



Your guide through

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 have chosen to illustrate the Canadian seventh edition of our “flagship” accounting publication, **Managerial Accounting** by Garrison, Noreen, Brewer, Chesley, and Carroll, with an image that we feel encapsulates the greatest strengths of this market-leading text.

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

Garrison/Noreen/Brewer/Chesley/Carroll: **the challenging waters of managerial accounting**

Relevance. Every effort is made to help students relate the concepts in this book to the decisions made by working managers. With insightful chapter openers, the popular Managerial Accounting in Action segments within the chapters, and stimulating end-of-chapter exercises, a student reading Garrison should never have to ask, “Why am I learning this?”

Balance. Garrison mixes its coverage to include a variety of business types, including not-for-profit, retail, service, and wholesale organizations, as well as manufacturing. In the Canadian seventh edition, service company examples are highlighted with icons in the margins of the text.

Clarity. Generations of students have praised Garrison for the friendliness and readability of its writing, but that’s just the beginning. Technical discussions have been simplified, material has been reordered, and the entire book has been carefully retuned to make teaching—and learning—from Garrison as easy as it can be. Key term definitions and icons signifying ethics, writing, and Internet assignments continue to add clarity for both students and professors. In addition, students and professors 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 and hassle-free. On the following pages, you will see the kind of engaging, helpful pedagogical features that make Garrison a favourite among both teachers and students.

Service-Related Examples

Owing to the growing number of service-based companies in business today, the Canadian seventh edition uses a helpful icon to distinguish service-related examples in the text.

quickly when economic conditions improve. Also, the higher morale and loyalty of employees may give these companies a significant competitive advantage.

The Trend toward Fixed Costs The trend in many companies is toward greater fixed costs relative to variable costs. Chores that used to be performed by hand have been taken over by machines. For example, grocery clerks at **Loblaws** and **Sobeys** used to key in prices by hand on cash registers. Now, most stores are equipped with bar code readers that enter price and other product information automatically. In general, competition has created pressure to give customers more value for their money—a demand that often can be satisfied only by automating business processes. For example, a **Grant Thornton** employee used to fill out tax returns for customers mainly by hand and the advice given to a customer largely depended on the knowledge of that particular employee. Now, computer software is used to complete tax returns, and the software provides the customer with tax planning and other advice tailored to the customer's needs based on the accumulated knowledge of many experts.

As machines take over more and more of the tasks that were performed by humans, the overall demand for human workers has not diminished. The demand for "knowledge" workers—those who work primarily with their minds rather than their muscles—has grown tremendously. Knowledge workers tend to be salaried, highly trained, and difficult to replace. As a consequence, the costs of compensating knowledge workers are often relatively fixed and are committed rather than discretionary costs.

Is Labour a Variable or a Fixed Cost? As the preceding text indicates, labour costs can be fixed or variable. The behaviour of wages and salaries may be fixed or variable. The behaviour of wages and salaries may be fixed or variable.

www.mcgrawhill.ca/college/garrison

Spreadsheets

These have become an increasingly common budgeting tool for managerial accountants; therefore, to assist students in understanding how budgets look in a spreadsheet, we've included Microsoft Excel® screen captures pertaining to budgeting.

EXHIBIT 8-10 Product and Customer Margins—Activity-Based Costing System (Activity View)

Product Profitability Analysis	Standard Stanchions	Custom Compass Housing
Sales (from Exhibit 8-8)	\$ 13,600	\$ 650
Costs:		
Direct materials (from Exhibit 8-8)	\$ 2,110	\$ 13
Direct labour (from Exhibit 8-8)	1,850	50
Shipping costs (from Exhibit 8-8)	180	25
Customer orders (from Exhibit 8-8)	630	315
Product design (from Exhibit 8-8)	0	1,285
Production units (from Exhibit 8-8)	3,800	8,570
Product margin	\$ 8,930	\$ (1,115)

Customer Profitability Analysis—Windward Yachts	
Product margins of products ordered by Windward Yachts:	
Standard stanchion product margin (see above)	\$ 5,000
Custom compass housing product margin (see above)	(1,114)
Total product margins	3,916
Less: Customer relations overhead (from Exhibit 8-8)	3,675
Customer margin	\$ 241

The Differences between ABC and Traditional Product Costs

The costs of the products under the new ABC system are dramatically different from the costs computed using the old traditional costing system. The stanchions, which looked unprofitable under the traditional cost system, appear to be very profitable under the ABC system in Exhibits 8-9 and 8-10. And the compass housing, which looked profitable under the old cost system, appears to be unprofitable under the new costing system.

There are two major reasons for these changes in apparent profitability. First, under the old cost system, the costs of designing products were spread across all products without regard to whether they actually required design work. Under the new ABC system, these

LEARNING OBJECTIVE 8
Compare product costs computed using traditional and activity-based costing methods.

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FOCUS on Current Practice

Given the importance of government budgets, the CICA's Public Sector Accounting Board (PSAB) commissioned a research report to survey the state of the union. The survey looks at the basis of accounting and accounting policies used by Canadian federal, provincial and territorial governments in their budgets and estimates (appropriations) as compared with those adopted in their summary financial statements. Planning, budgeting and reporting are elements of a government's performance management and accountability framework. The report discusses each of these elements. Traditionally, the approach begins with priority setting and planning, followed by the budgeting process and ending with reporting and auditing. The survey findings indicate a clear trend for senior governments in Canada: (1) to move to accrual-based accounting, (2) to prepare a summary budget, and (3) to change certain significant accounting policies to be in line with the recommendations set out in the Public Sector Accounting Handbook.

Source: Excerpted from J. Paul-Emile, "Accounting Bases Used in Canadian Government Budgeting," *CA Magazine*, Toronto, January/February 2005, vol. 138, iss. 1, p. 18. Reproduced by permission from CA Magazine produced by the Canadian Institute of Chartered Accountants, Toronto, Canada.

"Focus on Current Practice"

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

ACTIVITY-BASED BUDGETING

Activity-based budgeting
A type of budgeting in which emphasis is placed on budgeting the costs of the activities needed to produce and market the firm's goods and services

In Chapter 8, we saw that activity-based costing has been developed to help provide the manager with more accurate product or service costs. More accurate costs should translate into better decision making and tighter control over costs. Activity-based costing principles can also be applied to budgeting. With **activity-based budgeting**, the emphasis is on budgeting the costs of the activities needed to produce and market the firm's goods and services.

Activity-based budgeting involves several stages. First, the budgeted cost of accomplishing each unit of activity is determined. Recall that an activity is a cost driver, such as machine set-up, a purchase order, a quality inspection, or a maintenance request. Next, sales and production targets are used to estimate the demand for these activities. The unit cost of each activity is multiplied by the expected demand to determine the total cost of each activity. These costs are then compiled to present the overall activity-based budget. Instead of going from costs of resources, to activity-based budgeting goes from outputs to the required activities, and then to the costs of procuring the required resources. Such a reversal can result in inefficiencies in the when the resources do not have a simple linear relationship to outputs may be needed to compensate for the difficulties that this process may cause.⁸

Opening Vignettes

These opening pieces, based on real-world scenarios, introduce the chapter and bring forward the issues, concepts and practices to be discussed in the ensuing pages.

CHAPTER

2

LEARNING OBJECTIVES

After studying Chapter 2, you should be able to:

1. Identify and give examples of each of the three basic cost elements involved in the manufacture of a product.
2. Distinguish between product costs and period costs and give examples of each.
3. Prepare an income statement including the calculation of cost of goods sold.
4. Prepare a schedule of cost of goods manufactured.
5. Explain the difference in the behaviour of variable and fixed costs.
6. Distinguish between direct and indirect costs.
7. Define and give examples of additional cost classifications used in making decisions: differential costs, opportunity costs, and sunk costs.
8. (Appendix 2A) Identify the four types of quality costs and explain how they interact.
9. (Appendix 2A) Prepare and interpret a quality cost report.

COST TERMS, CONCEPTS, AND CLASSIFICATIONS

CONSIDERING THE COSTS



Terri, the owner of a retail florist shop, has been trying to decide for some time whether she should continue to use a local courier service to deliver flowers to customers or buy a delivery truck and use one of her employees to make the deliveries. At a recent family dinner, she brought up the subject of the delivery truck with her brother-in-law, who fancies himself as an expert on all management subjects. He grabbed this opportunity to impress on Terri his understanding of costs.

In rapid-fire succession, Terri's brother-in-law told her that the fees paid to the courier to deliver flowers are a variable cost and a period cost, but the costs of the flowers are product costs rather than period costs, even though the flower costs are also variable costs. On the other hand, the depreciation of the delivery truck would be a fixed cost and a period cost. And while the fuel for the truck would be a variable cost and a differential cost, the wages of the person making the deliveries would be a fixed cost, not a differential cost, and would involve an opportunity cost. At this point, Terri excused herself—pleading that she had to help in the kitchen.

Terri felt that her brother-in-law's comments were more helpful, but she knew that she could no longer put off the decision. She would have to think carefully about her costs and what costs should be considered in this decision.

BUSINESS FOCUS

MANAGERIAL ACCOUNTING IN ACTION

The Issue



The Colonial Pewter Company was organized a year ago. The company's only product at present is a reproduction of an eighteenth-century pewter bookend. The bookend is made largely by hand, using traditional metal-working tools. Consequently, the manufacturing process is labour-intensive and requires a high level of skill.

Colonial Pewter has recently expanded its workforce to take advantage of unexpected demand for the bookends as gifts. The company started with a small cadre of experienced pewter workers but has had to hire less experienced workers as a result of the expansion. The president of the company, J.D. Wriston, has called a meeting to discuss production problems. Attending the meeting are Tom Kuchel, the production manager; Janet Warner, the purchasing manager; and Terry Sherman, the corporate controller.

J.D.: I've got a feeling that we aren't getting the production we should out of our new people.

Tom: Give us a chance. Some of the new people have been on board for less than a month.

Janet: Let me add that production seems to be wasting an awful lot of material—particularly pewter. That stuff is very expensive.

Tom: What about the shipment of defective pewter you bought a couple of months ago—the one with the iron contamination? That caused us major problems.

Janet: That's ancient history. How was I to know it was off-grade? Besides, it was a great deal.

J.D.: Calm down everybody. Let's get the facts before we start sinking our fangs into each other.

Tom: I agree. The more facts the better.

J.D.: Okay, Terry, it's your turn. Facts are the controller's department.

Terry: I've got some facts to provide.

What makes Managerial Accounting such a powerful learning tool?

End-of-Chapter Material

Managerial Accounting has earned a reputation for the best end-of-chapter review and discussion material of any text on the market. Most of the exercises, problems, and cases have been revised for the Canadian seventh edition. Other helpful features include:

Writing assignments encourage your students to practice critical thinking.

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Chapter 3 Systems Design: Job-Order Costing

Leeds Architectural Consultants is a service firm, so the names of the accounts it uses are different from the names used in manufacturing firms. Costs of Subcontracted Work is comparable to Direct Materials; Direct Staff Costs is the same as Direct Labour; Studio Overhead is the same as Manufacturing Overhead; and Completed Projects is the same as Finished Goods. Apart from the difference in terms, the accounting methods used by the company are identical to the methods used by manufacturing companies.

Leeds Architectural Consultants uses a job-order costing system and applies studio overhead to Work in Process on the basis of direct staff costs. At the end of January, only one job was still in process. This job (Lexington Gardens Project) had been charged with \$6,500 in direct staff costs.

Required:

1. Compute the predetermined overhead rate that was in use during January.
2. Complete the following job cost sheet for the partially completed Lexington Gardens Project.

Job Cost Sheet—Lexington Gardens Project	
As of January 31	
Costs of subcontracted work	\$?
Direct staff costs	?
Studio overhead	?
Total cost to January 31	\$?

EXERCISE 3–12 Varying Predetermined Overhead Rates [LO3, LO5]

Kingsport Containers, Ltd. of the Bahamas experiences wide variation in demand for the 200-litre steel drums it fabricates. The leakproof, rustproof steel drums have a variety of uses from storing liquids and bulk materials to serving as makeshift musical instruments. The drums are made to order and are painted according to the customer's specifications—often in bright patterns and designs. The company is well known for the artwork that appears on its drums. Unit product costs are computed on a quarterly basis by dividing each quarter's manufacturing costs (materials, labour, and overhead) by the quarter's production in units. The company's estimated costs, by quarter, for the coming year follow:

	Quarter			
	First	Second	Third	Fourth
Direct materials	\$240,000	\$120,000	\$60,000	\$180,000
Direct labour	128,000	64,000	32,000	96,000
Manufacturing overhead	300,000	220,000	180,000	260,000
Total manufacturing costs	<u>\$668,000</u>	<u>\$404,000</u>	<u>\$272,000</u>	<u>\$536,000</u>
Number of units to be produced	80,000	40,000	20,000	60,000
Estimated unit product cost	\$8.35	\$10.10	\$13.60	\$8.93

Management finds the variation in unit costs to be confusing and difficult to work with. It has been suggested that the problem lies with manufacturing overhead, since it is the largest element of cost. Accordingly, you have been asked to find a more appropriate way of assigning manufacturing overhead cost to units of product. After some analysis, you have determined that the company's overhead costs are mostly fixed and therefore show little sensitivity to changes in the level of production.

Required:

1. The company uses a job-order costing system. How would you recommend that manufacturing overhead cost be assigned to production? Be specific, and show computations.
2. Recompute the company's unit product costs in accordance with your recommendations in (1) above.

EXERCISE 3–13 Applying Overhead; T-accounts; Journal Entries [LO3, LO4, LO5, LO7, LO8]

Harwood Company is a manufacturer that operates a job-order costing system. Overhead costs are applied to jobs on the basis of machine-hours. At the beginning of the year, management estimated that the company would incur \$192,000 in manufacturing overhead costs and work 80,000 machine-hours.

Internet exercises teach students how to find information online and apply it to managerial accounting situations. Group exercises can be assigned either as homework or as in-class discussion projects

GROUP AND INTERNET EXERCISES



GROUP EXERCISE 10-34 Standards in an Auto Repair Shop

Make an appointment to meet with the manager of an auto repair shop that uses standards. In most cases, this would be an auto repair shop that is affiliated with a national chain such as Canadian Tire or the service department of a new-car dealer.

Required:

At the scheduled meeting, seek answers to the following questions:

1. How are standards set?
2. Are standards practical or ideal?
3. How are the standards used?
4. Is the actual time taken to complete a task compared to the standard time?
5. What are the consequences of unfavourable variances? Of favourable variances?
6. Do the standards and variances create any potential problems?

GROUP EXERCISE 10-35 Standards in Practice

Identify a company in your local area that is likely to use standards such as a commercial bakery, commercial printer, chain restaurant, or manufacturer. After verifying that the company uses standards, make an appointment to meet with the manager, controller, or chief financial officer of the organization.

Required:

At the scheduled meeting, seek answers to the following questions:

1. How are standards set?
2. Are standards practical or ideal?
3. How are the standards used?
4. What are the consequences of unfavourable variances? Of favourable variances?
5. Do the standards and variances create any potential problems?

INTERNET EXERCISE 10-36

As you know, the World Wide Web is a medium that is constantly evolving. Sites come and go, and change without notice. To enable the periodic updating of site addresses, this problem has been posted to the textbook Web site (www.mcgrawhill.ca/college/garrison). After accessing the site, enter the Student Centre and select this chapter. Select and complete the Internet Exercise.

While completing the financial reports, Perlman discovered a sizable inventory of outdated parts that should have been discounted for sale or returned to the manufacturer. She discussed this with her management colleagues; the consensus was to ignore reporting this inventory, since reporting it would diminish the financial results and their bonuses.

Required:

1. According to the Standards of Ethical Conduct for Practitioners of Management Accounting and Financial Management, would it be ethical for Perlman *not* to report the inventory as obsolete?
2. Would it be easy for Perlman to take the ethical action in this situation?

(CMA)

PROBLEM 1-6 Line and Staff Positions [LO2]

Special Alloys Corporation manufactures a variety of specialized metal products for industrial and defence contracts. The company also develops and markets parts to the major automobile companies. It employs many metallurgists and skilled technicians because most of its products are made from highly sophisticated alloys.

The company recently signed two large contracts; as a result, the workload of Wayne Washburn, the general manager, has become overwhelming. To relieve some of this overload, Mark Johnson was transferred from the Research Planning Department to the general manager's office. Johnson, who has been a senior metallurgist and supervisor in the Research Planning Department, was given the title "assistant to the general manager."

Washburn assigned several responsibilities to Johnson in their first meeting. Johnson will oversee the testing of new alloys in the Product Planning Department and be given the authority to make decisions as to the use of these alloys in product development; he will also be responsible for maintaining the production schedules for one of the new contracts. In addition to these duties, he will be required to meet with the supervisors of the production departments regularly to consult with them about production problems they may be experiencing. Washburn expects to be able to manage the company much more efficiently with Johnson's help.

Required:

1. Positions within organizations are often described as having (a) line authority or (b) staff authority. Describe what is meant by these two terms.
2. Of the responsibilities assigned to Mark Johnson as assistant to the general manager, which tasks have line authority and which have staff authority?
3. Identify and discuss the conflicts Mark Johnson may experience in the production departments as a result of his new responsibilities.

(CMA, adapted)

PROBLEM 1-7 Ethics in Business [LO4]

South of the border a prominent nationwide chain of auto repair shops was accused of misleading customers and selling them unnecessary parts and services, from brake jobs to front-end alignments. Lynn Sharpe Paine reported the situation as follows in "Managing for Organizational Integrity," *Harvard Business Review*, March–April, 1994:

In the face of declining revenues, shrinking market share, and an increasingly competitive market . . . management attempted to spur performance of its auto centers. . . . The automotive service advisers were given product-specific sales quotas—sell so many springs, shock absorbers, alignments, or brake jobs per shift—and paid a commission based on sales. . . . [Failure to meet quotas could lead to a transfer or a reduction in work hours. Some employees spoke of the "pressure, pressure, pressure" to bring in sales.

This pressure-cooker atmosphere created conditions under which employees felt that the only way to satisfy top management was by selling products and services to customers that they didn't really need.

Suppose all automotive repair businesses routinely followed the practice of attempting to sell customers unnecessary parts and services.

Required:

1. How would this behaviour affect customers? How might customers attempt to protect themselves against this behaviour?
2. How would this behaviour probably affect profits and employment in the automotive service industry?



Ethics assignments serve as a reminder that good conduct is just as important as profits in business.

Focus on the Canadian Seventh Edition



Book Philosophy and Structure

Presenting a textbook on a topic as varied as managerial accounting is a challenge that must have a guiding philosophy.

The authors of the seventh Canadian edition believe in the framework provided by Garrison, Noreen and Brewer in their eleventh U.S. edition. We are able to take this framework and provide a story that reflects the Canadian business and education scene. Our presentation attempts to make readers comfortable with the topic and provide the flexibility needed for the varied philosophies of Canadian users. We have tried to provide a text that can be covered in a single term yet, as our students tell us, a text that provides them with a reference book for later courses in the various programs they select.

We begin the book by describing the key players in managerial accounting and their concerns and areas of interest followed by the developments taking place in the field. Next, we move to two areas that support managerial accounting: costing products and services, and cost behaviour. This focus is seen in Chapters 2 to 8 with Appendix A as a natural addendum if desired. To permit an early view of the relevance of this foundation material, we present a simplified yet powerful analysis for decisions and the development of a cost driver, or base, creating cost behaviour.

In Chapters 9, 10 and 11, we build the first major application of this foundation—predetermined costs described as budgets and standards—and introduce their application. Chapter 12 provides the use of predetermined costing for management control. Control requires a knowledge of costing, cost behaviour and predetermined targets to be effective. The bonus Chapter 15 on financial statement analysis can be used to extend control practices to those exerted by parties external to the organization.

The second major application of costing and cost behaviour is described in Chapters 13 and 14, where we first introduce costing analysis to support short-term decisions, and second, the analysis needed to support long-term decisions by management.

Not everyone can study all chapters, even though all have a place. Each of the chapters provides a selection of problems and applications focusing on manufacturing, service and not-for-profit organizations as well as international businesses so that the text reflects the variety of situations faced in today's business world. Professors will select those topics deemed appropriate for the needs of each course. What isn't covered in a course will serve as a useful reference. Online Chapter 15, for example, may be left to another course or discipline, yet managers will need to know how they are perceived by statement users external to the organization. Thus, not only is this chapter an extension of Chapter 12 on control, it also complements Chapters 13 and 14 on decision analysis because external statements help to control managers and influence their decisions.

One text for a single course cannot do everything Canadian users may want, but it can provide a presentation users can understand and a foundation for later application. Clarity, balance, relevance and accuracy are necessary to the successful use of the text, our ultimate objective.

What's New in the Seventh Edition

The seventh Canadian edition has been reviewed more extensively than at any time in its history in an attempt to make this edition the clearest to date for the reader. The results of these peer reviews and the authors' efforts are reflected in revision and reorganization in nearly every chapter to extend relevant discussions, clarify previous discussions, and present new topics. We believe we have improved an already good text to provide an even greater understanding of the issues.

For example, coverage of cost behaviour, including its relevance and terminology, has been altered. The role of inventory and the treatment of overhead have been explained in connection with cost behaviour. Activity based costing and its connections to management decisions have been clarified.

Additional topics and changes include expanded content on the role of management accounting in serving management's needs. Chapter 1 also features a condensed and clarified discussion of the changing business environment, and standards of ethical conduct for management accountants to reflect the relevance to the current business scene and the requirements of accredited programs.

Chapter 2 reflects the move of the discussion of strategic planning to chapter 9 to provide a guide for the planning described there. The discussion of the cost of goods manufactured has been clarified.

Chapter 8 on activity-based costing includes a discussion of the adjustments and practices needed when these costs are applied to decision situations where the unaltered use of activity costs could be misleading. The appendix to chapter 8 is an especially relevant extension of the discussion of these anomalies.

In addition to coverage of strategic planning, Chapter 9 now also contains an expanded discussion of the business plan to emphasize the interactive nature of business planning. Plus, new materials will help readers further understand detailed schedules, including a new Schedule 7 that relates cash flow to the income statement.

The discussion of balanced scorecards has been removed from chapter 10 and presented in chapter 12 where it provides a natural extension of traditional financial controls.

Chapter 13 features revisions to integrate the various topics in decision analyses. New "Decision Aid" boxes assist the reader with the application of these concepts.

Chapter 14 includes a new discussion of the popular payback method of analysis together with an expanded discussion of post-appraisal of investment projects. An appendix on risk analysis of long-term projects has been added extending the discussion in chapter 6.

Chapter 15 provides a new discussion of sustainability reporting in the Canadian context, a key focus for today's business managers.

In addition, the chapter-opening Business Focus discussions have been updated in nearly all instances, new real-world examples are highlighted in Focus on Current Practice boxes, and most exercises, problems and cases have been revised or replaced to keep this text current.

Decision Criteria

Each chapter contains materials that provide a basis for managerial decisions. All decisions require a comparative base that enables the manager to evaluate the information. The following represents common approaches that management employs to assess the results derived from managerial accounting reports and analyses:

- Chapter 1: Professional ethics
- 2: Financial statement rules, economic cost behaviour, and strategy
- 3: Chart of accounts, cost comparisons, and reporting periods
- 4: Cost average comparisons, both historical and current
- 5: Cost behaviour patterns related to sales and production
- 6: Cost-volume-profit analyses
- 7: Internal management profit behaviour
- 8: Activity cost comparisons
- 9: Proposed target costs and revenues
- 10: Standard cost determinations for materials, labour, and overhead
- 11: Overhead standards
- 12: Segmented performance results
- 13: Pricing rules and differential revenues and costs
- 14: Long-term differential revenues and costs
- 15: Previous overall results and the performance of other firms
- Appendix A: Departmental performance and comparisons

Teaching and Learning with

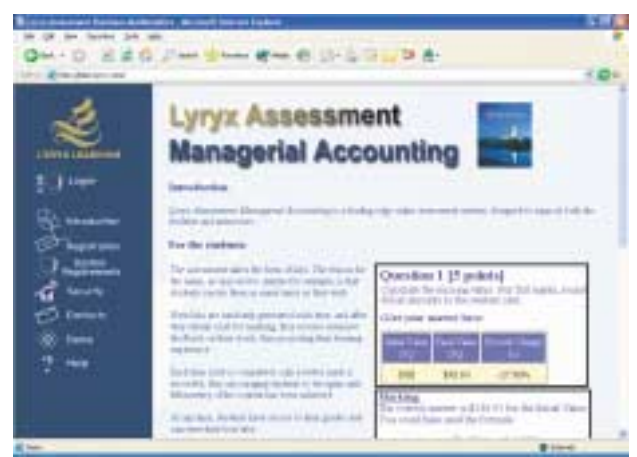
Managerial Accounting's technology learning solutions complement the textbook every step of the way, giving students the extra help they need while providing instructors with tools for teaching a stimulating and rewarding class.

Lyryx Assessment for Managerial Accounting

A complete online assessment system

Lyryx Assessment for Managerial Accounting is a Web-based teaching and learning tool that has captured the attention of post-secondary institutions across the country, and improved student success in managerial accounting.

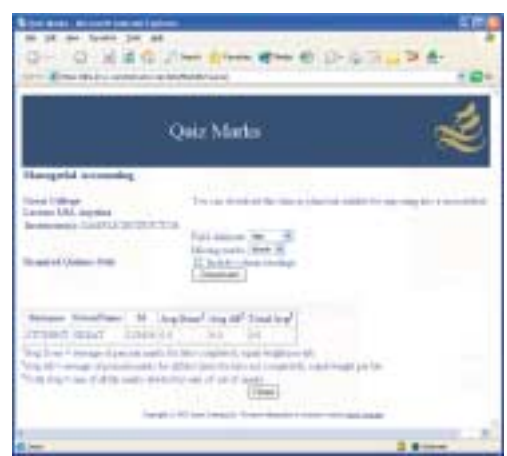
Lyryx Assessment Accounting Labs
 Developed specifically for *Managerial Accounting*, Seventh Canadian Edition by Garrison, Noreen, Brewer, Chesley, and Carroll, **Lyryx Assessment** is a leading-edge online assessment system that delivers significant benefits to both students and instructors.



After registering their course with us, instructors can create Labs of their choice by selecting problems from our test bank and setting deadlines. Instructors have access to all the students' marks and can view their best Labs. At any time, instructors can download the class grades for their own programs to analyze individual and class performance.



The assessment takes the form of a homework assignment called a **Lab**, which corresponds to the chapters in the Garrison text. The Labs are algorithmically generated and automatically graded, so students get instant scores and feedback—no need to wait until the next class to find out how well they did!



With new Labs randomly generated each time, students have unlimited opportunities to try a type of question. Student motivation is high with these Labs, because they can be tied to assessment, and because they can try as many times as they want prior to the due date, with only their best grade being recorded.

If students are doing their managerial accounting practice and homework, they will improve their performance in the course. Recent research regarding the use of Lyryx has shown when Labs are tied to assessment, even if worth only a small percentage of the total grade for the course, students *will do their homework—and more than once. The result is improved student success in managerial accounting!*

Please contact your **iLearning Sales Specialist** for additional information on the Lyryx Interactive Managerial Accounting system.

Technology

Algorithmic Test Bank

If you've ever thought that no test bank, however well made, could have all the problems you could possibly need, think again. The Algorithmic Test Bank available with *Managerial Accounting, 7th Canadian edition*, includes a problem generator that replicates the structure of text problems while populating them with fresh numbers. Create unique versions of every homework assignment, every quiz, every test—or use it to provide dozens of similar but distinct problems for students to practise on.

Online Learning Centre

McGraw-Hill Ryerson offers you an online resource that combines the best content with the flexibility and power of the Internet. Organized by chapter, the Garrison Online Learning Centre (OLC) offers the following features to enhance your learning and understanding of *Managerial Accounting*:

Student Centre

This interactive student component features multiple-choice questions, group and Internet exercises, practice exams, videos, and more.

Instructor Centre

Instructors can access additional problems and solutions, and downloadable supplements including the Instructor's Manual, Solutions Manual, Microsoft® PowerPoint® slides, and Microsoft® Excel® template solutions.

Student Supplements

Student Study Guide

This study aid provides suggestions for studying chapter material, summarizes essential points in each chapter, and tests students' knowledge using self-test questions and exercises.

Microsoft® Excel® Templates

This spreadsheet-based software uses Excel to solve selected problems and cases in the text. These selected problems and cases are identified in the margin of the text with an appropriate icon. The Excel templates are available on the text's Online Learning Centre.

Online Learning Centre

(www.mcgrawhill.ca/college/garrison)

The Student Centre of this Web site contains an interactive student component with multiple-choice questions, group and Internet exercises, practice exams, videos, and more.

Instructor Supplements

iLearning Sales Specialist

Your Integrated Learning Sales Specialist is a McGraw-Hill Ryerson representative who has the experience, product knowledge, training, and support to help you assess and integrate any of the following products, technology, and services into your course for optimum teaching and learning performance. Whether it's helping your students improve their grades, or putting your entire course online, your *iLearning Sales Specialist* is there to help you do it. Contact your local *iLearning Sales Specialist* today to learn how to maximize all of McGraw-Hill Ryerson's resources!

Instructor's CD-ROM

This all-in-one resource incorporates the Instructor's Manual, Solutions Manual, Computerized Test Bank, Microsoft® PowerPoint® slides, and Microsoft® Excel® templates plus solutions, each described below.

Instructor's Manual

The Instructor's Manual includes chapter overviews, lecture notes, assignment grids plus levels of difficulty and suggested times for assignment materials, chapter-by-chapter lists of service examples, and more.

Solutions Manual

This supplement contains completely worked-out solutions to all assignment material and a general discussion of the use of group exercises. In addition, the manual contains suggested course outlines and a listing of exercises, problems, and cases scaled according to difficulty. This supplement is also available on the text's Online Learning Centre.

Computerized Test Bank

Nearly 2,000 questions are organized by chapter and include true/false, multiple-choice, and essay questions plus computational problems. Use it to make different versions of the same test, change the answer order, edit and add questions, and conduct online testing. Technical support for this software is available. The files are also available in RTF format for printing.

Microsoft® PowerPoint® Slides

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