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Book Reviews

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The policy of *Issues in Accounting Education* is to publish only those reviews solicited by the Book Reviews Editor. Unsolicited reviews will not be accepted.

DONALD E. KIESO, JERRY J. WEYGANDT, and TERRY D. WARFIELD, *Intermediate Accounting*, Fourteenth Edition (Hoboken, NJ: John Wiley & Sons, Inc., 2012, pp. vii, 1581).

This edition contains 24 chapters. The first three chapters cover the accounting standard-setting process, the conceptual framework, and the accounting information system. Detailed coverage of the Income Statement and Balance Sheet are provided in Chapters 4 and 5. Chapter 6 reviews time value of money concepts. The next ten chapters tackle asset, liability, and equity transactions. Special topic coverage is provided in the next six chapters, and includes investments, revenue recognition, accounting for income taxes, pensions, leases, and accounting change and error analysis. The final two chapters discuss the Statement of Cash Flows and disclosures in financial reporting.

Current users of this text should take note of several important changes that have been made to this edition, the most significant of which is expanded coverage of International Financial Reporting Standards (IFRS). A section titled "IFRS Insights" is included at the end of each chapter when appropriate. Applicable pronouncements, comparisons to U.S. GAAP, examples of IFRS applications, as well as comments on convergence progress are included. In addition, multiple-choice questions, exercises, professional research cases, as well as international financial reporting problems are available to facilitate student learning and mastery of the material. Updated content related to joint projects between the IASB/FASB is also incorporated into chapters when relevant. A continued effort has been made to streamline chapter material in this edition. However, a majority of the chapters contain optional additional topic coverage in their respective appendices. Many new, real-world examples have been added throughout the text in order to emphasize the significance of the material and better relate the subject matter to the professional world. The chart of accounts has been simplified in an effort to reduce student confusion over appropriate account names.

First-time users may need to familiarize themselves with all the book has to offer. The text is very comprehensive and detailed. Brief exercises, exercises, problems, concepts for analysis, financial statement analysis cases, professional research cases utilizing the FASB Codification, and professional simulations modeled after the CPA exam are all provided at the end of each chapter. It is well worth examining up-front which combination of these resources works best for a particular course in order to derive the full benefit of the available material. In addition, the PowerPoints provided with the text are valuable teaching aids. They incorporate many practice exercises and break the material down into manageable pieces.

One of the greatest strengths of this text is the flexibility that it allows due to its comprehensive coverage of material and diversity of available homework assignments. The text provides many opportunities for students to practice and demonstrate their knowledge of core fundamental accounting transactions; however, it also provides many critical thinking and research opportunities. This text could be used for a basic intermediate course, an honors intermediate course, or even as part of a graduate special topics course, depending upon the depth of chapter coverage and the homework materials assigned. In addition, the extent to which IFRS is covered is completely at the discretion of the instructor.

This edition improves upon an already impressive Intermediate Accounting text. Instructors will find solid coverage of core Intermediate Accounting topics, as well as up-to-date and extensive coverage of IFRS. In addition, the text provides numerous opportunities for students to familiarize themselves with accounting standards utilizing the FASB Codification, as well as simulations modeled after the CPA exam. This text prepares students well for the complexities and diverse challenges they will face in their professional careers.

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LOREN A. NIKOLAI, JOHN D. BAZLEY, and JEFFERSON P. JONES, *Intermediate Accounting*, Eleventh Edition (Mason, OH: South-Western Cengage Learning, 2010, pp. iii, 1260).

This textbook consists of 23 chapters organized in five parts ("Concepts," "Asset Valuation and Income Measurement," "Valuation of Liabilities and Investments," "Stockholders' Equity," and "Special Topics"). The coverage of the various topics is appropriate. In addition, there are appendices listing FASB, AICPA, and IASB pronouncements. There is a supplement covering GAAP Codification and Fair Value Update included with the Eleventh Edition. This supplemental information is also provided as PDF files on the student and instructor product support sites.

In addition to coverage of U.S. GAAP, this text includes extensive coverage of International Financial Reporting Standards (IFRS). One of the strengths of the text is the inclusion of statements prepared in accordance with IFRS. It is useful for students to see how statements prepared in accordance with U.S. GAAP compare with statements prepared in accordance with IFRS. Another appendix includes key differences (organized by chapter) between U.S. GAAP and IFRS. This extensive IFRS coverage is a key strength of the text.

Another strength of the text is the focus on financial analysis, not just on preparing financial statements. For example, the text discusses financial analysis early in the book (Chapter 6, the end of Part 1). By discussing analysis early on, students can see how the various accounting issues discussed later in the text impact various ratios. This will help students appreciate how financial accounting choices impact how a firm looks to financial analysts, auditors, and investors.

This text includes a "typical" amount of end-of-the-chapter material for chapter review and homework assignments. One of the reasons to adopt this book is that it is the only intermediate text to include AICPA-adapted multiple-choice questions in the end-of-the-chapter material. In addition, there are exercises, problems, and cases based on past CPA Examination questions in virtually every chapter. This would seem to help prepare students for the CPA Examination.

In summary, this text provides sufficient coverage of topics covered in typical Intermediate Accounting courses. What makes this book unique is the excellent coverage of IFRS (especially describing differences between IFRS and U.S. GAAP), the focus on financial analysis, and the inclusion of end-of-the-chapter material based on prior CPA Examination questions. When deciding on an Intermediate Accounting text, *Intermediate Accounting*, by Nikolai et al., should be given strong consideration.

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DAVID SPICELAND, JIM SEPE, and MARK NELSON, *Intermediate Accounting*, Sixth Edition (New York, NY: McGraw-Hill Irwin, 2011, pp. vii, 1263).

Intermediate Accounting, Sixth Edition, is the most recent revision to a text that typically is used for the Intermediate Accounting I/II sequence in undergraduate accounting programs. The layout of the book is traditional, with the first half of the text containing material that ordinarily is covered in Intermediate I (a review of the accounting process, basic financial statements, and assets), and the second half containing material that ordinarily is covered in Intermediate II (liabilities, stockholders' equity, accounting changes and error corrections, and the statement of cash flows).

The primary improvement in the current edition of the text involves the integration of material related to International Financial Reporting Standards (IFRS). Each chapter includes a number of IFRS Boxes that highlight very clearly some of the key differences that exist between IFRS and U.S. GAAP. The IFRS coverage is integrated throughout the text, rather than being included as standalone material at the end of each chapter. The integration should make it easier for students to process the key differences between the two sets of standards, which should enhance the learning experience. In addition, most chapters include a few IFRS exercises and/or problems in the end-of-chapter materials. While it would be nice to have more exercises in some of these areas, overall, the authors have done a commendable job with their treatment of IFRS in this revision.

Two other strengths of the book relate to (1) coverage of material that frequently is not addressed in other intermediate texts, and (2) general readability and exposition. As examples of the former, this text addresses differences between cliff vesting and graded vesting of stock options, illustrates the tax consequences associated with certain stock option plans, and provides detailed examples related to accounting for liabilities at fair value. All of these issues bear mentioning in Intermediate Accounting, yet many textbooks either ignore them completely or only give them drive-by treatment. With respect to readability and exposition, this book is among the very best. Where some of its competitors can be a bit stilted and cookbook-ish, this book provides a far more engaging experience.

The only real weakness of this text is one that is common to every intermediate text—information overload. Each chapter provides extensive coverage of the major topic areas, while also providing brief exercises, exercises, problems, CPA and CMA review questions, communication cases, real-world cases, analysis cases, judgment cases, ethics cases, research cases, and a segment tied to the textbook's comprehensive British Airways case. In addition, there is an Online Learning Center with self-grading quizzes, narrated PowerPoint slides, still more exercises and problems, practice exams, and even iPod content. While all of these add-ons certainly could prove valuable for those who actually have time to use them, it is not clear whether the realized benefits are worth the costs that are incurred (and that presumably are reflected in textbook prices). That being said, any criticisms in this regard cannot be leveled at this particular book, but rather apply to the industry as a whole.

In summary, this text does a very good job in its coverage of the standard issues in the Intermediate Accounting sequence. More importantly, it addresses a number of issues that are not covered sufficiently by other texts, presents quality IFRS-related material in an integrated fashion, and is very readable and well organized throughout. Where Intermediate Accounting texts are concerned, this book is one of the very best.

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EARL K. STICE and JAMES D. STICE, *Intermediate Accounting*, Eighteenth Edition (Mason, OH: South-Western Cengage Learning, 2012, pp. xxxviii, 1576).

This 23-chapter text represents a mature, comprehensive coverage of the materials which comprise the backbone of financial accounting. While the text begins with coverage of the conceptual framework, followed by a review of the accounting cycle and the income statement and balance sheet, its similarity to the typical intermediate text ends there. These differences make the text unique.

Several strengths are associated with this text. First, the text emphasizes theory *and* practice, as well as ties learning objectives to each assignment in each chapter. Second, from the very first chapter, and continuing throughout the text, the authors emphasize *use* of the Accounting Standards Codification, as well as understanding the importance of the International Accounting Standards Board (IASB), its pronouncements, and its reporting standards differences. Third, the arrangement of chapters after Chapter 4 is different from several other texts. For example, the cash flow statement is initially covered immediately following the balance sheet and income statement. Subsequently, the statement of cash flows is given comprehensive coverage in Chapter 21, drawing cash flow items from the entire text. Further, a unique chapter on earnings management and the ethics of such activities is included in the first half of the book. Additionally, Chapter 8 covers revenue recognition, a topic generally covered later in an intermediate text. Fourth, analysis of statement information using ratios is integrated throughout the text, rather than being covered as an independent topic. Fifth, excellent coverage of the typically challenging topics of leases, pensions, and deferred taxes should make these chapters less ominous to students. For the seasoned instructor, the arrangement provided by this text can breathe new life into what may have become routine. For the novice instructor, the text has a natural flow that should enable continuity of instruction, rather than segmented mastery of topics. For the student, the text should be engaging, clearly instructive reading.

Only a few minor weaknesses might be identified in this textbook. While the chapter on debt financing provides excellent coverage of relevant instruments and transactions, for some reason, it provides only partial and not complete amortization schedules for bonds and mortgages. This omission is a bit disconcerting given that students often do not naturally envision the resolution of the amortization process, especially in troubled debt situations. Further, this omission is odd given that the leasing chapter contains excellent, complete amortization schedules for a variety of lease arrangements.

While the inclusion of modules covering the time-value of money and fair value after Chapter 6 is a definite positive, the time-value of money module assumes that students have had prior experience with the concepts. Though the module presents excellent examples of the formulas and concepts needed to solve a variety of time-value problems, the emphasis on calculator steps to solve problems detracts a bit from the understanding of why the solution should be approached in a particular manner. Furthermore, the assignment material does not contain sufficient highly challenging problems to ensure that the student truly has mastered the logic of the calculations.

Similarly, one might also wish that the deferred tax chapter had a few more problems containing multiple permanent and temporary differences that forced the student to grapple with the current and noncurrent (or irrelevant) nature of these differences in a single problem. This shortcoming, however, is outweighed by the thorough treatment given changing tax rates.

In summary, this text provides a fresh, comprehensive approach that should make the text enjoyable to serious students of accounting, as well as novice and seasoned professors.

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