

third edition

College Accounting:

A Contemporary Approach

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COLLEGE ACCOUNTING: A CONTEMPORARY APPROACH, THIRD EDITION

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About the Authors



M. DAVID HADDOCK, JR., is currently director of training for Lattimore, Black, Morgan, & Cain, PC, one of the top 50 CPA firms in the US. He is located in the Brentwood, Tennessee, office. He recently retired from a 35-year career in higher education, having served in faculty and administrative roles at Auburn University at Montgomery, the University of Alabama in Birmingham, the University of West Georgia, and Chattanooga State Community College. He retired as professor of accounting at Chattanooga State Community College in Tennessee. In addition to his teaching, he maintained a sole proprietorship tax practice for 20 years prior to taking his current position.

He received his BS in accounting and MS in adult education from the University of Tennessee, and the EdD in administration of higher education from Auburn University. He is a licensed CPA in Tennessee.

Dr. Haddock served as chair of the Tennessee Society of CPAs and the Educational & Memorial Foundation of the TSCPA's for 2012–2013 and a member of AICPA Council. He is a frequent speaker for Continuing Professional Education programs.



JOHN ELLIS PRICE is professor of accounting at the University of North Texas. Dr. Price has previously held positions of professor and assistant professor, as well as chair and dean, at the University of North Texas, Jackson State University, and the University of Southern Mississippi. Dr. Price has also been active in the Internal Revenue Service as a member of the Commissioner's Advisory Group for two terms and as an Internal Revenue agent.

Professor Price is a certified public accountant who has twice received the UNT College of Business Administration's Outstanding Teaching Award and the university's President's Council Award. Majoring in accounting, he received his BBA and MS degrees from the University of Southern Mississippi and his PhD in accounting from the University of North Texas.

Dr. Price is a member of the Mississippi Society of Certified Public Accountants, the American Accounting Association, and the American Taxation Association (serving as past chair of the Subcommittee on Relations with the IRS and Treasury). Dr. Price has also served as chair of the American Institute of Certified Public Accountants Minority Initiatives Committee and as a member of the Foundation Trustees.



MICHAEL J. FARINA is professor of accounting and finance at Cerritos College in California. Prior to joining Cerritos College, Professor Farina was a manager in the audit department at a large multinational firm of certified public accountants and held management positions with other companies in private industry.

He received an AA in business administration from Cerritos College, a BA in business administration from California State University, Fullerton, and an MBA from the University of California, Irvine. Professor Farina is a member of Beta Gamma Sigma, an honorary fraternity for graduate business students. He is a licensed certified public accountant in California, and a member of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants. Professor Farina is also a Chartered Global Management Accountant, a designation bestowed by a joint venture of the American Institute of Certified Public Accountants and the Chartered Institute of Management Accountants.

Professor Farina is currently the cochair of the Accounting and Finance Department at Cerritos College. Professor Farina has received an Outstanding Faculty award from Cerritos College.

Haddock/Price/Farina



For students just embarking on a college career, an accounting course can seem daunting, like a rushing river with no clear path to the other side. New concepts come fast and furious, and it's easy to feel overwhelmed. Haddock/Price/Farina **bridges the rushing river**, offering first-time accounting students a path to understanding and mastery. Not only is Haddock clear and readable, with many opportunities for students to practice what they've learned, but it also includes no special journals! Stripping out this topic allows you to focus on the fundamentals of the introductory accounting course. With one less thing to overwhelm them, your students will be able to achieve solid footing on that bridge to success.

As in their flagship text, Price et al.'s *College Accounting*, the authors have adhered to a common philosophy about textbooks: they should be readable, contain many opportunities for practice, and be able to make accounting relevant for all.

Bridges College to Career

- **Encourages Reading** The authors' writing style and clear step-by-step examples make key concepts easy to grasp. *College Accounting's* concise chapters are broken into manageable sections to avoid overwhelming students who might be seeing the material for the first time. Features like the Business Transaction Analysis Model make it easy for students to see how to analyze business transactions. The Important and Recall margin elements briefly highlight important concepts and remind students of key term definitions as the topics begin to build on each other.
- **Emphasizes Practice** Self reviews at the end of each section give students the opportunity to practice what they've just learned before moving on to the next topic. The author-created end-of-chapter material includes A and B problem sets, exercises, critical thinking problems, and Business Connection problems that utilize real-world companies and scenarios and address important topics like ethics. Mini-practice sets included within the text itself allow students to put theory into practice without paying additional money for a separate practice set. Select end-of-chapter content is tied to templates in **Sage 50 Complete Accounting** and **Quickbooks**, allowing students to practice using software they are likely to encounter in the real world.
- **Answers the Question "Why Is Accounting Important?"** The "Why It's Important" explanation that accompanies each learning objective explains to students why the topics they're studying matter. Well-known companies like Google, Southwest, and Urban Outfitters are used in vignettes and examples throughout the text, making a clear bridge for students between the concepts they're learning and how those concepts are applied in the real world.

The Price College Accounting text is thoughtfully planned and well laid out. It goes into detail incorporating real-world examples and context for the accounting student, making it easier for students to understand the content and its application.

—Lora Miller,
Centura College

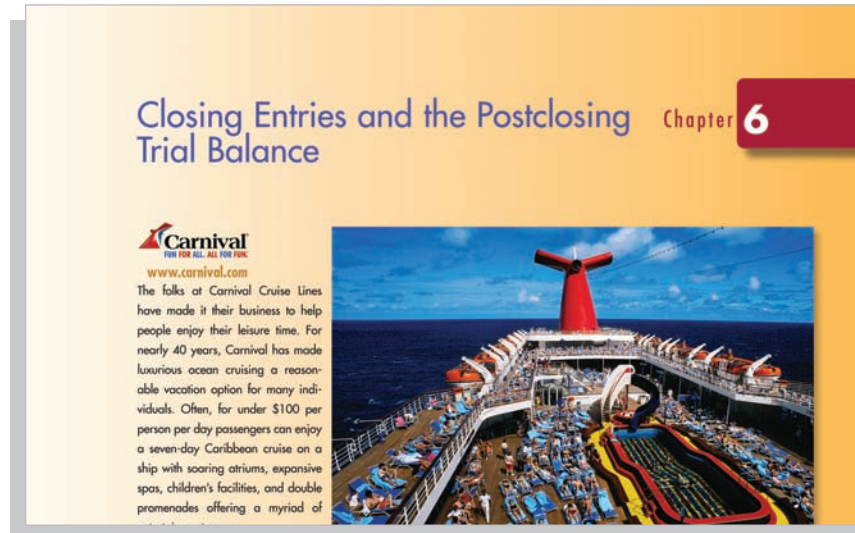
How Does Haddock/Price/Farina Bridge the Gap from Learning to Mastery?

College Accounting: A

Contemporary Approach is designed to help students learn and master the material.

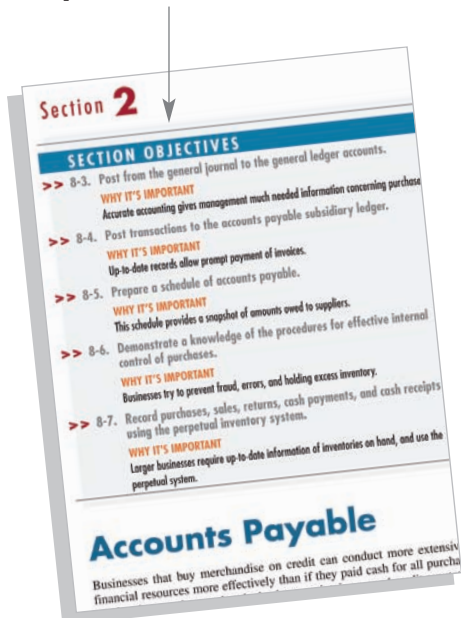
Chapter Opener

Brief features about **real-world companies**—like **Google, Kellogg's, Whole Foods, and Carnival Cruise Lines**—allow students to see how the chapter's information and insights apply to the world outside the classroom. Thinking Critically questions stimulate thought on the topics to be explored in the chapter.



Learning Objectives

Appearing in the chapter opener and within the margins of the text, learning objectives alert students to what they should expect as they progress through the chapter. Many students question the relevance of what they're learning, which is why we explain **"Why It's Important."**



The Price/Haddock/Farina College Accounting text is designed to introduce a nonaccounting student to a succinct study of accounting concepts. Each chapter is concise using effective visual aids to motivate the student to read actively, while the additional learning resources encourage practice to improve a student's retention.

—Gisela Dicklin,
Edmonds Community College

Recall and Important!

Recall is a series of brief reinforcements that serve as reminders of material covered in *previous* chapters that are relevant to the new information being presented. **Important!** draws students' attention to critical materials introduced in the *current* chapter.

important!

- For liability T accounts
- right side shows increases,
 - left side shows decreases.

Business Transaction Analysis Models

Instructors say mastering the ability to properly analyze transactions is critical to success in this course. Price's step-by-step transaction analysis illustrations show how to identify the appropriate general ledger accounts affected, determine debit or credit activity, present the transaction in T-account form, and record the entry in the general journal.

DEBIT-CREDIT RULES

DEBIT Decreases to liabilities are debits. Debit *Accounts Payable* for \$100.

CREDIT Increases to contra cost of goods sold accounts are recorded as credits. Credit *Purchases Returns and Allowances* for \$100.

T-ACCOUNT PRESENTATION

<i>Accounts Payable</i>		<i>Purchases Returns and Allowances</i>	
100	+		100

GENERAL JOURNAL ENTRY

DATE	DESCRIPTION	POST. REF.	DEBIT	CREDIT
15 Jan. 30	<i>Accounts Payable/International Sportsman</i>		100.00	
	<i>Purchases Returns and Allowances</i>			100.00
17	Received Credit Memo 103 for damaged merchandise returned; original Invoice 7985,			
19	January 23, 2016			

THE BOTTOM LINE

Purchase Allowance

Income Statement

Contra Cost of Goods Sold	↑ 100
Net Income	↑ 100

Balance Sheet

Liabilities	↓ 100
Equity	↑ 100

I love the business transaction illustrations that show students the analysis of a transaction, applies debit/credit rules, T-account presentation, and journal entry.

—Morgan Rocket
Moberly Area Community College

The Bottom Line

Appears in the margins alongside select transactions and concepts in the text. These visuals offer a summary of the effects of these transactions—the end result—on the financial statements of a business.

FINANCIAL STATEMENTS

- Recording entries into accounts provides an efficient method of gathering data about the financial affairs of a business.
- A chart of accounts is usually similar from company to company; balance sheet accounts are first, followed by income statement accounts.
- A trial balance proves the financial records are in balance.
- The income statement reports the revenue and expenses for the period and shows the net income or loss.
- The statement of owner's equity shows the change in owner's equity during the period.

MANAGERIAL IMPLICATIONS <<

- The balance sheet summarizes the assets, liabilities, and owner's equity of the business on a given date.
 - Owners, managers, creditors, banks, and many others use financial statements to make decisions about the business.
- THINKING CRITICALLY**
- What are some possible consequences of not recording financial data correctly?

Managerial Implications

Puts your students in the role of managers and asks them to apply the concepts learned in the chapter.

Section 1 Self Review

QUESTIONS

- How is the *Income Summary* account classified?
- What are the four steps in the closing process?
- What is the journal entry to close the drawing account?

EXERCISES

- After closing, which accounts have zero balances?
 - asset and liability accounts
 - liability and capital accounts

- liability, drawing, and expense accounts
- revenue, drawing, and expense accounts

- After the closing entries are posted, which account normally has a balance other than zero?
 - Capital
 - Fees Income
 - Income Summary
 - Rent Expense

ANALYSIS

- The business owner removes supplies that are worth \$500 from the company stockroom. She intends to take them home for personal use. What effect will this have on the company's net income?

(Answers to Section 1 Self Review are on page 184.)

ABOUT ACCOUNTING

Employee Fraud

According to the U.S. Chamber of Commerce, businesses lose billions of dollars each year to employee fraud. The best defense against fraud is to use good internal controls: Have multiple employees in contact with suppliers and screen employees and vendors to reduce fraud opportunities.

About Accounting

These marginal notes contain interesting examples of how accounting is used in the real world, providing relevance to students who might not be going on to a career in accounting.

Self Review

Each section concludes with a Self Review that includes questions, multiple-choice exercises, and an analysis assignment. A Comprehensive Self Review appears at the end of each chapter. Answers are provided at the end of the chapter.

How Can Haddock/Price/Farina Bridge the Gap from Learning to “Doing”?

Problem Sets A and B and Critical Thinking Problems conclude with an **Analyze** question asking the student to evaluate each problem critically.

Mini-Practice Set 1
Service Business Accounting Cycle
Wells' Consulting Services

This project will give you an opportunity to apply your knowledge of accounting principles and procedures by handling all the accounting work of Wells' Consulting Services for the month of January 2017.

INTRODUCTION

Assume that you are the chief accountant for Wells' Consulting Services. During January, the business will use the same types of records and procedures that you learned about in Chapters 1 through 6. The chart of accounts for Wells' Consulting Services has been expanded to include a few new accounts. Follow the instructions to complete the accounting records for the month of January.

Wells' Consulting Services Chart of Accounts	
Assets	Revenue
101 Cash	401 Fees Income
111 Accounts Receivable	Expenses
121 Supplies	511 Salaries Expense
134 Prepaid Insurance	514 Utilities Expense
137 Prepaid Rent	517 Supplies Expense
141 Equipment	520 Rent Expense
142 Accumulated Depreciation—Equipment	523 Depreciation Expense—Equipment
Liabilities	526 Advertising Expense
202 Accounts Payable	529 Maintenance Expense
Owner's Equity	532 Telephone Expense
301 Carolyn Walls, Capital	535 Insurance Expense
302 Carolyn Walls, Drawing	
309 Income Summary	

INSTRUCTIONS

1. Open the general ledger accounts and enter the balances for January 1, 2017. Obtain the necessary figures from the postclosing trial balance prepared on December 31, 2016, which appears on page 166.

Mini-Practice Sets

In addition to two full-length practice sets that are available to your students for purchase with the textbook, Haddock/Price/Farina offers a number of mini-practice sets right in the book. This means additional practice, but less cost, for your students.

Business Connections

Reinforces chapter materials from practical and real-world perspectives:

Managerial Focus: Applies accounting concepts to business situations.

Ethical Dilemma: Provides the opportunity for students to discuss ethics in the workplace, formulate a course of action for certain scenarios, and support their opinions.

Financial Statement Analysis:

A brief excerpt from a real-world annual report and questions that lead the student through an analysis of the statement, concluding with an Analyze Online activity where students research the company's most recent financial reports on the Internet.

TeamWork: Each chapter contains a collaborative learning activity to prepare students for team-oriented projects and work environments.

Internet Connection: These activities give students the opportunity to conduct online research about major companies, accounting trends, organizations, and government agencies.

BUSINESS CONNECTIONS

Interpreting Financial Statements

1. An officer of Westway Corporation recently commented that when he receives the firm's financial statements, he looks at just the bottom line of the income statement—the line that shows the net income or net loss for the period. He said that he does not bother with the rest of the income statement because “it's only the bottom line that counts.” He also does not read the balance sheet. Do you think this manager is correct in the way he uses the financial statements? Why or why not?
2. The president of Brown Corporation is concerned about the firm's ability to pay its debts on time. What items on the balance sheet would help her to assess the firm's debt-paying ability?
3. Why is it important that a firm's financial records be kept up-to-date and that management receive the financial statements promptly after the end of each accounting period?
4. What kinds of operating and general policy decisions might be influenced by data on the financial statements?

Timing of a Check

On the last day of the fiscal year, Stanley Carpenter comes to you for a favor. He asks that you enter a check for \$2,000 to CD Company for Miscellaneous Expense. You notice the invoice looks a little different from other invoices that are processed. Stanley needs the check immediately to get supplies today to complete the project for a favorite customer. You know that by preparing the closing entries tomorrow, Miscellaneous Expense will be set to zero for the beginning of the new year. Should you write this check and record the expense or find an excuse to write the check tomorrow? What would be the effect if the invoice to CD Company was erroneous and you had written the check?

Income Statement

In 2012, CSX Corporation, which operates under the name Surface Transportation, reported operating expenses of \$8,299 million. A partial list of the company's operating expenses follows. CSX Corporation reported revenues from external customers to be \$11,756 million for the year.

College Accounting is an excellent textbook to introduce students to the world of accounting. The way Haddock/Price/Farina break down the steps in the Accounting Cycle, then move on to other topics, makes it very easy for students to grasp the accounting concepts. The wide variety of student and instructor resources is very helpful.

—Kathy Bowen,
Murray State College

New to the Third Edition

- Chapter Openers have been revised featuring companies such as: AT&T, Kellogg's, Marek Brothers, Williams-Sonoma, Urban Outfitters, and WholeFoods
- Real-world examples throughout text have been updated
- End-of-chapter exercises, problems, and critical thinking problems have been revised and updated throughout the text
- Business Connections section of end-of-chapter Financial Statement Analysis questions have been updated to include the latest financial data
- **NEW** coverage of Bank Credit Cards in Chapter 7.
- **NEW** section on the perpetual inventory system has been added to Chapter 8
- Examples in Chapter 10 reflect the latest earnings base for the Social Security tax and minimum hourly rate of pay
- Section on Reporting and Paying State unemployment taxes has been completely revised in Chapter 11
- **NEW** section on Accounts Receivable turnover has been added in Chapter 13
- **NEW** McGraw-Hill *Connect Accounting* Intelligent Response Technology is an online assignment and assessment solution that connects students with the tools and resources needed to achieve success through faster learning, more efficient studying, and higher retention of knowledge

NEW McGraw-Hill LearnSmart™ is an adaptive learning program that identifies what an individual student knows and doesn't know. LearnSmart's adaptive learning path helps students learn faster, study more efficiently, and retain more knowledge.

Also, NEW with this edition is McGraw-Hill SmartBook, part of McGraw-Hill's LearnSmart suite of products.

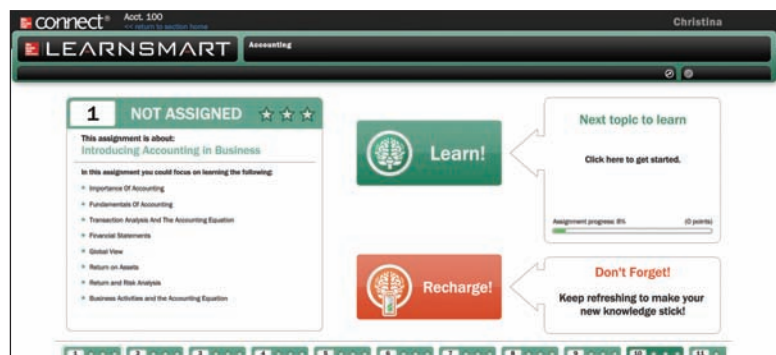
Learn with Adaptive

LEARNSMART®

LearnSmart is one of the most effective and successful adaptive learning resources available on the market today. More than 2 million students have answered more than 1.3 billion questions in LearnSmart since 2009, making it the most widely used and intelligent adaptive study tool that's proven to strengthen memory recall, keep students in class, and boost grades. Students using LearnSmart are 13% more likely to pass their classes and 35% less likely to drop out.

Distinguishing what students know from what they don't, and honing in on concepts they are most likely to forget, LearnSmart continuously adapts to each student's needs by building an individual learning path so students study smarter and retain more knowledge. Turnkey reports provide valuable insight to instructors, so precious class time can be spent on higher-level concepts and discussion.

This revolutionary learning resource is available only from McGraw-Hill Education, and because LearnSmart is available for most course areas, instructors can recommend it to students in almost every class they teach.



Technology

SMARTBOOK™

Fueled by LearnSmart—the most widely used and intelligent adaptive learning resource—SmartBook is the first and only adaptive reading experience available today.

Distinguishing what a student knows from what they don't, and honing in on concepts they are most likely to forget, SmartBook personalizes content for each student in a continuously adapting reading experience. Reading is no longer a passive and linear experience, but an engaging and dynamic one where students are more likely

to master and retain important concepts, coming to class better prepared. Valuable reports provide instructors insight as to how students are progressing through textbook content, and are useful for shaping inclass time or assessment. As a result of the adaptive reading experience found in SmartBook, students are more likely to retain knowledge, stay in class, and get better grades.

This revolutionary technology is available only from McGraw-Hill Education and for hundreds of course areas as part of the LearnSmart Advantage series.

How Does SmartBook Work?

Each SmartBook contains four components: Preview, Read, Practice, and Recharge. Starting with an initial preview of each chapter and key learning objectives, students read the material and are guided to topics that need the most practice based on their responses to a continuously adapting diagnostic. Read and practice continue until SmartBook directs students to recharge important material they are most likely to forget to ensure concept mastery and retention.



Leading Technology Extends Learning

McGraw-Hill *Connect Accounting*



Get *Connect Accounting*. Get Results.

McGraw-Hill *Connect Accounting* is a digital teaching and learning environment that gives students the means to better connect with their coursework, with their instructors, and with the important concepts that they will need to know for success now and in the future. With *Connect Accounting*, instructors can deliver assignments, quizzes, and tests easily online. Students can practice important skills at their own pace and on their own schedule.

Online Assignments

Connect Accounting helps students learn more efficiently by providing feedback and practice material when they need it, where they need it. *Connect Accounting* grades homework automatically and gives immediate feedback on any questions students may have missed.

Intelligent Response Technology (IRT)

IRT is a redesigned student interface for our end-of-chapter assessment content. The benefits include improved answer acceptance to reduce students' frustration with formatting issues (such as rounding). Also, select questions have been redesigned to test students' knowledge more fully. They now include tables for students to work through rather than requiring that all calculations be done offline.

DATE	TRANSACTIONS
2016	
Sept. 1	Jewell Tucker invested \$47,000 in cash to start the firm.
4	Purchased office equipment for \$5,200 on credit from Den, Inc.; received Invoice 9823, payable in 30 days.
16	Purchased an automobile that will be used to visit clients; issued Check 1001 for \$13,200 in full payment.
20	Purchased supplies for \$390; paid immediately with Check 1002.
23	Returned damaged supplies for a cash refund of \$105.
30	Issued Check 1003 for \$2,900 to Den, Inc., as payment on account for Invoice 9823.
30	Withdrew \$1,700 in cash for personal expenses.
30	Issued Check 1004 for \$1,050 to pay the rent for October.
30	Performed services for \$2,900 in cash.
30	Paid \$370 for monthly telephone bill, Check 1005.

Prepare the journal entries for the above transaction at Sept 2016.

[view transaction list](#) [view general journal](#)

Journal Entry Worksheet

Jewell Tucker invested \$47,000 in cash to start the firm.

Date	General Journal	Debit	Credit
Sep 01, 2016	Cash		47,000
	Je		
	301 : Jewell Tucker, Capital		
	302 : Jewell Tucker, Drawing		

*Enter debits before credits

[done](#) [clear transaction](#) [record transaction](#)

value: 10.00 points

Wilson Cleaning Service has the following account balances on December 31, 2016.

Cash	\$ 18,400	Accounts Payable	\$ 23,600
Equipment	\$ 45,400	James Wilson, Capital	\$ 40,200

Enter the above balances on the proper side of the T account.

Cash		Equipment	
18,400		45,400	

value: 10.00 points

At the beginning of September, Alexandria Perez started Perez Investment Services, a firm that offers advice about investing and managing money. On September 30, the accounting records of the business showed the following information.

Cash	\$ 32,900	Fees Income	\$ 76,880
Accounts Receivable	3,800	Advertising Expense	6,300
Office Supplies	3,200	Salaries Expense	15,800
Office Equipment	37,300	Telephone Expense	780
Accounts Payable	5,500	Withdrawals	8,800
Alexandria Perez, Capital, September 1, 2016	26,500		

Prepare an income statement for the month of September 2016.

PEREZ INVESTMENT SERVICES		
Income Statement		
Month Ended September 30, 2016		
Revenue		
Fees income		\$ 76,880
Expenses		
Advertising expense	\$ 6,300	
Salaries expense	15,800	
Telephone expense		
Total expenses		22,100
		\$ 54,780

Beyond the Classroom

Guided Examples

The Guided Examples in *Connect Accounting* provide a narrated, animated, step-by-step walk-through of select exercises similar to those assigned. These short presentations provide reinforcement when students need it most.

On October 1, Keisha King organized Real Answers, a new consulting firm; on October 3, the owner contributed \$71,500 cash. On October 31, the company's records show the following items and amounts. Use this information to prepare an October statement of owner's equity for Real Answers.

Cash	\$11,250	Owner withdrawals	\$2,000
Accounts receivable	23,000	Consulting fees earned	25,000
Office supplies	1,200	Rent expense	4,500
Land	30,000	Salaries expense	10,000
Office equipment	18,000	Telephone expense	850
Accounts payable	5,000	Miscellaneous expenses	700
Owner investments	71,500		

Real Answers Income Statement For Month Ended October 31		
Revenues:		
Consulting fees earned		\$ 25,000
Expenses:		
Rent expense	\$ 4,500	
Salaries expense	10,000	
Telephone expense	850	
Miscellaneous expenses	700	
Total expenses		16,050

Total expenses are \$16,050.

Student Library

The *Connect Accounting* Student Library gives students access to additional resources such as recorded lectures, online practice materials, an eBook, and more.

Financial Accounting
Tuesday/Thursday
my courses

connect ACCOUNTING

home library reports

library

Essential resources for practice and study.

ebook access and search your textbook

course files download files for the course

LearnSmart identify your study needs and practice to improve

lectures view your instructor's recorded lectures

The online *Connect* component has changed the way I teach accounting! It is a central location for everything that I need to teach my course.

—Laura Bantz,
McHenry Community College

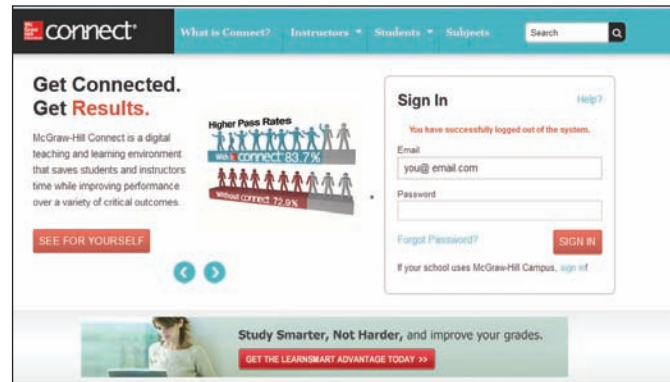
McGraw-Hill Connect Accounting Features

Connect Accounting offers a number of powerful tools and features to make managing assignments easier, so faculty can spend more time teaching.

Simple Assignment Management and Smart Grading

With *Connect Accounting*, creating assignments is easier than ever, so instructors can spend more time teaching and less time managing.

- Create and deliver assignments easily with selectable end-of-chapter questions and Test Bank items.
- Go paperless with the eBook and online submission and grading of student assignments.
- Have assignments scored automatically, giving students immediate feedback on their work and side-by-side comparisons with correct answers.
- Access and review each response; manually change grades or leave comments for students to review.
- Reinforce classroom concepts with practice tests and instant quizzes.



Student Reporting

Connect Accounting keeps instructors informed about how each student, section, and class is performing, allowing for more productive use of lecture and office hours. The progress-tracking function enables you to:

- View scored work immediately and track individual or group performance with assignment and grade reports.
- Access an instant view of student or class performance relative to learning objectives.
- Collect data and generate reports required by many accreditation organizations, such as AACSB and AICPA.



Instructor Library

The *Connect Accounting* Instructor Library is a repository for additional resources to improve student engagement in and out of class. You can select and use any asset that enhances your lecture. The *Connect Accounting* Instructor Library includes access to the eBook version of the text, videos, slide presentations, Solutions Manual, Instructor's Manual, and Test Bank. The *Connect Accounting* Instructor Library also allows you to upload your own files.

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McGraw-Hill reinvents the textbook learning experience for the modern student with *Connect Plus Accounting*.

A seamless integration of an eBook and *Connect Accounting*, *Connect Plus Accounting* provides all of the Connect Accounting features plus the following:

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- Media-rich capabilities like embedded audio/visual presentations, highlighting, and sharing notes.
- Dynamic links between the problems or questions you assign to your students and the location in the eBook where that concept is covered.
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The screenshot displays the McGraw-Hill Connect Accounting eBook interface. The top navigation bar includes 'Home', 'Library', and 'Reports'. The main content area is titled 'Chapter2: Analyzing Business Transactions' and 'The Accounting Equation and Financial Statements'. A section titled 'SELLING SERVICES FOR CASH' describes a transaction where a firm received \$36,000 in cash for services. Below this, an 'ANALYSIS' box shows a T-account diagram with a debit of \$36,000 to Cash and a credit of \$36,000 to Revenue. A table below the diagram shows the accounting equation: Assets = Liabilities + Owner's Equity. The table lists Cash, Supplies, Rent, Equipment, Payable, Capital, and Revenue, with their respective values and changes.

Assets	=	Liabilities	+	Owner's Equity									
Cash	+	Supplies	-	Rent	+	Equipment	-	Payable	-	Capital	+	Revenue	+
Previous balance	\$	22,000	+	\$1,500	+	\$8,000	+	\$11,000	=	\$3,500	+	\$100,000	
1st Increased													\$36,000
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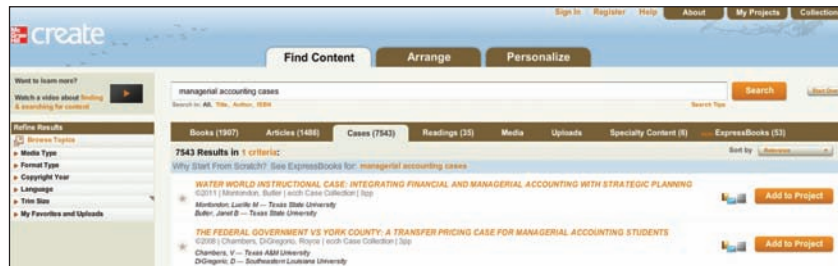
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www.mhhe.com/haddock3e

The Online Learning Center (OLC) that accompanies *College Accounting* provides a wealth of extra material for both instructors and students. With content specific to each chapter of the book, the OLC doesn't require any building or maintenance on your part.

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- **Solutions Manual**

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Many educational institutions today are focused on the notion of assurance of learning, an important element of some accreditation standards. *College Accounting: A Contemporary Approach, 3e*, is designed specifically to support your assurance of learning initiatives with a simple, yet powerful, solution.

Each test bank question for *College Accounting: A Contemporary Approach, 3e*, maps to a specific chapter learning objective listed in the text. You can use our test bank software, *EZ Test, EZ Test Online, or Connect Accounting* to easily query for learning objectives that directly relate to the learning objectives for your course. You can then use the reporting features of *EZ Test* to aggregate student results in similar fashion, making the collection and presentation of assurance of learning data simple and easy.

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The statements contained in *College Accounting: A Contemporary Approach, 3e*, are provided only as a guide for the users of this text. The AACSB leaves content coverage and assessment clearly within the realm and control of individual schools, the mission of the school, and the faculty. While *College Accounting: A Contemporary Approach, 3e*, and the teaching package make no claim of any specific AACSB qualification or evaluation, we have, within *College Accounting: A Contemporary Approach, 3e*, labeled selected questions according to the six general knowledge and skills areas.

Student Supplements

Study Guide/Working Papers

ISBN: 9780077639785

(MHID: 0077639782)

This study aid summarizes essential points in each chapter, tests students' knowledge using self-test questions, and contains forms that help students organize their solutions to homework problems.

Action Video Practice Set

Available through Create

Action Video Productions is a sole proprietorship service business that uses source documents, a general journal, a general ledger, worksheets, and a filing system to provide students with a usable practice set. The strength of this set is the use of source documents in conjunction with the daily business activities. This set can be completed after Chapter 6 of *College Accounting*.

Student Guide for QuickBooks Accountant with QuickBooks Accountant Templates

To better prepare students for accounting in the real world, end-of-chapter material in Haddock is tied to QuickBooks Accountant 2014 software. The accompanying study guide provides a step-by-step walkthrough for students on how to complete the problem in the software.

Sage 50 Complete Accounting Templates

Available on the Online Learning Center. Selected problems in the text are tied to templates created in Sage 50 Complete Accounting. Students use the accompanying guide to complete the problem in the software.

Online Learning Center (OLC)

www.mhhe.com/haddock3e

The Online Learning Center (OLC) is full of resources for students, including: Online Quizzing, PowerPoint Presentations, and Sage 50 Templates.

Excellent textbook for our community college students and dual credit accounting. Has all the bells and whistles we need to keep students interested in the topics and help them improve their grades.

—Marina Grau,
Houston Community College
—Southwest College

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David Haddock • John Price • Michael Farina

The Price College Accounting textbook is a well written and planned out approach to a college accounting approach. It goes into more detail and coverage of topics than most college accounting textbooks that I have seen. Each chapter includes great examples and transactional analysis as the topics progress.

— Roger McMillian
Mineral Area College

To the Student

Welcome to *College Accounting*. This book and the accompanying study materials will help you bridge the gap from your first course in accounting to your next business course . . . and beyond, to your career.

Marginal Icons are used throughout the text to link content to support materials on the web or via other media, or to highlight consistent elements throughout the text:

This icon indicates that the content being discussed is related to internal control.

Continuing problems build on one another from chapter to chapter, allowing you to use the concepts you've just been introduced to in a chapter to revisit and further reinforce material you've learned in previous chapters.

The Quickbooks software grew out of the success of the personal finance software Quicken. Problems are pulled into Quickbooks, giving you another way to practice using software that you are likely to run into in the business world. There is also a Student Guide for Quickbooks Pro available to you as a printed supplement that will assist you in working with Quickbooks.

Sage 50 Complete Accounting (formerly known as Peachtree) is an accounting tool that you are likely to encounter if you decide to make accounting your career. This icon indicates that you can work the problem in Sage 50, gaining experience that will be invaluable once you graduate. The Sage 50 templates are available on the Online Learning Center.

McGraw-Hill's *Connect Accounting* system allows you to submit homework online if your professor chooses to utilize it in the classroom. Your professor will request that you obtain this software when you purchase your book if he/she plans to ask you to submit your homework online.

Self Reviews are a great way to double-check that you've understood what you've just read in your book or what your professor has just covered in lecture. There is a Self Review at the end of every section. Answers to the self reviews can be found at the end of each chapter so you can check your work and make sure you understand a topic before moving on to the next section.

Learning Objectives can be found at the beginning of each chapter as well as at the beginning of each section. The section opener objectives also contain a brief explanation for "Why It's Important" to study the concept presented.



Online Learning Center (www.mhhe.com/haddock3e) The website that accompanies Haddock/Price/Farina's *College Accounting: A Contemporary Approach, 3e*, is a great resource for you. Don't be afraid to use it! On the Online Learning Center (OLC), there are a lot of great materials that will help you not only get through your course, but also get a good grade and remember what you learned. You will find things like Practice Quizzes and PowerPoint® Slides.

To access the OLC, just go to the link above and look to the left. You'll see a link to the "Student Edition"—click on this and you will find a variety of Course-Wide Content in the top left corner, including accounting videos. Under this, you will see a drop-down menu from which you can choose whatever chapter you want and find additional resources.

Practice Sets *College Accounting, 3e*, comes with two different full-length practice sets (in addition to the Mini-Practice Sets included inside the textbook) that you can purchase to get additional practice applying the concepts you've learned in class. Your instructor can provide you with the answers so you can check your work.

Study Guide and Working Papers In addition to giving you a hard copy place to enter the answers to the questions, exercises, and problems your instructor assigns you in class, the Study Guide and Working Papers also include additional activities, exercises, true/false questions, and a demonstration problem that you can work—all of which give you more chances to practice what you're going to see on the test!

Our two main goals are to help you understand and apply accounting and prepare you for the future, whether that includes additional study or a new workplace. We hope the aids we've provided for you as listed above will help enhance your study and ultimately give you a greater understanding of accounting and how it applies in the real world.

Good luck with your studies. We think it will be well worth your efforts.

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