

MANAGERIAL ACCOUNTING

Tenth Canadian Edition

Ray H. Garrison, D.B.A., CPA

Professor Emeritus
Brigham Young University

Theresa Libby, Ph.D., CPA, CA

University of Waterloo

Alan Webb, Ph.D., FCPA, FCA

University of Waterloo

Eric W. Noreen, Ph.D., CMA

(Co-Author, U.S. Edition)

Professor Emeritus

University of Washington

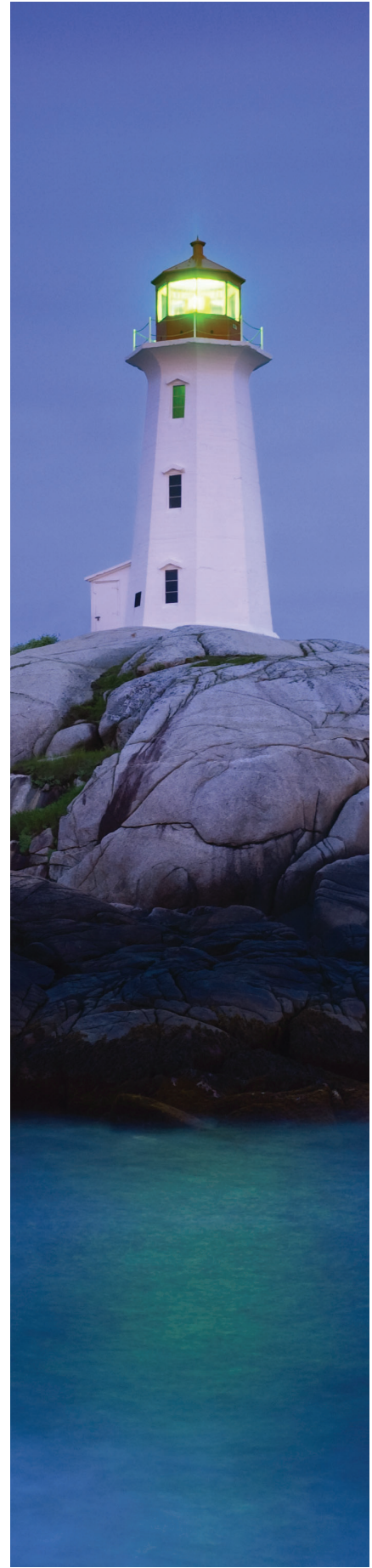
Peter C. Brewer, Ph.D., CPA

(Co-Author, U.S. Edition)

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Dedication

To our families, and the students and instructors who will use this book.

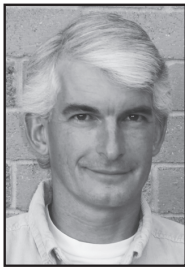
About the Authors



Ray H. Garrison is Emeritus Professor of Accounting at Brigham Young University, Provo, Utah. He received his B.S. and M.S. degrees from Brigham Young University and his D.B.A. degree from Indiana University. As a certified public accountant, Professor Garrison has been involved in management consulting work with both national and regional accounting firms. He has published articles in *The Accounting Review*, *Management Accounting*, and other professional journals. Innovation in the classroom has earned Professor Garrison the Karl G. Maeser Distinguished Teaching Award from Brigham Young University.



Theresa Libby is a Professor of Accounting in the School of Accounting and Finance, University of Waterloo. She received her Ph.D. from the University of Waterloo and a B. Comm. from the University of Windsor. Professor Libby is also a chartered professional accountant. Her research interests include the manager's use of accounting information for decision making, the effects of budgeting processes on performance, and accounting ethics. She has published articles in *CA Magazine* and *CMA Management*, as well as in leading research journals including *The Accounting Review*, *Contemporary Accounting Research*, *Business Ethics Quarterly*, and the *Journal of Management Accounting Research*. Professor Libby sits on the editorial boards of *Contemporary Accounting Research* and *Management Accounting Research* and has served as the editor of *Behavioral Research in Accounting*. In 2014, Professor Libby was awarded the L. S. Rosen Outstanding Educator Award by the Canadian Academic Accounting Association.



Alan Webb is a Professor in the School of Accounting and Finance at the University of Waterloo. He is a graduate of Mount Allison University and the University of Alberta, with B. Comm. and Ph.D. degrees. His primary research interests are in the areas of incentives, goal-setting, and performance measurement. Professor Webb has presented his work throughout North America and he is an editor of *Contemporary Accounting Research*. His research publications appear in *The Accounting Review*, *Journal of Accounting Research*, *Journal of Management Accounting Research*, *Contemporary Accounting Research*, *Issues in Accounting Education*, *CA Magazine*, and *CMA Management* magazine. He is a chartered professional accountant and has volunteered in numerous professional activities both in Canada and abroad. In 2011, Professor Webb was awarded the L. S. Rosen Outstanding Educator Award by the Canadian Academic Accounting Association and was named a Fellow of the Institute of Chartered Professional Accountants of Ontario for his outstanding career accomplishments.



Eric W. Noreen (Co-author, U.S. Edition) is Professor Emeritus of Accounting at the University of Washington and was Visiting Price Waterhouse Professor of Management Information & Control at INSEAD, an international graduate school of business located in France, and a professor at the Hong Kong University of Science and Technology. He received his B.A. degree from the University of Washington and M.B.A. and Ph.D. degrees from Stanford University. A Certified Management Accountant, he was awarded a Certificate of Distinguished Performance by the Institute of Certified Management Accountants. Professor Noreen has served as Associate Editor of *The Accounting Review* and the *Journal of Accounting and Economics*. He has published numerous articles in academic journals and has won a number of awards for his teaching.



Peter C. Brewer (Co-author, U.S. Edition) is a Lecturer in the Department of Accountancy at Wake Forest University. Prior to joining the faculty at Wake Forest, he was an accounting professor at Miami University for 19 years. He holds a B.S. degree in accounting from Penn State University, an M.S. degree in accounting from the University of Virginia, and a Ph.D. from the University of Tennessee. He has published numerous articles in a variety of journals. Professor Brewer has received Miami University's Richard T. Farmer School of Business Teaching Excellence Award and has been recognized on two occasions by the Miami University Associated Student Government for "making a remarkable commitment to students and their educational development." He is a leader in undergraduate management accounting curriculum innovation and the use of the case method for teaching undergraduate management accounting courses. He is a frequent presenter at various professional and academic conferences and meetings.

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Garrison/Libby/Webb:

For centuries, the lighthouse has stood as a beacon of guidance for mariners at sea. More than an aid to navigation, the lighthouse symbolizes safety, permanence, reliability, and the comforts of the familiar.

For this reason, we continue to illustrate the tenth Canadian edition of our flagship accounting publication, *Managerial Accounting* by Garrison, Libby, and Webb, with an image that we feel encapsulates the greatest strengths of this market-leading text.

Garrison is your guide through the challenges of learning managerial accounting. It identifies the three functions that managers must perform within their organizations—plan operations, control activities, and make decisions—and explains the managerial accounting information necessary for these functions, how to collect or prepare it, and how to interpret it. To achieve this, the tenth Canadian edition of *Managerial Accounting* focuses, now as in the past, on three qualities:

Your guide through the challenges of learning managerial accounting

Relevance. Every effort is made to help students relate the concepts in this book to the decisions made by managers in practice. With chapter openers based on real-world scenarios, in-chapter examples providing practical applications, knowledge in action summaries, and extensive end-of-chapter material, a student reading Garrison should never have to ask, “Why am I learning this?”

Balance. Garrison provides extensive examples and end-of-chapter material covering the breadth of business types found in practice, including manufacturing, service, retail, wholesale organizations, and not-for-profit entities. In the tenth Canadian edition, material related to the adoption of International Financial Reporting Standards (IFRS) continues to be highlighted with icons in the margins of the text.

Clarity. Generations of students have praised Garrison for the accessibility and readability of its writing, but that’s just the beginning. Discussions of technical material have been simplified, chapters have been reordered, more specialized topics have been moved to online appendices, and the entire book has been thoroughly revised with the objective of making learning and teaching from Garrison as easy as possible. Key term definitions and icons signifying ethics, writing, and Excel assignments continue to add clarity for both students and instructors. In addition, students and instructors will work with clear, well-written supplements that employ consistent terminology.

The authors’ steady focus on these three core elements has led to tremendous results.

What makes Garrison such a powerful learning tool?


Managerial Accounting is full of pedagogy designed to make studying productive. On the following pages, you will see the kind of engaging, helpful pedagogical features that make Garrison a favourite among both instructors and students.

Section Overviews

The tenth Canadian edition is divided into five sections. One-page overviews map the chapters included and how they are related.

Opening Vignettes

These chapter openers, based on real-world scenarios, introduce the chapter and highlight some of the issues, concepts, and decisions faced by managers that are discussed in the ensuing pages.



SECTION 2

COSTING

Chapters 5 through 8

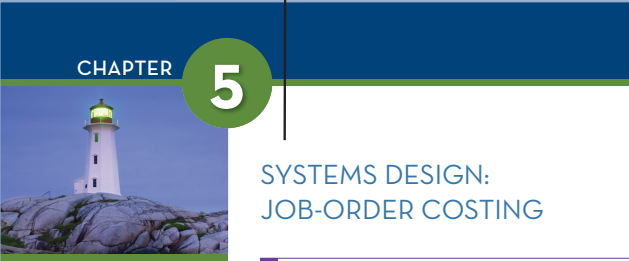
Chapters 5 through 8 provide a comprehensive description of how costs are associated with manufacturing and other activities. In addition, these costing systems can be applied to service organizations and not-for-profit organizations. To permit costing for such specialized situations, two costing systems, job-order costing and process costing, can be mixed and matched.

Chapter 5 begins with the most basic and widely used costing system, job-order costing. Job-order costing permits costs to be assigned to specific outcomes, termed jobs, so that costs can be accumulated for what a company produces. In addition, manufacturing overhead—a term often shortened to just overhead—is assigned by a process of averaging to estimate its amount before actual overhead costs are known.

Chapter 6 introduces an averaging calculation used for costing similar units of product, termed process costing. The ordering of costs learned in financial

partially finished inventory. Chapter 7 introduces overhead methods that are categorized to department permit better management of overhead costs. **Chapter 7** introduces a way to disaggregate overhead costs. Cost objectives are cost driver. By doing this, overhead costs are proved and managed. **Chapter 8** describes the importance of overhead costs in a job-order costing system.

Chapter 8 compares describing variable overhead costs with a predetermined overhead rate.




CHAPTER 5

SYSTEMS DESIGN: JOB-ORDER COSTING

Learning Objectives

After studying Chapter 3, you should be able to

- 1 Distinguish between process costing and job-order costing, and identify the production or service processes that fit with each costing method.
- 2 Recognize the flow of costs through a job-order costing system.
- 3 Compute predetermined overhead rates, and explain why estimated overhead costs (rather than actual overhead costs) are used in the costing process.
- 4 Record the journal entries that reflect the flow of costs in a job-order costing system.
- 5 Apply overhead cost to work in process using a predetermined overhead rate.



CUSTOM DESIGN AT ICEJERSEYS.COM

Sport BUFF is dedicated to offering the best selection of officially licensed sports merchandise and apparel in Montreal. Customers know that they want what they support. So they will have a jersey in stock. Internet and online shopping have become more popular, the store launched the website <http://IceJerseys.com> and began offering custom team outfitting services for teams at all skill levels. Customers can use an online tool called "JerseyBuilder" to choose colours and styles, and IceJerseys.com staff will design a logo for each team. Individual team members' names and numbers and the team logo are printed on each jersey to meet customer specifications.

Accurately pricing custom-designed jerseys depends critically on the costing information available to managers at companies like IceJerseys.com, on the prices charged by competitors. The price quoted by IceJerseys.com for a custom batch of hockey jerseys must adequately cover costs and allow for an adequate profit margin while remaining price-competitive. Costs might include the cost of materials and the cost of labour devoted to designing custom logos and other artwork; the cost of materials a

Learning Aids

These pedagogical boxes emphasize and summarize key content for students.

LEARNING AID

Key Formulas for Contribution Format Income Statements

Operating income = Unit CM × Q - Fixed expenses
 CM = Sales - Variable expenses
 CM per unit = Per unit sales - Per unit variable expenses
 CM ratio = Total CM ÷ Total sales or CM ratio = Per unit CM ÷ Per unit sales
 Variable expense ratio = Variable expenses ÷ Sales
 In these formulas, CM = contribution margin and Q = quantity of goods sold in units.

IN BUSINESS

When deciding whether to bid for a major sporting event such as the Olympic Games, the potential host would perform a careful analysis of the expected differential revenues and differential costs. For example, according to some estimates, the differential costs to British Columbia of hosting the Vancouver 2010 Olympics were about \$1.5 billion. Differential costs are those that were incurred *only* as a result of hosting the games. Examples are the cost of facilities such as the speed-skating arena that would not have been built if Vancouver had not won the Olympic bid, security for the events, and galas sponsored by the provincial government. Costs that would have been incurred even if British Columbia had not hosted the Olympics, such as upgrades to the Sea-to-Sky Highway leading to Whistler, are not considered differential costs.

A large source of differential revenue for British Columbia will be the money received in the years following the games as the result of tourists visiting the province after watching the Olympics on television. Some experts estimated that the 2010 Olympics could result in an additional 1.1 million to 2.7 million tourists for British Columbia in the five years following the games. According to a 2014 report prepared by Tourism BC, total tourism revenues for British Columbia in 2012 increased 2.5% compared to 2011 and 40.5% compared to 2002, suggesting estimates of the differential revenues

In Business

These helpful boxed features offer a glimpse into how real companies use the managerial accounting concepts discussed in the chapter. Every chapter contains several of these current examples.

Generally Accepted Accounting Principles

Financial accounting statements prepared for external users must be prepared in accordance with generally accepted accounting principles (GAAP). External users must have some assurance that the reports have been prepared in accordance with some common set of ground rules. Beginning January 1, 2011, Canada joined more than 100 other countries, including Australia, New Zealand, and European Union member countries, in adopting International Financial Reporting Standards (IFRS) for publicly accountable enterprises. As of that date, in Canada, IFRS became GAAP for public companies. The purpose of IFRS is simple: to enhance the comparability and clarity of financial information on a global basis. Given the increasing degree of globalization of the economy and the interconnectedness of capital markets, accounting standard setters in Canada concluded that it was crucial to adopt IFRS.² Private companies and not-for-profit organizations are not required to adopt IFRS but instead can use accounting standards for private enterprises (ASPE). While the common ground rules established by IFRS will enhance comparability across external reporting jurisdictions, they do not necessarily lead to the type of reports that would be most useful



IFRS Icon

The IFRS icon continues to identify where changes as a result of IFRS adoption in Canada are affecting managerial accounting.

Knowledge in Action

New to the tenth edition, these summaries provide examples of how key concepts covered in the chapter are applied by managers in practice. They are intended to reinforce the practical relevance of the material being learned.

KNOWLEDGE IN ACTION



- Managers can apply their knowledge about cost behaviour when
 - Calculating sales needed to achieve break-even profit levels
 - Estimating sales needed to achieve desired profit targets
 - Estimating the impact of sales volume changes on profit
- Costing products
- Preparing budgets and analyzing differences between actual and budgeted results
- Deciding whether to keep or drop a product
- Deciding whether to make a product internally or outsource production



Managerial Accounting has earned a reputation for the best practice material of any text on the market. The tenth Canadian edition includes both new and revised exercises, problems, and cases. Features include:

NEW

Instant Quiz 2-3

If a merchandising company has cost of goods sold of \$250,000, beginning merchandise inventory of \$50,000, and ending merchandise inventory of \$40,000, calculate the amount of inventory purchases for the period.

Instant Quizzes

New to the tenth edition, these short questions are designed to allow students to test their understanding of key topics as they work through each chapter. Each question is intended to take only a few minutes at most to complete. Several instant quizzes are included in each chapter, starting with Chapter 2. To provide feedback for the instant quizzes, solutions for all questions are provided at the end of each chapter.

Review Problems & Solutions**REVIEW PROBLEM: COST-VOLUME-PROFIT RELATIONSHIPS**

Networks Company manufactures wireless routers. The company's contribution format income statement for the most recent year is given below:

	Total	Per Unit	Percentage of Sales
Sales (25,000 units)	\$2,500,000	\$100	100%
Less variable expenses	1,500,000	60	7%
Contribution margin	1,000,000	40	7%
Less fixed expenses	800,000		
Operating income	\$ 200,000		

NEW

DISCUSSION CASE**DISCUSSION CASE 3-1**

Despite the numerous benefits of developing an accurate understanding of cost behaviour discussed in this chapter, research indicates that surprisingly few companies use quantitative techniques such as the high-low method or regression analysis to separate mixed costs into fixed and variable components.

Required:

Discuss reasons why companies might not use quantitative techniques (high-low method or regression analysis) to develop an accurate understanding of cost behaviour.

**Discussion Cases**

New to the tenth edition, these short cases focus on one or more of the concepts covered in the chapter. They are designed to provoke careful thought about key topics and to generate in-class discussion. One case has been developed for each chapter.

QUESTIONS

- 2-1 Would costs related to the building used only by administrative personnel, such as heat and lights, property taxes, and insurance, be considered part of manufacturing overhead? Why or why not?
- 2-2 Distinguish between the following: (a) direct materials, (b) indirect materials, (c) direct labour, (d) indirect labour, and (e) manufacturing overhead.
- 2-3 Are product costs always expensed in the period in which they are incurred? Explain.
- 2-4 What are marketing or selling costs? How are they treated on the income statement?
- 2-5 Describe the schedule of cost of goods manufactured. How does it tie into the income statement?

Questions

NEW

Foundational Exercises

New to the tenth Canadian edition of Garrison! Each chapter now contains one Foundational exercise that includes "building block" questions related to one concise set of data. These exercises can be used for in-class discussion or as homework assignments. The Foundational Exercises are available on Connect.

EXERCISES**Exercises****EXERCISE 2-1 Classifying Manufacturing Costs (LO1)**

The costs below all relate to Sounds Good, a company based in Alberta that manufactures high-end audio equipment such as speakers, receivers, CD players, turntables, and home theatre systems. The company owns all of the manufacturing facilities (building and equipment) but rents the space used by the non-manufacturing employees (accounting, marketing, sales, human resources).

Required:

For each cost, indicate whether it would most likely be classified as a direct labour, direct

Problems

PROBLEMS



PROBLEM 2-13 Cost Classification [LO2, LOS, LO6]
 Cycle Business manufactures and sells road and mountain bikes through a network of retail outlets in western Canada. Below is a partial list of expense items incurred in the most recent month (November), when 1000 bicycles were manufactured, shipped, and sold. There was no beginning or ending work in process or finished goods inventory in November:

Item	October	November
Units produced and sold	900	1000

NEW

Excel Simulations

New to the tenth Canadian edition of Garrison! Simulated Excel questions, assignable within Connect, allow students to practise their Excel skills—such as using basic formulas and formatting—within the context of managerial accounting. These questions feature animated, narrated Help and Show me tutorials (when enabled), as well as automatic feedback and grading for both students and professors.

Applying Excel

This feature links the power of Excel with managerial accounting concepts by illustrating how Excel functionality can be used to better understand accounting data. Applying Excel goes beyond plugging numbers into a template by providing students with an opportunity to build their own Excel worksheets and formulas. Students are then asked “what if” questions in which they analyze not only how related pieces of accounting data affect each other, but what they do. Applying Excel is integrated with McGraw-Hill’s Connect, allowing students to practise their skills online with algorithmically generated datasets.

CASES



CASE 2-27 [LO1, LO2, LO3, LO4]

John Ranton, president and founder of Running Mate, could hardly contain his excitement over the operating results for his company’s second year of operations. Running Mate is an online retailer of a GPS running watch that records distance, time, speed, heart rate, and a number of other statistics. Ranton’s company does not manufacture the watches, but instead purchases them directly from the manufacturer based in China and resells them through its online shopping site. During the first two years of operation, Ranton decided to hold the selling price of the watch constant at \$100 per unit in an effort to attract business. He was also able to negotiate a deal with the supplier to hold Running Mate’s cost per watch constant at \$80 per unit for the two years. Operating expenses for each of the first two years of operation consist only of advertising expenses and the salaries paid to the website designer/administrator and the company’s bookkeeper. Because Ranton is busy with his numerous other business ventures, the bookkeeper also looks after the day-to-day operations of Running Mate and has sole signing authority to

Cases

EXERCISE 2-12 Classification of Labour Costs [LO1]

Greg Powers is employed by Gussie Company where he assembles a component part for one of the company’s products. Greg is paid \$14 per hour for regular time and he is paid time and a half (i.e., \$21 per hour) for all work in excess of 40 hours per week.

Required:

1. Assume that during a given week Greg is idle for three hours due to machine breakdowns and that he is idle for two more hours due to material shortages. No overtime is recorded for the week. Allocate Greg’s wages for the week between direct labour cost and manufacturing overhead cost.
2. Assume that during a following week Greg works a total of 49 hours. He has no idle time for the week. Allocate Greg’s wages for the week between direct labour cost and manufacturing overhead cost.
3. Greg’s company provides an attractive package of benefits for its employees. This package includes a retirement program and a health insurance program. Explain two ways that the company could handle the costs of its direct labourers’ employee benefits in its cost records.



Writing Assignments

These encourage students to practise critical thinking and effective writing.

CASE 5-31 Ethics and the Manager [LO3, LOS, LO7]

Emily Carrigan was recently transferred to the Appliances Division of Delancy Corporation. Shortly after taking over her new position as divisional controller, Carrigan was asked to develop the division’s predetermined overhead rate for the upcoming year. The accuracy of the rate is important. Delancy Corporation uses direct labour-hours in all of its divisions as the allocation base for manufacturing overhead.

To compute the predetermined overhead rate, Carrigan divided her estimate of the total manufacturing overhead for the coming year by the production manager’s estimate of the total direct labour-hours for the coming year. She took her computations to the division’s general manager for approval but was quite surprised when he suggested a modification in the base. Her conversation with the general manager of the Appliances Division, Harry Dufoc, went like this:

Carrigan: Here are my calculations for next year’s predetermined overhead rate. If you approve, we can enter the rate into the computer on January 1 and be up and running in the



Ethics Assignments

These serve as a reminder that ethical conduct is just as important as profits in business.

Focus on the Tenth Canadian Edition

Book Philosophy and Structure

Developing and improving a textbook on a topic as broad as managerial accounting is an ongoing challenge requiring a guiding philosophy.

The authors of the tenth Canadian edition use the framework established by Garrison, Noreen, and Brewer in their fourteenth U.S. edition as a starting point. Although we rely on this framework in guiding our general approach, we have developed a text that distinctly reflects the Canadian business and education setting. Our main objectives are to make the various topics as easy to learn for students as possible and to provide the flexibility necessitated by the varied requirements of our Canadian users. We have developed a text that can be covered in a single-term course and that also provides students with a useful resource for subsequent courses in managerial accounting.

In the first two chapters we describe the key responsibilities of managers, their need for managerial accounting information, and the role of professional ethics for management accountants. We also address the major differences between financial and managerial accounting and cover key cost terms and classifications. Next, we cover two major topic areas that support the information needs of managerial accounting: cost behaviour and analysis, and the costing of products and services. This foundation material is the basis for Chapters 3 and 4, which focus on cost behaviour patterns, cost prediction models, and cost-volume-profit analysis. The remaining foundation material is covered in Chapters 5 through 8, which examine the major types of costing systems used by organizations.

In Chapters 9 through 11, we build on this foundation in our coverage of planning and control topics. Chapters 9 and 10 explore how managers can use predetermined costs in the form of budgets and standard costs both in planning for the future and in evaluating past performance. Chapter 11 covers a variety of management control techniques, including responsibility centre reporting and evaluation and performance measurement.

The second major application of the foundation material is examined in Chapters 12 and 13, which focus on short-term and long-term decision analysis. In Chapter 12, we cover relevant costs and analysis techniques used for short-term decisions, and in Chapter 13, we present the approaches used to analyze long-term capital budgeting decisions. Because the analysis required for short- and long-term decisions requires estimates of future costs, a thorough understanding of the cost behaviour concepts covered in Chapters 3 and 4 is essential. The book concludes with online Chapter 14 on financial statement analysis, which we view as an extension of both the control topics covered in earlier chapters and the decision analysis material presented in Chapters 12 and 13.

Each chapter provides an extensive set of exercises, problems, and cases that cover manufacturing, service, and not-for-profit organizations, as well as international businesses. This material has been developed to give students an appreciation for the types of situations faced by a wide variety of actual businesses. Feedback from our

users indicates that while there is variety in the set of topics covered in any single course and the order in which they are covered, the structure and flexibility offered by our book makes it well suited to meet their needs.

Overall, our book is written in a way that facilitates understanding at the conceptual level and provides a sound basis for application.

What's New in the Tenth Edition

The tenth Canadian edition has been reviewed extensively to identify improvements over previous editions. The results of peer reviews and the authors' efforts are reflected in the revisions, reorganization, and new content development throughout the book. We have reordered the material in the tenth edition, placing the chapters on cost behaviour (Chapter 3) and cost-volume-profit (Chapter 4) concepts *before* the chapters on costing systems (Chapters 5 through 8). This reordering reflects our belief that understanding cost behaviour and analysis techniques is very helpful when studying costing systems. To demonstrate the practical application of the topics covered in the book, a new Knowledge in Action summary has been developed for each chapter after Chapter 1. These bullet point summaries give examples of how managers actually use the concepts covered in the chapter. Many exercises, problems, cases, and research questions have been revised and new ones created. We have also created a new Discussion Case at the end of each chapter. These short cases are designed to stimulate in-class discussion of a particular topic and require students to think more deeply about one or more key concepts. To further facilitate learning, we have developed new Instant Quizzes in most chapters that are designed to give students an opportunity to test their understanding of each major topic as they work through the chapter. The quizzes are short questions covering a single topic. To provide students with feedback, solutions to the Instant Quizzes are provided at the end of each chapter. Additionally, in several chapters, we have updated or created new Learning Aids to emphasize key materials and to reinforce students' understanding of the decision-making approach used for certain analysis techniques. We are confident that, collectively, these changes will enhance students' understanding and application of key managerial accounting topics.

The specific changes in each of the individual chapters of the tenth edition are summarized below:

- **Chapter 1** has been revised to improve clarity and to remove content deemed too advanced for an introductory text. Most notably the section on process management has been considerably shortened and the section on business plans removed. New In Business segments have been added.
- **Chapter 2** has a new opening vignette based on an actual service company, and several In Business segments have been revised or replaced with more current material. Exhibit 2-6 has been revised to clarify the cost flow example. Exhibits 2-7 and 2-9 have been replaced with Learning Aids. Seven Instant Quizzes have been included and a Knowledge in Action summary added.
- In **Chapter 3**, new examples have been developed to illustrate key cost behaviour concepts, and the related graphs have been revised. Several of the In Business segments have been revised or replaced to reflect more current material. Five Instant Quizzes have been included and a Knowledge in Action summary added.
- **Chapter 4** has a new opening vignette illustrating the use of the break-even concept in practice. Several In Business segments have been updated or replaced to reflect more current material. A new section on calculating multi-product break-even units has been developed, including a new Exhibit 4-6. The Learning Aid on multi-product cost-volume-profit analysis has been updated to include break-even units. Nine Instant Quizzes have been included and a Knowledge in Action summary added.
- **Chapter 5** has an updated opening vignette to reflect more current information, and several new examples of the use of job-order costing in service industries have been added. A new In Business segment has been added to describe job-order costing in a non-profit organization. References to paper copies of job tickets, cost sheets, and so on have been removed in favour of screen shots from a computerized database and discussion of how costs accumulate electronically in computerized costing systems. The discussion of disposition of over/underapplied overhead in the body of the chapter as well as the material included in Appendix 5A has been expanded to consider the impact of *International Accounting Standard (IAS) 2* on external reporting of product/service costs. Five Instant Quizzes have been included and a Knowledge in Action summary added.

- **Chapter 6** includes a new opening vignette illustrating the type of production process for which process costing is ideal. The main example built and elaborated upon throughout the chapter has been revised and refreshed. The appendix on service department cost allocation has been moved to online Appendix 11A: Transfer Pricing, Quality Costs, and Service Department Cost Allocation (see also Chapter 11 below) since users expressed the view that the material is better suited to being online. Finally, four Instant Quizzes and a Knowledge in Action summary have been added.
- **Chapter 7** includes a new opening vignette illustrating the usefulness of activity-based costing (ABC) in the auto industry. In addition, three new In Business segments have been added to illustrate the use of ABC in the travel and service industries. The review problem has been refreshed and a new review problem has been added that compares costs under traditional and ABC systems. Five Instant Quizzes have been included and a Knowledge in Action summary added.
- **Chapter 8** includes a new opening vignette illustrating a real-life example of managers' motivation to build inventory under an absorption costing system and how variable costing avoids this problem. In addition, the discussion of lean accounting has been enhanced, and a new In Business segment illustrating how lean accounting can be used to improve cost management in hospitals is included. Five Instant Quizzes and a Knowledge in Action summary are also included.
- **Chapter 9** has a new opening vignette that builds on the vignette developed for Chapter 2. A new example has been developed to illustrate the preparation of the master budget and its supporting components and the use of flexible budgets. The cash budget section has been revised to utilize the approach for calculating and paying interest expense employed in practice. The discussion of the financing section of the cash budget has been clarified to enhance understandability and a new formula has been included to simplify the calculation of borrowings and loan repayments. New In Business segments have been developed. Eight Instant Quizzes have been included and the Knowledge in Action summary added.
- **Chapter 10** includes one new and one updated In Business segment describing examples in the service industry. The Sales Variance Analysis Appendix has been added to the end of Chapter 10 as Appendix 10C (was Appendix 11A in the ninth edition) as the material fits better with the material in this chapter. Five Instant Quizzes and a Knowledge in Action summary have been added.
- **Chapter 11** now includes an updated version of the opening vignette as well as two new In Business segments concerning the using of the balanced scorecard in Canadian organizations. In addition, the coverage of material in this chapter has been reduced to better reflect knowledge necessary for an introductory course on managerial accounting. To facilitate coverage of more complex material by some instructors (e.g., transfer pricing, cost of quality, and profitability analysis), these topics have been included in the new online Appendix 11A: Transfer Pricing, Quality Costs, and Service Department Cost Allocation. Four Instant Quizzes and a Knowledge in Action summary have been included.
- **Chapter 12** has a new opening vignette concerning relevant costing in the airline industry, and a new In Business segment on relevant costs in the decision to lay off employees has been added. Six Instant Quizzes and a Knowledge in Action summary have been included.
- In **Chapter 13**, the opening vignette has been updated. All examples have been revised to discontinue the use of present value tables in performing the calculations. Instead, all present value amounts are now based on the use of formulas available in Microsoft Excel. The discussion of present value concepts has also been revised as needed to incorporate the use of formulas from Microsoft Excel. In keeping with these changes, the present value factor appendices have been removed. The discussion of the weighted-average cost of capital has been revised to improve clarity. New In Business segments have been developed. Six Instant Quizzes have been included and a Knowledge in Action summary added.
- In **Chapter 14**, an online chapter, some of the examples have been revised to reflect current values from publicly available sources of financial information. The discussion has been revised to identify the various users of the different analyses described in the chapter. Exhibit 14-5 has been transformed into a Learning Aid. What is now Exhibit 14-5 has been updated to provide current website addresses for information sources. A Knowledge in Action summary has been added.

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The efforts of many people are needed to develop and improve a text. Among these people are the reviewers and consultants who point out areas of concern, cite areas of strength, and make recommendations for change. In this regard, the professors named on this page provided feedback that was enormously helpful in preparing the tenth Canadian edition of *Managerial Accounting*.

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