Solutions Manual for Accounting Principles Canadian CDN 10th Weygandt

CH01 Collaborative Learning Activity—Solution Handout A

Accounting in Action

Scenario A: You have recently received an inheritance of $50,000 and you would like to invest the money to build up a retirement fund. A colleague at work has suggested you purchase shares in a particular company, but you are hesitant because you don't know much about it. In the 3Ws table below, identify what information you will need in order to make the decision to invest. Also identify where you might find the information, and finally, why the information is important to making the best decision.

<table>
<tr><th>What Information you need</th><th>Where you might find it</th><th>Why you need it</th></tr>
<tr><td>Profitability/Dividends: Is the company earning enough to provide a return on investment?</td><td rowspan="3">Financial Statements: Income Statement, Balance sheet, Cash Flow Statement; Annual Report</td><td>Indicates probability that the investment will grow; trend to consistently issue dividends</td></tr>
<tr><td>Cash flow: Will the company be able to pay its debts as they come due?</td><td>Suggests if the company may be forced into bankruptcy</td></tr>
<tr><td>Can the company afford its planned expenditures?</td><td>Ability of the company to maintain or expand level of operations</td></tr>
<tr><td>History of accounts receivable</td><td rowspan="2">Comparative financial statements</td><td>Indicates effectiveness of their cash management policy</td></tr>
<tr><td>History of accounts payable</td><td>Suggests effectiveness of cash management</td></tr>
<tr><td>Where did the cash come from, and where did the cash go?</td><td>Cash flow statement</td><td>Suggests effectiveness of cash management</td></tr>
</table>

What Information you need	**W**here you might find it	**W**hy you need it
Will the company stay in business in order to provide a reasonable return? • Market share • Age of their product • Service quality • Employee satisfaction	The Annual Report, company website, statistical databases, Balanced Scorecard if it is made public	Non-financial indicators help to assess the stability of the company and the consistency of profits in the future.
Management integrity	Internet: e.g. Google Media: TV News, newspapers, magazines	

Discussion question: Explain why your information requirements may or may not be different from those identified for Scenario B.

The information differs because in this case the user is external and has limited access to detailed information.

CH01 Collaborative Learning Activity—Solution Handout B

Accounting in Action

Scenario B: You are about to approach the Commercial Loan Officer at your Bank to request an expansion loan of $50,000. In the 3Ws table below, identify what information you think the loan manager will want you to provide *about your business* to support your loan application. Also identify where you might find the information, and finally, why the information is important to secure the loan.

<table>
<tr><th>What Information you need</th><th>Where you might find it</th><th>Why you need it</th></tr>
<tr><td>Cost information: What price should we sell our product for to maximize profits?</td><td rowspan="3">Financial Statements: Balance Sheet, Income Statement, Cash Flow</td><td>Solid performance is related to keeping costs low</td></tr>
<tr><td>Profitability: What product is the most profitable?</td><td>To assess the viability of expansion, or which product to focus on</td></tr>
<tr><td>Cash flow: Is there enough cash to pay the bills?</td><td>To know if the company can meet its obligations</td></tr>
<tr><td>Ratios, percentages</td><td>Internal records, calculations</td><td>To highlight significant trends and relationships</td></tr>
<tr><td>Profit projections and planned expenditures. How many employees can we afford to hire this year? What new equipment do we need and can we afford to buy it?</td><td>Budgets</td><td>To make financial comparisons of operating alternatives</td></tr>
<tr><td>Process bottlenecks
Process automation
Employee turnover
Job satisfaction
Training/Learning opportunities
Delivery performance to customer
Quality performance for customer
Customer satisfaction rate
Customer percentage of market</td><td>Annual Reports
Management Reports
Balanced Scorecard</td><td>Information based on financial statements is usually focused on past performance; non-financial information tends to be more predictive.</td></tr>
</table>

Discussion question: Explain why your information requirements may or may not be different from those identified for Scenario A.

Two main reasons for the requirements to differ:

1. Different type of user—in this case the user could be considered internal although specific information might have to be requested from the company

2. Different access to the information—more detailed information available in this case

CH01 Collaborative Learning Activity—Student Handout A

Accounting in Action

Scenario A: You have recently received an inheritance of $50,000 and you would like to invest the money to build up a retirement fund. A colleague at work has suggested you purchase shares in a particular company, but you are hesitant because you don't know much about it. In the 3Ws table below, identify what information you will need in order to make the decision to invest. Also identify where you might find the information, and finally, why the information is important to making the best decision.

What Information you need	**W**here you might find it	**W**hy you need it

Discussion question: Explain why your information requirements may or may not be different from those identified for Scenario B.

CH01 Collaborative Learning Activity—Student Handout B

Accounting in Action

Scenario B: You are about to approach the Commercial Loan Officer at your Bank to request an expansion loan of $50,000. In the 3Ws table below, identify what information you think the loan manager will want you to provide to support your loan application. Also identify where you might find the information, and finally, why the information is important to secure the loan.

What Information you need	**W**here you might find it	**W**hy you need it

Discussion question: Explain why your information requirements may or may not be different from those identified for Scenario A.

CHAPTER 1

ACCOUNTING IN ACTION

20-MINUTE QUIZ #1

Circle the correct answer.

True/False

1.	Accounting is an information system that identifies, records, and communicates economic events of an organization to interested users.	True	False
2.	According to the revenue recognition principle, a company should recognize revenue once it meets its performance obligation.	True	False
3.	The basic objective of financial reporting is to provide useful information to investors and creditors to make decisions.	True	False
4.	Private companies have a choice of whether to follow ASPE or IFRS.	True	False
5.	According to the cost principle, assets should be reported at their replacement cost, not their original cost.	True	False
6.	The enhancing qualitative characteristic of verifiability is met when independent observers using the same methods obtain the same results.	True	False
7.	Collection of an account receivable will increase both cash and accounts receivable.	True	False

8.	An expense paid with cash would result in an equal decrease in liabilities and owner's equity.	True	False

9.	Liabilities represent the ownership's claim on total assets.	True	False
10.	The going concern assumption assumes that a company will liquidate in the near future.	True	False

Multiple Choice

1. In a proprietorship, owner's equity increases when
   a) the owner withdraws money for personal use.
   b) money is borrowed from the bank.
   c) cash is collected from a customer who had previously been billed for services.
   d) a service is provided to a customer on account.

2. A company has a profit when
   a) assets exceed liabilities for the period.
   b) investments exceed drawings for the period.
   c) revenues exceed expenses for the period.
   d) revenues exceed liabilities for the period.

3. Owner's equity is not
   a) existing debts and obligations of the company.
   b) the owner's claim on total assets.
   c) total assets minus total liabilities.
   d) often called residual equity.

4. A payment of accounts payable would
   a) decrease liabilities and increase owner's equity.
   b) decrease assets and decrease liabilities.
   c) decrease liabilities and decrease owner's equity.
   d) increase assets and increase liabilities.

5. The financial statement that reports the assets, liabilities, and owner's equity at a specific date is the
   a) income statement.
   b) statement of owner's equity.
   c) balance sheet.
   d) cash flow statement.

ANSWERS TO 20-MINUTE QUIZ #1

True/False

1. True
2. True
3. True
4. True
5. False
6. True
7. False
8. False
9. False
10. False

Multiple Choice

1. d
2. c
3. a
4. b
5. c

20-MINUTE QUIZ #2

1. Define and give an example of each of the following terms. Assume that you are the proprietor of a house painting business.

a) Assets

b) Liabilities

c) Expenses

2. How is profit calculated?

3. Bob Manor is the proprietor of Manor Accounting. For each of the following transactions, indicate the effects on the company's assets, liabilities, and owner's equity. Indicate the dollar amount and whether it is an increase (+) or a decrease (-).

	Transactions	Assets	Liabilities	Owner's Equity			
				Capital	Drawings	Revenues	Expenses
1.	Prepares a tax return for a client and bills the client $85.						
2.	Buys $200 of supplies on account.						
3.	Pays for the supplies from #2.						
4.	Collects the $85 owed by the customer from #1.						
5.	Pays $800 for employee salaries.						
6.	Performs an audit for a client and receives $2,500.						

ANSWERS TO 20-MINUTE QUIZ #2

1. Various examples will be acceptable here.

a) Assets — Economic resources controlled by a business as a result of past events that have the potential to produce economic benefit.
e.g., equipment

b) Liabilities — Current obligations, arising from past events, to make future payments of assets or services.
e.g., accounts payable

c) Expenses — The cost of assets consumed or services used in a company's ordinary business activities.
e.g., salaries expense

2.

Profit = Revenues – Expenses

3.

	Transactions	Assets	Liabilities	Owner's Equity			
				Capital	Drawings	Revenues	Expenses
1.	Prepares a tax return for a client and bills the client $85.	+$85				+$85	
2.	Buys $200 of supplies on account.	+200	+$200				
3.	Pays for the supplies from #2.	−200	−200				
4.	Collects the $85 owed by the customer from #1.	+85 −85					
5.	Pays $800 for employee salaries.	−800					−$800
6.	Performs an audit for a client and receives $2,500.	+2,500				+2,500	
	Balance	$ 1,785	0	0	0	$ 2,585	−$ 800

$$\$\,1{,}785 = \underbrace{\qquad\qquad\qquad\qquad\qquad\qquad\qquad\qquad}_{\$\,1{,}785}$$

CHAPTER 1

ACCOUNTING IN ACTION

ONE-MINUTE QUIZ

TEACHING TIP

The purpose of chapter questions is to encourage students to read the chapter material before coming to class. They are normally given in the first few minutes of the class before the lecture begins and can count for ½ to 1 mark of a student's grade.

Question 1:

State the accounting equation.

Question 2:

Identify the four basic financial statements, listing them in the order of preparation.

SUGGESTED SOLUTIONS

Question 1:

Assets = Liabilities + Owner's Equity

Question 2:

The four basic financial statements are prepared in the following order:

(1) Income statement
(2) Statement of owner's equity
(3) Balance sheet
(4) Cash flow statement

Data Analysis Technology Bootcamp: Instructor Guide

Table of Contents

I. How to Use this Guide

This document has been created to provide information and guidance pertaining to the Data Analysis Technology Bootcamps. We provide instructions on how to view and assign the bootcamps in a few different ways, ideas to consider for how to use the bootcamps, as well as a detailed list of the topics covered for each technology tool and the estimated time it would take a student to complete each module. Additionally, we know that technology is ever-evolving and that there are limitations when it comes to usage on specific device types. Therefore, we have provided a section dedicated to information on how you and your students go about gaining access to these tools. Please note that as a publisher, Wiley cannot provide any technology licenses.

For additional questions about WileyPLUS, please reach out to your local Digital Learning Executive and Customer Success Manager.

II. How to Access these Technologies

We recommend that you consider asking your college's IT staff for guidance and to know what functionalities are included in their virtual servers as well as when virtual server updates will happen.

A. Excel

Most students have all the functionalities needed through Office 365. To use the Power Query Excel tool, MAC users will need to use the Boot Camp Assistant to install the Microsoft Windows operating system. While operating in the Microsoft Windows operating system, they will have all the Power Query functionality. If they do not have Boot Camp, they will need access to a virtual server or a PC computer in the university computer labs.

Check your virtual server to make sure that it has Excel Pro 2019 or the current Office 365 version. These versions provide the needed Power Query functionality for viewing column statistics.

B. Power BI Desktop

It can be downloaded for free by both instructors and students, no license is required. Power BI Desktop runs in a Microsoft Windows operating system. MAC users will need to use the Boot Camp Assistant to install the Microsoft Windows operating system and then Power BI Desktop. An alternative is to have access to a virtual server or a PC computer in the university computer labs.

C. Tableau

Instructors can apply for a semester license and then pass the codes to their students, or students individually can apply for a license on their own for a year license. Instructors need to clarify which approach will be used in their syllabus. Getting the approval may take a few days, so start early, and work with your IT staff if it will be on a virtual server.

- Tableau: https://www.tableau.com/academic/teaching

D. Tableau Public

It is a possible solution but has the following significant restrictions: students' work is publicly shared, and they will not be able to download their solutions (they could take a screenshot which they could submit as evidence of their work). Tableau Online (now called Tableau Cloud) does not have the same functionality as a downloaded Tableau student license or a university server license.

E. Alteryx

Can be downloaded for free by both instructors and students. Like Power BI, Alteryx runs on a Windows Operating system. MAC users will need to have an alternative solution if they do not have Bootcamp to be able to run Alteryx, such as a college server, or a PC computer in a computer lab. Alteryx works great on a virtual server, and they are willing to work with your

IT department to help with the installation. Alteryx is planning to trial a cloud version of their academic access to Alteryx within the next year.

- Alteryx: https://www.alteryx.com/sparked/educators

F. SQL Lite

Students can access the website here: https://sqliteonline.com/

G. MS Access

It can be downloaded for free by both instructors and students, no license is required. MS Access runs in a Microsoft Windows operating system.

G. Mac Users

The Power Query functionalities in Excel and using Power BI Desktop may be a challenge if you do not have a dual operating system (both Mac OS and Microsoft Windows). If your college has this software loaded on a virtual server or on PCs in the university labs, you will be able to access both the Power Query tools in Excel and Power BI Desktop. Another option for Mac users is to join Microsoft's Insider or Beta channel for access to the same Power Query functionality as Windows users.

III. General Bootcamp Format

Each of the data analysis technology bootcamps follow the same general structure:

- Overview Video
- 10+ Topics ○ 1 How-To Video per Topic ○ 5-10 Multiple Choice questions per topic ○ 1 Application Exercise per topic
  ○ 1-2 Follow up Questions to the Application Exercise ○ 1 Solution Walkthrough video per topic:
    - The solution walkthrough videos will only automatically appear to students as question feedback to the 1-2 follow up questions of the Application Exercise. If these questions are removed, the solution walkthrough videos will not be available to students without manual grading.

IV. Where to Find and How to Assign

Wiley's Data Analysis Technology Bootcamps live within WileyPLUS. They can be found in the following US courses (represented below are the latest editions):

- Dzuranin, Data and Analytics in Accounting 1e
- Savage, Accounting Information Systems 1e
- Farmer, Cost Accounting 1e
- Johnson, Auditing 2e
- Kieso, Intermediate Accounting 19e
- Weygandt, Managerial 10e
- Weygandt, Financial 12e
- Weygandt, Financial and Managerial Accounting 5e
- Weygandt, Accounting Principles 15e
- Kimmel, Financial Accounting 10e
- Kimmel, Accounting 8e
- Kimmel, Survey of Accounting 3e
- Kimmel, Financial Accounting for Managers 1e
- Rainer, Introduction to Information Systems 10e

They can be found in the following Canadian courses:

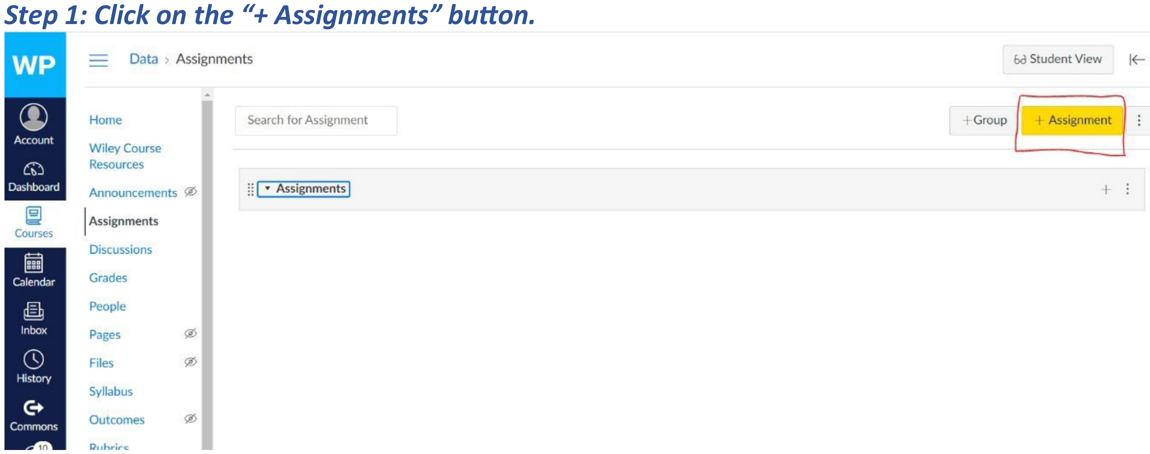
- Moroney, Auditing 4CE
- Kieso, Intermediate Accounting 14CE
- Burnley, Financial Accounting 3CE
- Weygandt, Managerial Accounting 6CE
- Kimmel, Financial Accounting 9CE
- Weygandt, Principles 9CE
- Rainer, Introduction to Information Systems 5CE
- Weygandt Managerial 6CE with Burnley, Understanding Financial Accounting 3CE

There are three ways you can access and assign the data analysis technology bootcamps. The following sections outline each of the three ways in detail.

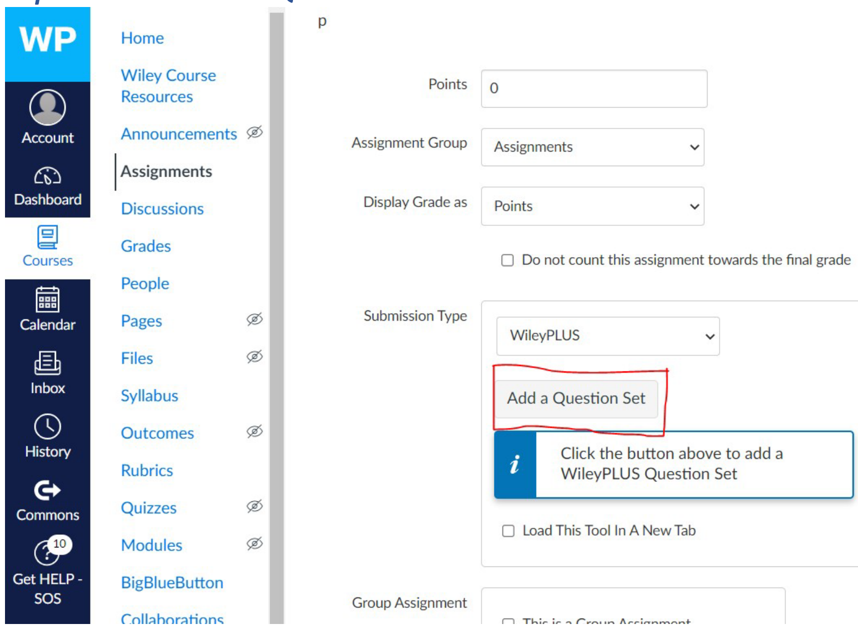
A. Preset from Wiley Library

Within the Wiley Library of assignments, you can easily assign the full bootcamp. To access the Wiley Library, follow the steps below.

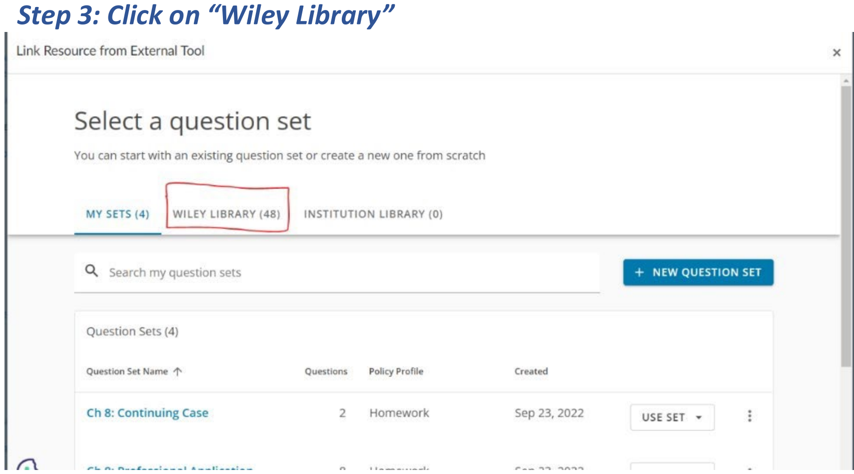
Step 1: Click on the "+ Assignments" button.



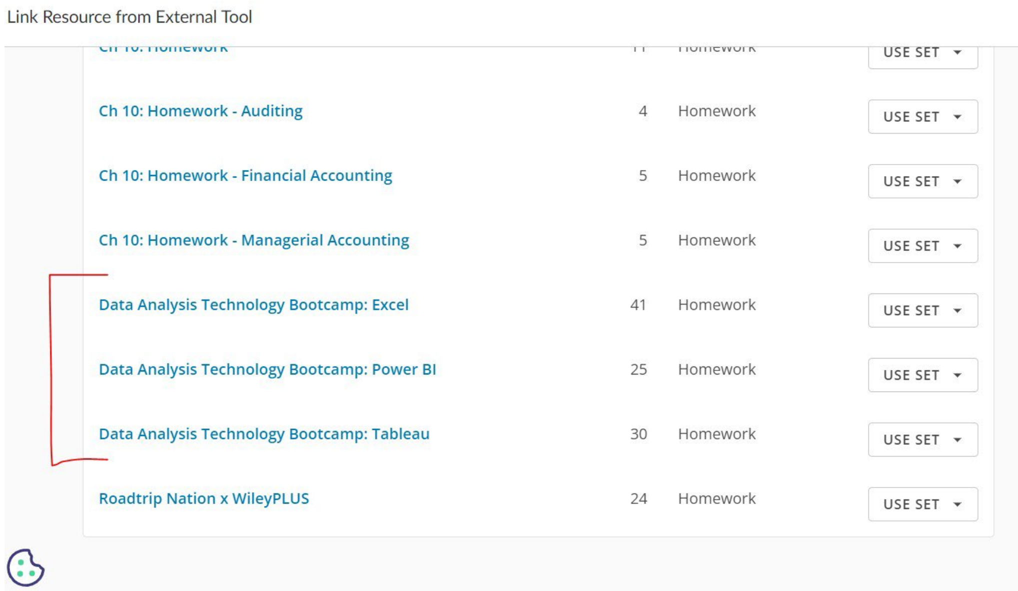
Step 2: Click on "Add a Question Set. "



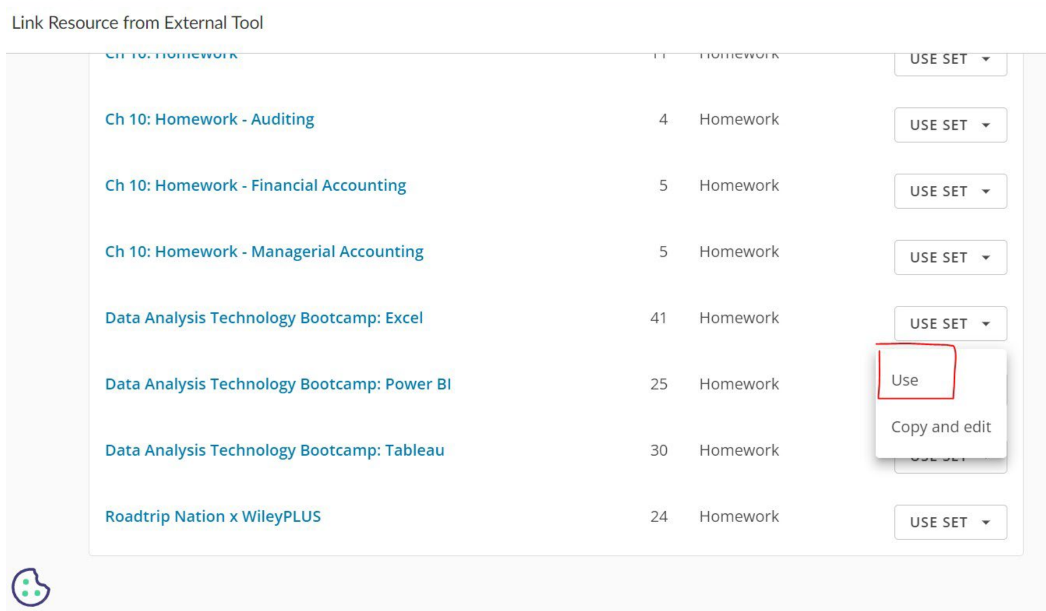
Step 3: Click on "Wiley Library"



Step 4: Locate the Data Analysis Technology Bootcamps by scrolling all the way to the end of the list.



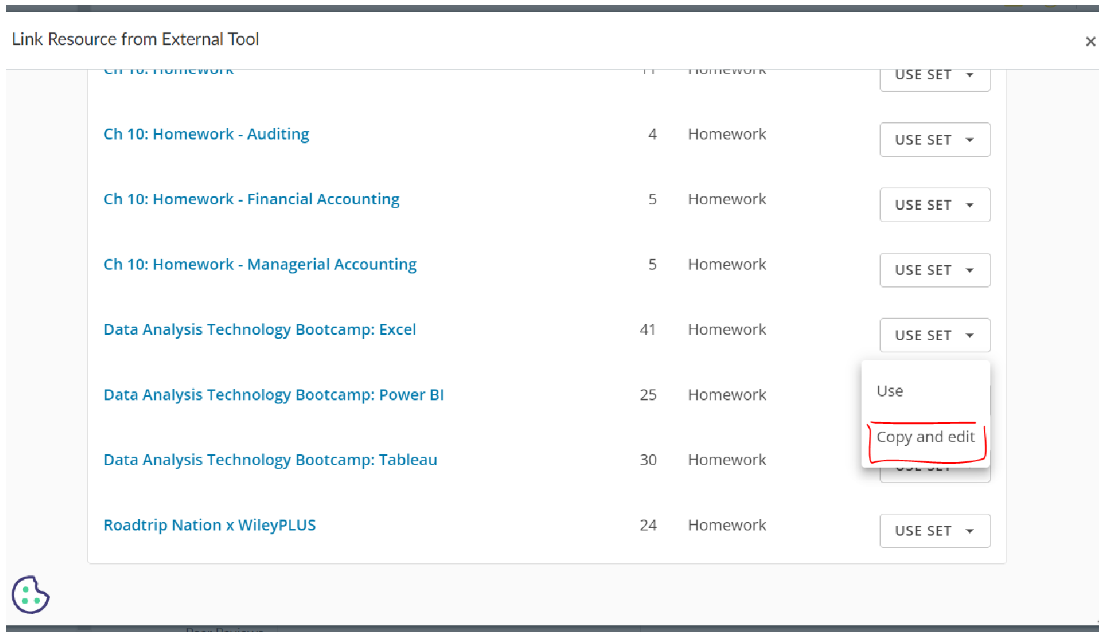
Step 5: Click on "Use Set" and select "Use." This allows you to assign the full bootcamp and make your typical assignment adjustments like due dates, making it available and visible to your students, etc.



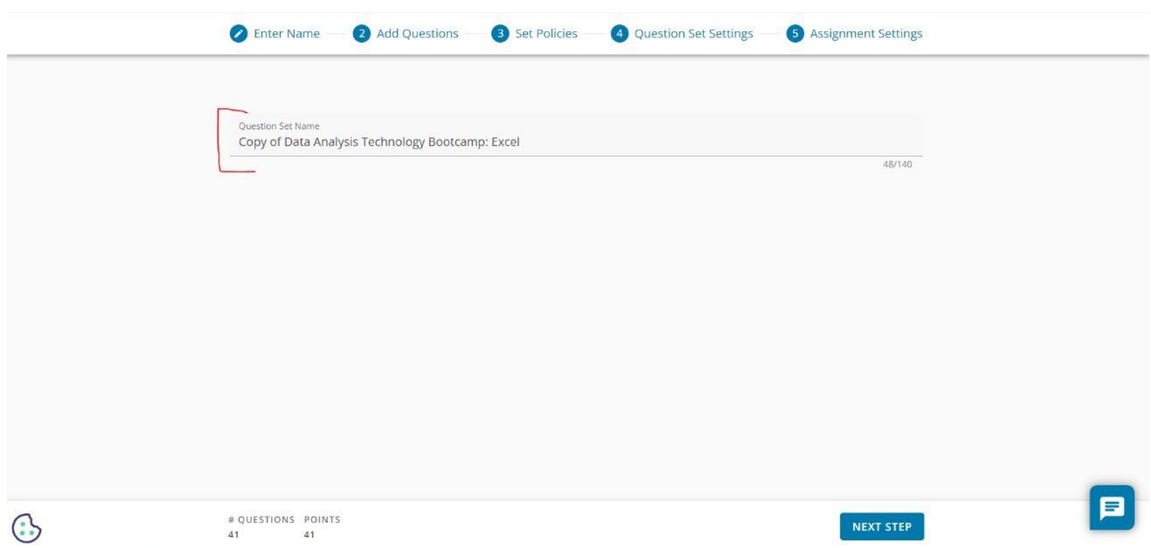
B. Editing

You may also want to use the Data Analysis Technology Bootcamps, but edit portions or parts to more align with your course objectives. Just like any other pre-created assignment in the Wiley Library, you are able to copy and edit the bootcamps as well following the steps below.

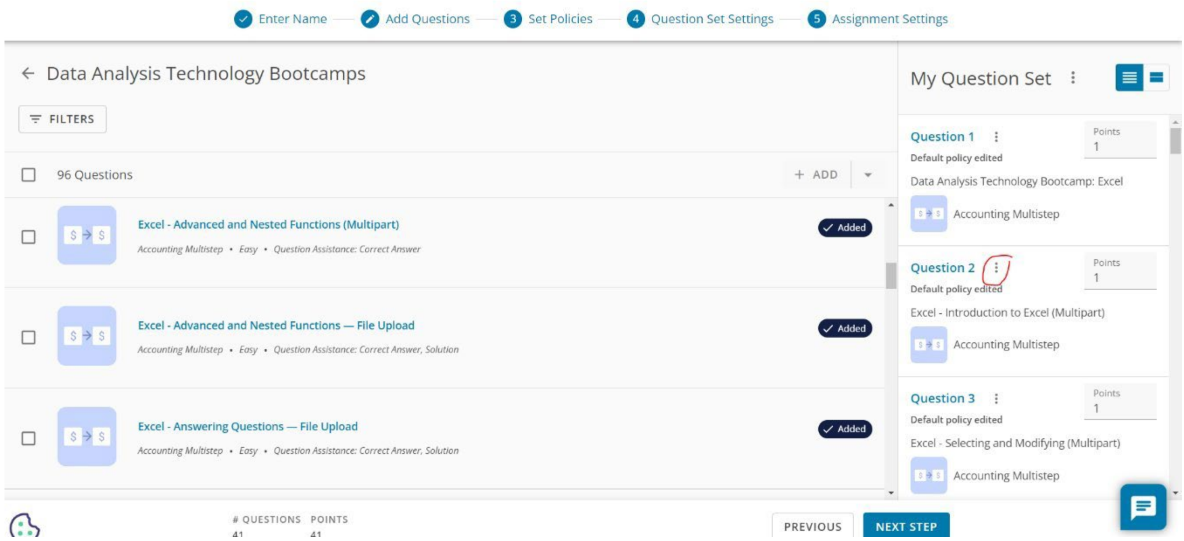
Step 1: When in the Wiley Library, after locating the Data Analysis Technology Bootcamp you want to assign, click on "Use Set" and "Copy and edit."



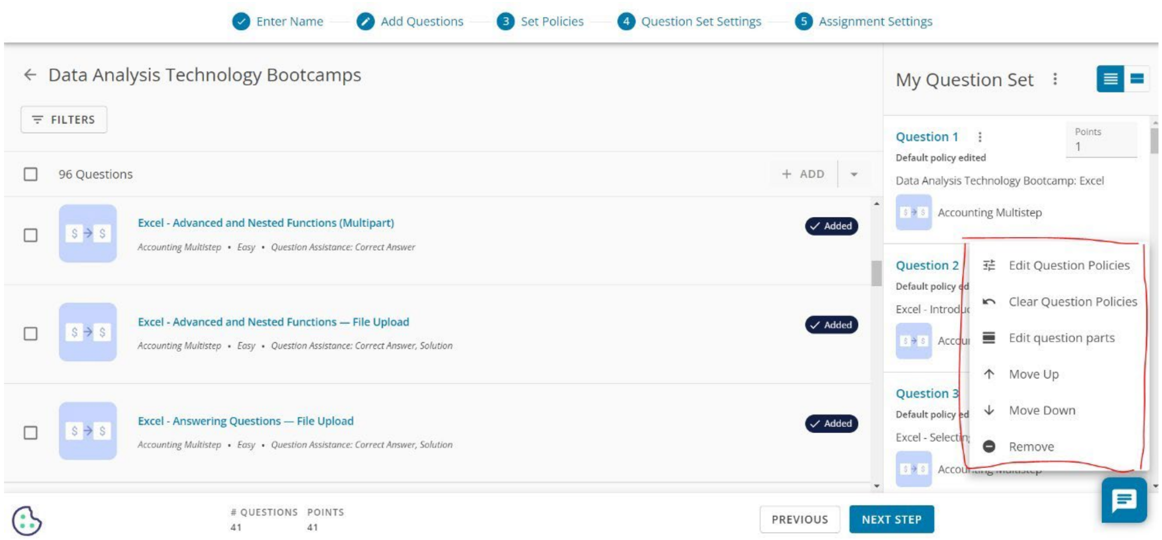
Step 2: You will be prompted to edit the name of the assignment if you choose and then click on "Next Step."



Step 3: Click on the three dots to access the question settings.



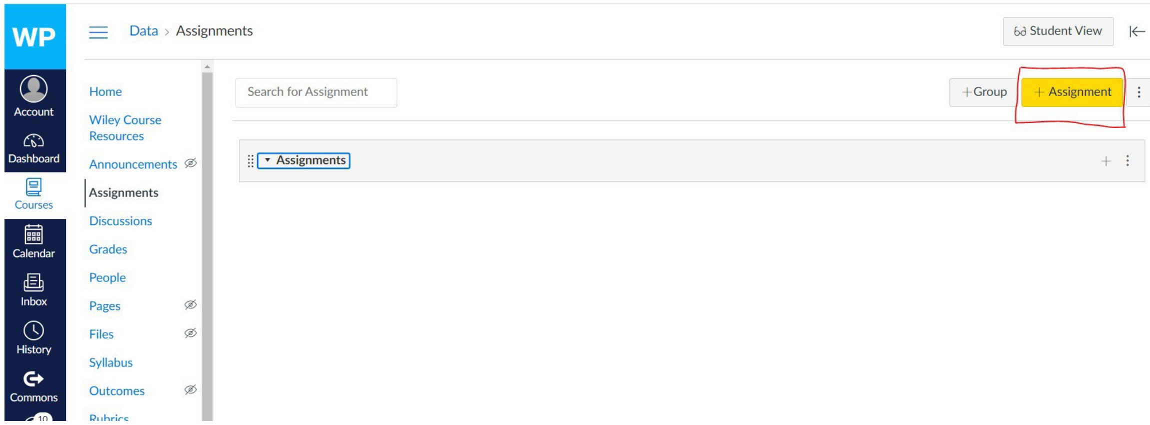
Step 4: Upon clicking on the three dots, you will see a menu of options to further edit the question. You can edit question policies, clear policies, edit specific question parts (like removing specific multiple-choice questions within that set), move the questions, or completely remove the question altogether.



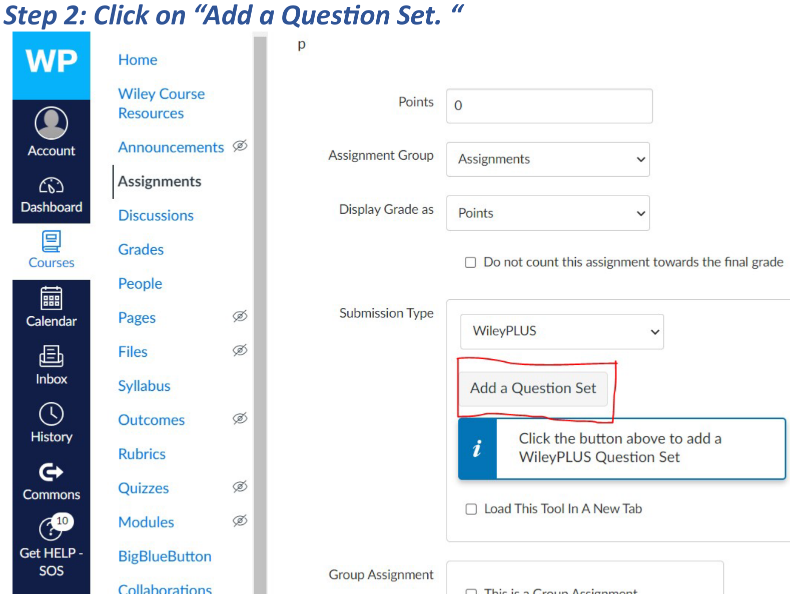
C. A la Carte (customizability of Interactive tutorial)

There may be instances where you want to assign a specific module (topic) within the bootcamp as opposed to assigning the full bootcamp. To do this, you would set up the bootcamp like any other assignment. Use the following steps as a guide.

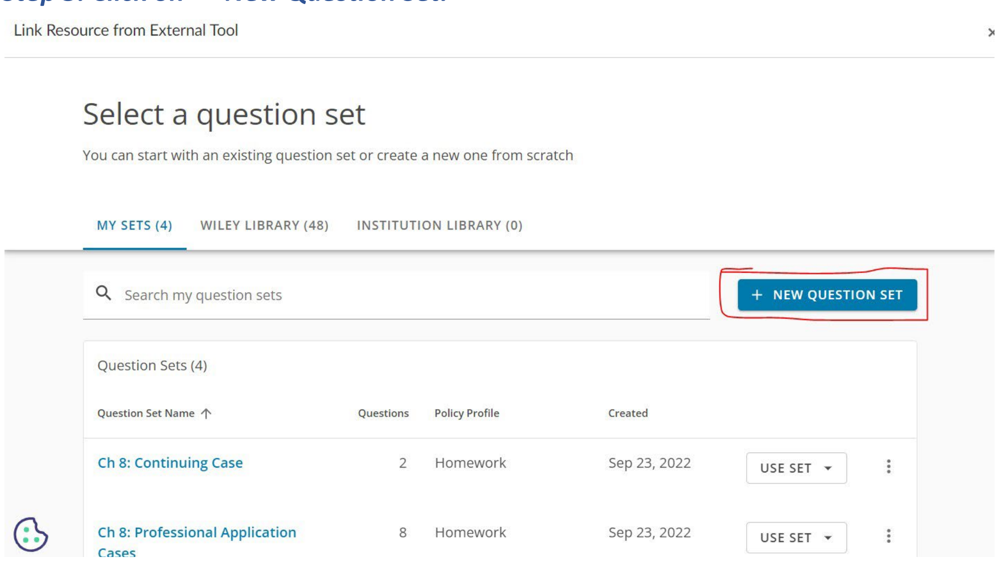
Step 1: Click on the "+ Assignments" button.



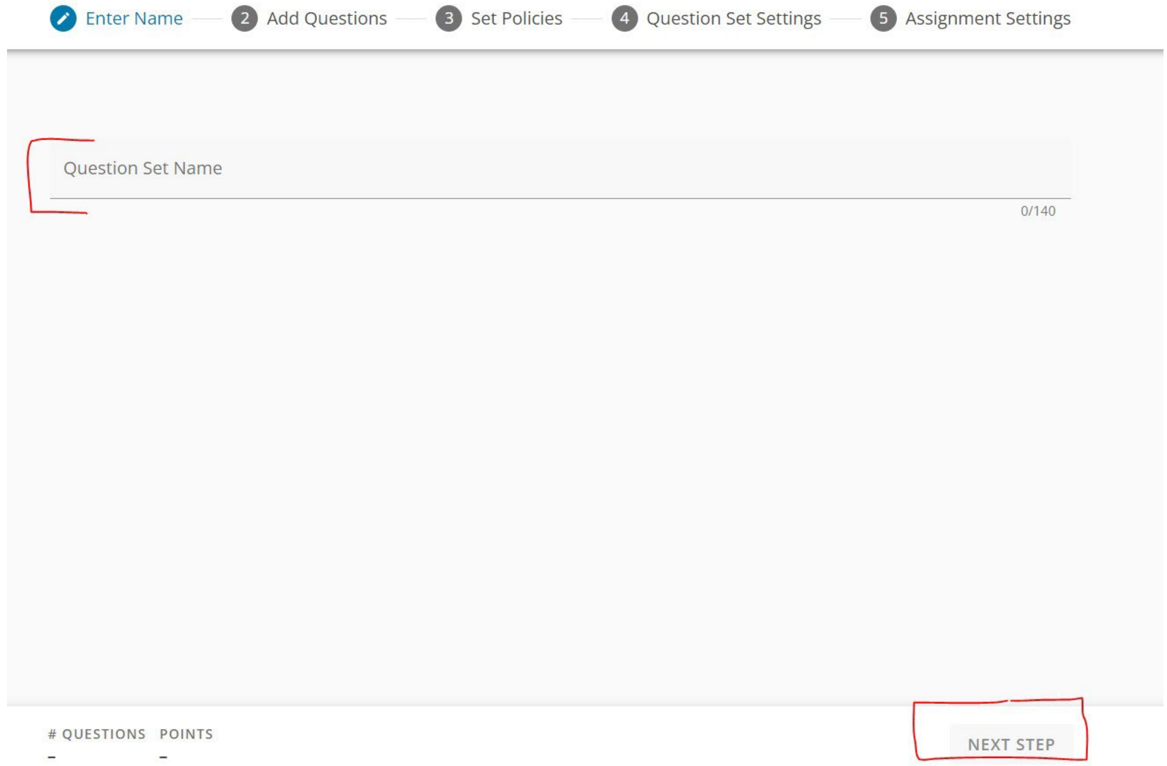
Step 2: Click on "Add a Question Set. "



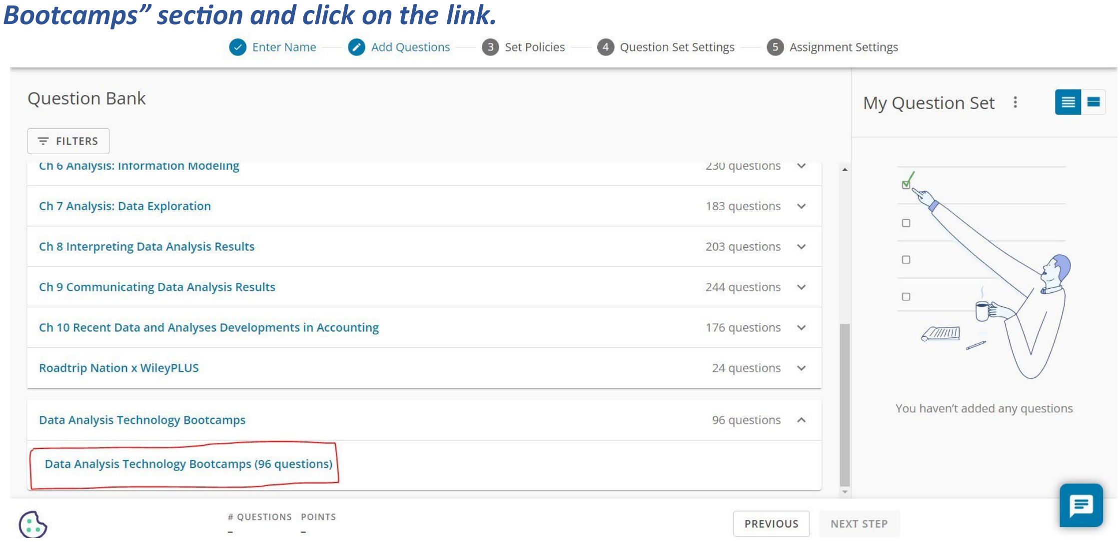
Step 3: Click on "+ New Question Set."



Step 4: You will be prompted to provide an assignment name. Upon doing so, click on "Next Step."



Step 5: Scroll all the way to the bottom and locate the "Data Analysis Technology Bootcamps" section and click on the link.



Step 6: In order to see the questions associated to one specific technology, click on the "Filters" button.