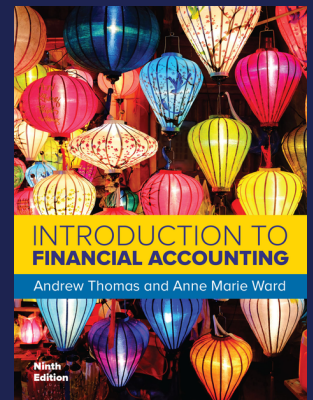


# Introduction to Financial Accounting 9e

Andrew Thomas, Anne Marie Ward

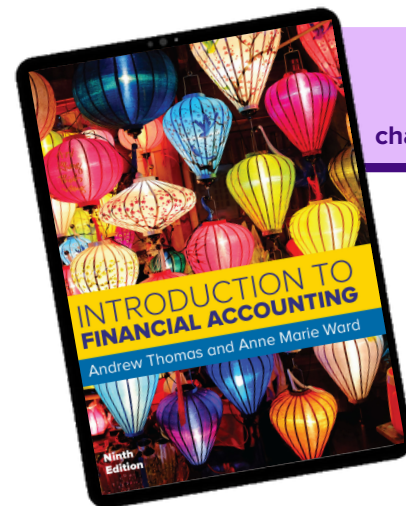
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Introduction to Financial Accounting is a market-leading textbook that offers comprehensive coverage of all the fundamental accounting techniques and practices required by the major accountancy bodies, and explains the reasons why transactions are accounted for in a particular manner. The authors provide stimulating discussion that enables students to think strategically about the influence that accounting has on economic decision-making and its impact on wider society.

For students undertaking a degree in accounting or business studies, this ninth edition has been fully revised and updated to the latest accounting standards. It provides a contemporary approach whilst retaining its highly valued concise, student-friendly chapters and practical content. This essential resource is packed with real world examples, worked examples and exercises to keep students engaged and to aid understanding of complex accounting theory.



[View a sample chapter online](#)

## What's new?

- New to Connect for 2022: In response to customer needs, 100 brand new calculation based problems were added to Connect in 2022 to further develop students practical application skills and cement theoretical understanding.
- Discussions of ethics built in to stimulate strategic thinking about the importance of accounting on society,
- Review questions, numerical exercises and past questions from various examining bodies to help students practice and apply theory.
- Algorithmic problem sets, calculation questions and finance prep exercises assignable in Connect.

### PART 1: The framework of accounting

- 1 Entities and financial reporting statements
- 2 Financial reporting: institutional framework and standards
- 3 The Conceptual Framework 1: objective of financial statements, stakeholders and other reports
- 4 The Conceptual Framework 2: concepts, principles and policies
- 5 The Conceptual Framework 3: the qualitative characteristics of financial information
- 6 Auditing, corporate governance and ethics

### PART 2: Double-entry bookkeeping

- 7 The accounting equation and its components
- 8 Basic documentation and books of account
- 9 Double entry and the general ledger
- 10 The balancing of accounts and the trial balance
- 11 Day books and the journal
- 12 The cash book and petty cash book

### PART 3: Preparing final financial statements for sole traders

- 13 The final financial statements of sole traders (introductory)
- 14 Adjustment for depreciation and non-current assets
- 15 Irrecoverable receivables and allowance for irrecoverable receivables

## Table of Contents

- 16 Adjustment for accruals and prepayments
- 17 Inventory valuation
- 18 The extended trial balance and final financial statements(advanced)

### PART 4: Internal control and check

- 19 The bank reconciliation statement
- 20 Control accounts
- 21 Errors and suspense accounts
- 22 Single entry and incomplete records

### PART 5: Partnerships

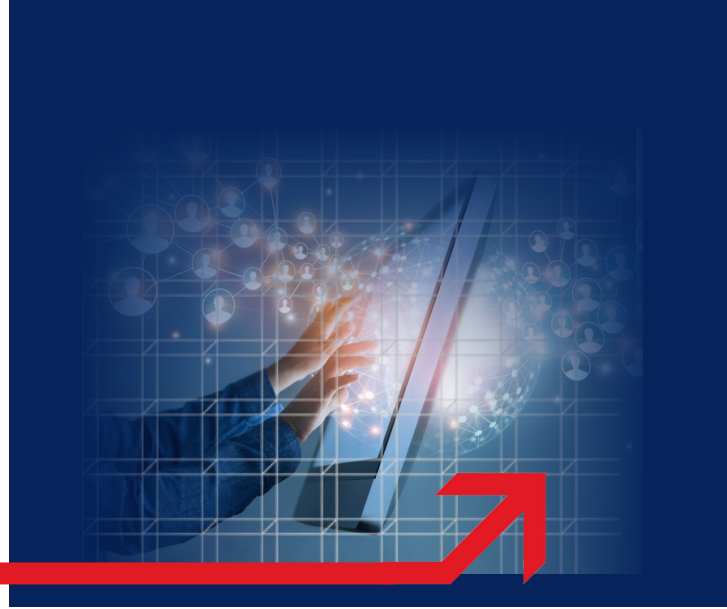
- 23 The final financial statements of partnerships
- 24 Changes in partnerships
- 25 Partnership dissolution and conversion to a limited company

### PART 6: Companies

- 26 The nature of limited companies and their capital
- 27 The final financial statements of limited companies
- 28 Statement of cash flows
- 29 The appraisal of company financial statements using ratio analysis

## Discover Connect

All of our leading textbooks are available with a huge range of resources online to augment teaching and learning, saving instructors serious time, helping them manage large cohorts, giving students structure and support, and moving them from theory to application.



### Connect for Reading

The ability to set assignments with auto grading and tracking gives you the opportunity to incentivise completion of out-of-class reading and practice so that students get the most out of their course.



### Connect for Theory

When students come to class prepared you no longer need to spend so much time covering the theory and recapping the basics – so class time can be spent looking at real world application, engaging in group work and participation, and showcasing your own expertise and passion.



### Connect for Structure

The clear structure and scaffolding set in Connect combat demotivation by ensuring students understand the expectations on them and know where to go for info.



### Connect for Self-Management

Within the structure provided by Connect, students actually have enhanced autonomy. Instant feedback on assignments plus student-facing reports allows them to self-correct and manage their own learning.



### Connect for Assessment

The vast test bank in Connect enables you to easily create and assign continuous and end-point assessments so you can dig deep into student performance and intervene earlier to prevent drop out and maximise success.

Algorithmic Problem Sets within the test bank mean you can set the same question, with different input data, to each student so that they can't collaborate on answers - ideal for summative assessment. Alternatively, they can simply be used for students to practise the same concept over again with different variables.

**Chapter 02 Question 01**

What are the three major elements of product costs in a manufacturing company?

→  Direct material, direct labour, manufacturing overhead  
 Direct material, direct labour, indirect labour  
 Indirect material, indirect labour, manufacturing overhead  
 Direct material, indirect material, direct labour

The three major elements of product costs in a manufacturing company are direct material, direct labour, and manufacturing overhead.

References

Multiple Choice Chapter 02 Question 01 Difficulty: Basic

[Report a content issue](#)

Overhead costs	Cost Formula (per car)	Activity (cars)	6,500	9,500	10,500
Variable overhead costs:					
Cleaning supplies	0	0	6,650 SF	9,350 SF	10,050 SF
Electricity	0	0	3,800	5,300	5,800
Maintenance	0	0	1,950	2,700	2,950
Total variable overhead cost	0	0	12,400	17,350	18,800
Fixed overhead costs:					
Operator wages	0	0	9,500	9,500	9,500
Depreciation	0	0	6,500	6,500	6,500
Rent	0	0	6,500	6,500	6,500
Total fixed overhead cost	0	0	22,500	22,500	22,500
Total overhead cost	0	0	34,900	39,850	41,300

**Required:**

Fill in the missing data. (Round cost formulas to 2 decimal places in intermediate calculations and in your answers. Round your other answers to the nearest whole number.)

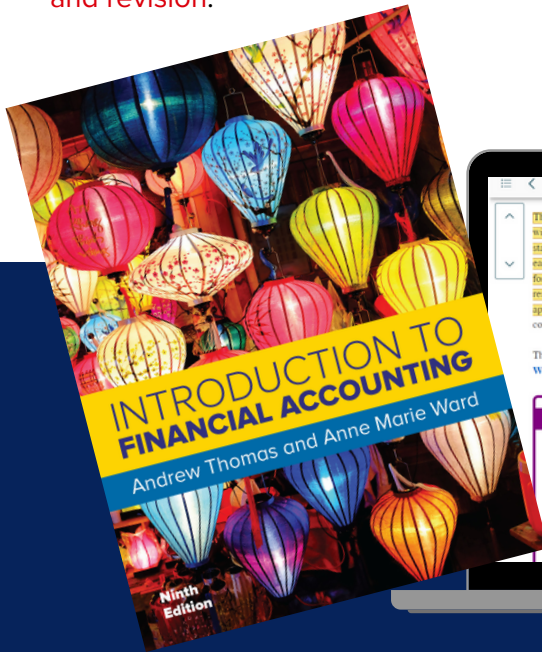
Overhead costs	Cost Formula (Per Car)	Activity (Cars)	6,500	9,500	10,500
Variable overhead costs:					
Cleaning supplies	0.72 SF	1,560 SF	6,650 SF	7,350 SF	7,350 SF
Electricity	0.40	3,400	3,800	4,200	4,200
Maintenance	0.25	1,700	1,950	2,100	2,100
Total variable overhead cost	1.30	11,000	12,350	13,650	13,650
Fixed overhead costs:					
Operator wages			9,500	9,500	9,500
Depreciation			6,500	6,500	6,500
Rent			6,500	6,500	6,500

# Reinvigorate Reading with SmartBook

SmartBook gives you, the instructor, the ability to set **highly targeted reading assignments** and, crucially, **monitor student engagement** with these and their resultant level of understanding of key concepts.

More than just a regular eBook, the SmartBook **assesses students' mastery** of concepts **as they go along**, **guiding them** to the areas of the text they most need to absorb and **tailoring questions** to keep plugging away at the concepts they find most difficult.

In the SmartBook environment, **students develop an understanding of their strengths and weaknesses** through meaningful, instant feedback that allows them to review the concepts they have yet to master and **self-direct learning and revision**.



## Included in the resource

- Adaptive and personalised reading assignments
- Instant feedback on progress
- Personalised learning analytics for each student
- Static and algorithmic problem sets for each chapter
- Writing assignments tool
- Video capture tool
- Student success and wellbeing modules
- Discussion board

