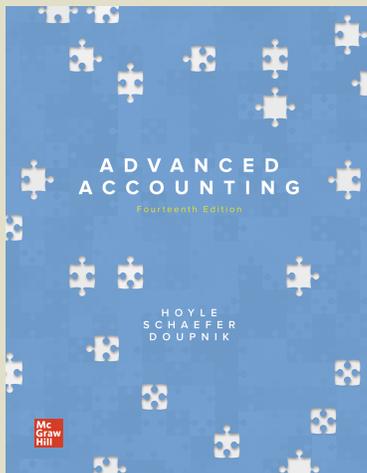




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List of Changes



Advanced Accounting 14th Edition

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ISBN: 9781260247824 / © 2021

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Overall-this edition of the text provides relevant and up-to-date accounting standards references to the Financial Accounting Standards Board (FASB) Accounting Standards Codification® (ASC).

SEE LIST OF CHANGES ATTACHED.

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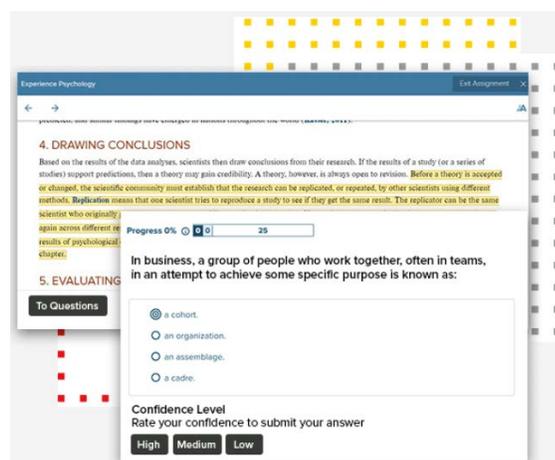
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FASB Updates – FASB/ASC standards have been significantly updated throughout content, including:

- **Goodwill Impairments** (Chapter 3)
- **Derivatives and Hedging** (Chapter 9)
- **Leases** (Chapter 17)
- **Not-for-Profit Entities** (Chapter 18)



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Changes to Hoyle: Advanced Accounting, 14e

Chapter 1

- Added a new section on business motivations for making equity method investments emphasizing economic benefits of significant influence.
- Updated real-world references, with a new reference when an equity method investment is reduced to zero.

Chapter 2

- Three new business combinations are discussed in terms of motivations to combine Amazon– Whole Foods, Salesforce.com–MuleSoft, and Tesla–Grohmann.
- Updated real-world references.
- Added a Discussion Question addressing situations where an acquired entity is not a business.
- Added new end-of-chapter problems and three new cases.

Chapter 3

- Updated material on goodwill impairment to reflect ASU updates for ASC Topic 350, Intangibles— Goodwill and Other.
- Updated real-world references.
- Revised and expanded section on accounting for contingent consideration in periods subsequent to acquisition.
- Revised and added new end-of-chapter problems and cases.

Chapter 4

- Introduced a table showing recent noncontrolling interest reported values by business entities.
- Updated real-world references.
- Revised and added new end-of-chapter problems and cases.
- Provided additional ASC citations on valuing noncontrolling interests and control premiums.
- Revised the section covering control premiums to provide additional focus on goodwill implications.

Chapter 5

- Streamlined and clarified the coverage for intraentity gross profits in inventory and implications of the parent’s investment accounting methods.
- Revised and added new end-of-chapter problems and cases.

Chapter 6

- Updated real-world references.
- Revised and clarified the section on accounting for variable interest entities including additional ASC citations. Revised the consolidation examples for variable interest entities (acquisition date and postacquisition) by incorporating a management fee paid by the variable interest entity to the primary beneficiary.
- Revised several end-of-chapter problems.
- Revised examples and end-of-chapter problems for changes in federal corporate income tax rates from the Tax Cut and Jobs Act enacted in December 2017.

Chapter 7

- Revised and updated coverage of income taxes for business combinations for changes from the Tax Cut and Jobs Act.
- Updated real-world references.
- Revised/updated several end-of chapter problems and cases to align with new tax regulations.

Chapter 8

- Updated references to actual company practices and excerpts from annual reports.
- Changed the real-world companies used to demonstrate disclosure of geographic information in “Entitywide Information” and the seasonal nature of operations in “Interim Reporting.”
- Added an annual report excerpt related to the determination and aggregation of reportable segments.
- Added a paragraph on the recent SEC requirement to include a reconciliation of changes in stockholders’ equity in an interim report.

Changes to Hoyle: Advanced Accounting, 14e

- Decreased the scope of the requirements in the two research cases at the end of the chapter.

Chapter 9

- Updated the chapter to reflect Accounting Standards Update (ASU) No. 2017-12, “Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities,” which amends ASC Topic 815, Derivatives and Hedging.
This ASU requires an entity to present the income effect of the hedging instrument in the same income statement line item in which the income effect of the hedged item is reported. If an entity excludes certain portions of a hedging instrument’s change in fair value from the assessment of hedge effectiveness (a so-called excluded component), the ASU permits an entity to recognize the initial value of the excluded component in net income using (1) changes in the fair value of the excluded component or (2) a systematic and rational method (such as straight-line) over the life of the hedging instrument. Further, the ASU requires the income effect of an excluded component to be recognized in the same income statement line item in which the income effect of the hedged item is reported.
- Introduced the concept of forward points in describing foreign currency forward contracts.
- Added a timeline in “Hedges of Foreign Exchange Risk” to illustrate how the various hedges differ in terms of timing.
- Added a subsection to the discussion on “Hedge Effectiveness” to cover issues relating to the “Exclusion of Components from Hedge Effectiveness Assessment.”
- Changed the hedge examples to exclude the forward points on a forward contract and the time value of an option from the assessment of hedge effectiveness whenever possible. In allocating the excluded components to net income, the examples consistently use a straight-line amortization approach for forward points on a forward contract and the change in fair value approach for the time value of an option.
- Changed the name of the fictitious company in the hedge examples to Eximco and the example currency to British pounds to signal that examples have been changed.
- Deleted reference to the effective interest method for allocating forward points to net income, as well as the comparison of the effective interest versus straight line methods of allocation.
- Revised the hedges examples, for simplicity, to ignore discounting to present value in determining the fair value of forward contracts and firm commitments.
- Changed the journal entries in the hedge examples so that all gains and losses related to foreign currency denominated assets and liabilities, firm commitments, forward contracts, and options are recognized in a single income statement line item titled “Foreign Exchange Gains and Losses.”
- Changed the journal entries in the hedge examples so that those entries that are ultimately reflected in accumulated other comprehensive income are first debited or credited to an “Other Comprehensive Income (OCI)” account rather than to “Accumulated Other Comprehensive Income (AOCI).”
- Revised the facts and instructions in most of the end-of-chapter problems dealing with hedges to be consistent with changes made in the chapter. Also, changed company names in revised problems to signal that these problems have been changed.
- Updated real-world references including examples of company practices, excerpts from annual reports, and foreign exchange rates.

Chapter 10

- Updated information about countries currently meeting the definition of highly inflationary economy.
- Changed the hypothetical exchange rates used in the Swissco example (“The Translation Process Illustrated”) to be more consistent with the current U.S. dollar/Swiss franc exchange rate. Changed the hypothetical exchange rates and U.S. dollar amounts in Exhibits 10.4–10.9 accordingly.
- Expanded the discussion related to hedging balance sheet exposure and added a numerical example demonstrating the accounting related to a hedge of a net investment.
- Updated real-world references including examples of company practices and excerpts from annual reports.
- Changed the foreign currency in several end-of-chapter problems to eliminate the use of nonexistent

Changes to Hoyle: Advanced Accounting, 14e

currency names.

- Revised the facts in an end-of-chapter problem related to a hedge of a net investment.
- Changed one of the companies included in the requirements for the second research case at the end of the chapter.

Chapter 11

- Updated real-world references including excerpts from annual reports.
- Introduced the nomenclature “IFRS Standards” now used by the IASB when referring to its standards.
- Updated exhibits listing IFRS Standards and countries' use of IFRS Standards.
- Updated information on the use of full IFRS and IFRS for SMEs.
- Updated CPA exam coverage of IFRS based upon the AICPA's 2018 CPA exam blueprints.
- Updated the discussion and exhibit related to differences between IFRS and U.S. GAAP.
- Deleted the section related to gain on sale and leaseback from the comprehensive illustration.
- Added a question to the end-of-chapter material.
- Deleted end-of-chapter problems related to gain on sale and leaseback.
- Revised the end-of-chapter second analysis case to replace the requirement related to gain on sale and leaseback with convertible bonds.
- Replaced the end-of-chapter research case related to “Reconciliation to U.S. GAAP” with a case focusing on “Differences between IFRS and U.S. GAAP.”

Chapter 12

- Added new section on SEC Content in the FASB's Accounting Standards Codification® (ASC).
- Added new section on SEC and PCAOB Fees and Budgets.
- Added discussion of Regulation FD (Fair Disclosure) and its effect on disclosures in Form 8-K.
- Added discussion of expanded reporting requirements requiring greater use of real-time disclosures for material changes in their financial condition or operations between periodic 10-K and 10-Q filings on Form 8-K, which were enacted as rules to implement the Sarbanes–Oxley Act.
- Updated SEC data on filing fees.
- Updated web references as necessary.

Chapter 13

- Revised references to include companies that have recently experienced bankruptcy such as Sears Holdings, Nine West, Claire's, Bon-Ton, Brookstone, and Rockport.

Chapter 14

- Revised and updated coverage of the tax implications of partnership for changes from the Tax Cut and Jobs Act.
- Updated real-world references.
- Updated several end-of-chapter problems.

Chapter 15

- Added two learning objectives related to (1) preparing a statement of partnership liquidation and (2) calculating safe payments.
- Made “Partnership Liquidation Procedures,” “Statement of Partnership Liquidation,” and “Deficit Capital Balances” major headings.
- Moved the “Two Partners with Deficit Capital Balances” example to the “Deficit Capital Balances” section.
- Renamed “Statement of Liquidation” as “Statement of Partnership Liquidation.”
- Reorganized “Safe Payments to Partners” as a major section with a new, related learning objective.
- Deleted the subsection on “Insolvent Partnership.”
- Relabeled the section on “Installment Liquidations” as “Preliminary Distribution of Partnership Assets.”
- Made “Predistribution Plan” a major heading.
- Deleted an end-of-chapter question related to the Uniform Partnership Act and revised a question related to safe payments.

Changes to Hoyle: Advanced Accounting, 14e

- Revised requirements in several end-of-chapter problems to require preparation either of a statement of partnership liquidation, proposed schedule of liquidation, or predistribution plan.
- Replaced a multi-part problem with a problem requiring preparation of a proposed schedule of liquidation.
- Deleted the Research Case.
- Replaced the previous Analysis Case with a new case.
- Replaced the previous Communication Case with two new cases.

Chapter 16

- Updated numerous references to the financial statements of a wide variety of state and local governments such as the City of Portland, the City of Phoenix, the City of Greensboro, and the City of Las Vegas.
- Discussed the ongoing evolution of U.S. GAAP to highlight GASB's release of two Preliminary Views documents, Financial Reporting Model Improvements and Recognition of Elements of Financial Statements that could eventually create significant changes in state and local government accounting.

Chapter 17

- Provided coverage of new pronouncement: GASB Statement No. 87, "Leases," including comparison with FASB Accounting Standards Update No. 2016-02, "Leases." The two authoritative groups take significantly different approaches to the reporting of lease contracts.
- Rearranged chapter coverage to increase emphasis on the reporting of defined benefit pension plans to highlight the risk of such large government obligations.
- Updated references to the financial statements of state and local governments such as the City of Los Angeles, the City of Chicago, the City of Orlando, the City of Cincinnati, and the City of Boston.

Chapter 18

- Rewrote significant sections of the chapter as a result of Accounting Standards Update 2016-14, Presentation of Financial Statements for Not-for-Profit Entities, (released in August 2016) and Accounting Standards Update 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (released in June 2018).
- Described new reporting rules that require a not-for-profit (NFP) entity to classify its net asset total as either with donor restrictions or without donor restrictions.
- Examined the difference between an exchange transaction and a contribution based on Accounting Standards Update 2014-09, Revenues from Contracts with Customers.
- Identified conditional contributions and discussed the reporting of conditional contributions versus unconditional contributions.
- Explained other new NFP reporting changes such as for the statement of cash flows as well as the disclosure of functional expenses and the entity's expected method of handling liquidity issues.

Chapter 19

- Updated tax code references, numbers, and statistics.
- Included coverage of the Tax Cuts and Jobs Act of 2017.
- Revised web links in footnote references as appropriate.
- Revised end-of-chapter material reflecting changes from the chapter.

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