management activities. The focus is on basic concepts, analyses and practice vis-à-vis management decision making.

Management and cost accounting is a dynamic discipline which interacts with many facets of the organisational environment in which it exists across nations, industrial settings and management functions. It entails the application both of long-established techniques as well as newly emerging concepts. Consequently, the book covers conventional topic areas such as job costing and process costing, cost-volume-profit relationships, capital investment decisions and budgetary control systems in the light of changes in modern-day operational circumstances. In addition, we have addressed innovative approaches in management accounting which relate to, for example, quality concerns, throughput concepts, non-financial performance issues and strategic analysis. Throughout the book's chapters we point to emerging themes within the field of management accounting which are regarded as important for organisations seeking to evolve their management accounting systems. Additionally, we discuss the possible implications for management accounting practices of management and organisational concerns which are recent but fast evolving. We point, therefore, to the relevance of many issues, including knowledge management and intellectual capital, enterprise governance, environmental management accounting, which hold significance for potential management accounting practice changes.

We have also explicitly incorporated discussions of the management accounting implications of the use of flexible organisational technologies in the production and delivery of physical goods and services. Further, some of the potential influences of e-business innovations, the 'digitisation' of the economy and Internet technologies on management accounting practices are considered. The dotcom boom of the late 1990s and its meltdown at the turn of the millennium present important lessons of interest to management accountants. The convergence of telecommunications and digital technologies embedded within the Internet has given rise to the restructuring of business activities while also bringing to the fore questions concerning the continued

relevance of established management accounting principles within highly web-enabled enterprises. We are now in a more mature and perhaps secondary phase of the growing impact of the Internet on society and the economy. We highlight aspects of Web 2.0 issues. Although no established body of research exists in this domain, our intent is to highlight some of the management accounting implications brought about by the Internet.

Throughout the text an emphasis is placed on developing a context-based understanding of management and cost accounting practices. By this, we mean that, although generalisations need to be made to introduce topics and issues, it is essential to recognise that these practices are highly dependent upon the situational and organisational factors within which such application takes place. We therefore discuss global themes and concepts in management and cost accounting while stressing the need to understand the context in which it is practised. This focus extends to addressing issues of social and ethical concern. Enterprise governance as an issue of increasing corporate concern is discussed at some length. Rather than accord a separate chapter to consider organisational and social aspects of management accounting, we integrate this perspective throughout the text to lend it a greater degree of realism.

This text pays particular attention to concerns and issues within the European setting. Our endeavour to cover fundamental concepts and techniques of management and cost accounting, while also highlighting the diversity of approaches and practices which management and cost accounting are viewed to encompass in different European countries, has made the writing of this text a unique and interesting challenge. We draw comfort from the realisation that other management accounting texts have begun to attempt to present a similar mix of practical examples, case studies and coverage of research findings while also sharing our preference for the format and structure adopted here. In this edition we provide new illustrative examples, survey findings and case studies relating to many European companies, and have drawn on a wide range of European business writings. This is regarded as an important feature of this book, especially with the growing number of countries joining the EU community proper. Although the European perspective is an important emphasis, the text also includes significant discussion and illustrative examples of practice and issues relating to countries and regions outside of Europe.

Deciding on the sequence of chapters in a management and cost accounting textbook which spans introductory through to relatively detailed analysis of material is a challenge. Every lecturer has a favourite way of organising his or her course. The five part structure of this text and the sequencing of chapters has been designed to facilitate flexibility and diversity in the teaching of different topic areas and the use of the text for a range of courses and levels. An outline of the coverage and component chapters of each part is given in each of the part openers.



Assessment material

This book includes a high quantity and broad range of assessment material to further facilitate the use of the text on a diverse range of courses:

- **Review questions** These short questions encourage students to review and/or critically discuss their understanding of the main topics and issues covered in each chapter, either individually or in a group.
- **Exercises** These comprehensive questions are graded and grouped by their level of difficulty: basic, intermediate and advanced. Each question is preceded by a note of its topic coverage and an indication of the time it should take to complete. Where appropriate, the exercises include questions taken from recent examinations of

several professional accountancy bodies. There is an average of fourteen exercises per chapter. Fully worked solutions to a selection of exercises in each chapter (identified by an asterisk) are provided in Appendix A.

- **Professional questions** Additional assessment material is provided in the professional questions booklet accompanying this text and on the website supporting this book at www.pearsoned.co.uk/horngren.

Case study problems

At the end of each of the five parts are problem-based illustrative cases. Each is more substantive and typically more demanding than the end-of-chapter exercises, integrating topics from several chapters in each of the core parts of the text, allowing you to apply your understanding of accounting concepts, issues and techniques within a broader organisational context, and to develop your critical thinking and analytical skills. The questions which follow the case material include some aspects suitable for group discussion/assignment.

Additional assessment material is provided on the CD-ROM included with the Lecturer's Resource Pack and on the companion website supporting this book (see below).

To familiarise yourself with the main features of this text, and how they will benefit your study, an illustrated Guided tour of the book and web resources is given on pages xiv–xxi.

Appendix B: Compound and interest rate tables

Students will need to use these tables in studying Chapter 13 of the text and undertaking the end-of-chapter exercises. For ease of reference, we recommend students make a photocopy of these pages.

Bibliography

Many of the chapters include a list of selected readings of relevance for those seeking to further their knowledge base in the specific chapter areas. There is a comprehensive bibliography at the end of the book which will also be of assistance to students wishing to follow up topics and issues in more detail.

Glossary

This comprises an alphabetical listing of all the key terms, including a concise definition, so allowing revision of all the key concepts and techniques in the text.



Lecturer supplements

Lecturers who adopt this text are provided with a range of additional materials to assist in the preparation and delivery of courses. These include:

- complete, downloadable Instructor's Manual with teaching ideas and solutions to end-of-chapter exercises not given in the text;
- suggested solutions to all case study problems;
- editable PowerPoint slides and overhead projector masters, organised by chapter, allowing you to provide a lecture or seminar presentation (and/or to print hand-outs). These incorporate colourful graphics, outlines of chapter material, text exhibits, additional examples and graphical explanations of difficult topics;
- solutions to additional questions and spreadsheet problems.



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Grade Tracker is an exclusive new resource for instructors and students, giving you access to the best online teaching and learning tools 24 hours a day, 7 days a week. Please see the Guided Tour beginning on page xiv for more details of the Grade Tracker resources available with *Management and Cost Accounting*, Fourth Edition.

Alnoor Bhimani
Charles Horngren
Srikant Datar
George Foster

November 2007



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Text

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