List of Changes

Intermediate Accounting, 10th edition
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New in the 10th edition:

Spiceland is the new global standard for providing students the most current, comprehensive, and clear Intermediate Accounting learning system. Each revision carefully considers how the print and digital content work together to coordinate improvements in content and industry-leading technology to provide the most robust learning solution. The Spiceland team implements only those changes that constitute real improvements as identified through extensive research with users. The result is a learning system that enhances our reputation for providing the best preparation for passing the CPA exam and successful accounting careers.

Improvements in this edition include the following highlights:

- **NEW! Updated content to reflect the latest GAAP and Accounting Standards Updates, as well as TCJA tax reform legislation, including:**
  - **Income taxes (Ch. 16)**
  - **Leases (Ch. 15)**
  - **Financial instruments (Ch. 12)**
  - **Revenue recognition (Ch. 6)**

Chapter 1: ENVIRONMENT AND THEORETICAL STRUCTURE OF FINANCIAL ACCOUNTING

- Provided more focused discussion of the convergence process.
- Revised discussion of FASB standard setting and ongoing projects (disclosure framework, materiality).
- Added or updated problems and cases relevant to The Gap.

Chapter 2: REVIEW OF THE ACCOUNTING PROCESS

- Revised and reorganized the presentation of the accounting processing cycle.
- Added the use of a Dividends account.
- Eliminated the use of Income Summary in the Closing Process.
- Added a Data Analytics case based on topics in the chapter, using Tableau as a tool (auto-gradable in Connect).

Chapter 3: THE BALANCE SHEET AND FINANCIAL DISCLOSURES

- Changed opening balance sheet to Nike.
- Clarified distinction between book value, market value, and fair value.
- Updated terminology in chapter and end-of- chapter material to reflect ASU 2016-01 for investments.
- Updated definition of long-term liability to include FASB's proposed definition.
- Discussed and provided an example of the new format for the auditor's report.
- Revised discussion of executive compensation to reflect the more prominent role of restricted stock compared to stock options.
- Added a Data Analytics case based on topics in the chapter, using Tableau as a tool (auto-gradable in Connect).

Chapter 4: THE INCOME STATEMENT, COMPRE- HENSIVE INCOME, AND THE STATE- MENT OF CASH FLOWS

- Updated all illustrations and end-of-chapter assignments involving income taxes to a new overall rate of 25%.
- Revised definition and discussion of other comprehensive income.
- Added a Data Analytics case based on topics in the chapter, using Tableau as a tool (auto-gradable in Connect).

Chapter 5: TIME VALUE OF MONEY CONCEPTS

- Revised the Financial Reporting Case
- Added **LO5–5** Explain the role of present value techniques in the valuation of notes in the Preview of Accounting Applications of Present Value Techniques—Single Cash Amount section.

- Eliminated the Expected Cash Flow section in the Preview of Accounting Applications of Present Value Techniques—Single Cash Amount section.
- Added a Valuation of Long Term Notes section in the Preview of Accounting Applications of Present Value Techniques—Single Cash Amount section.
- Added a Valuation of Long Term Notes section in the Preview of Accounting Applications of Present Value Techniques—Annuities section

Chapter 6: REVENUE RECOGNITION

- Reordered chapters 5 and 6 to have time value of money (now 5) precede coverage of revenue recognition (now 6) and have revenue recognition immediately precede coverage of receivables (7).
- Expanded coverage of time value of money considerations, including numerical examples of significant financing components for prepayments and receivables, along with new end of chapter material in brief exercises and exercises.
- Added Microsoft real-world example to illustrate materiality of new treatment of licenses.
- Added new Trueblood cases.
- Added/updated problems and cases relevant to Expedia, Priceline, and Alphabet.
- Added a Data Analytics case based on topics in the chapter, using Tableau as a tool (auto-gradable in Connect).

Chapter 7: CASH AND RECEIVABLES

- In chapter, as well as Appendix 7B, enhanced coverage of ASU 2016–13's CECL model for accounting for credit losses.
- Modified coverage of IFRS to focus on IFRS No. 9.
- Enhanced E.O.C. material with respect to credit losses and accounts receivable.
- Revised coverage on noninterest-bearing notes receivable.
- Added or updated problems and cases relevant to General Mills, Microsoft, Amdahl, Nike, Avon Products, Cisco, Sanofi-Aventis, Tyson Foods, and Pilgrim's Pride Corp.
- Added a Data Analytics case based on topics in the chapter, using Tableau as a tool (auto-gradable in Connect).

Chapter 8: INVENTORIES: MEASUREMENT

- Clarified discussion of consignment arrangements and related costs.
- Added details about calculation of cost of goods sold and ending inventory for specific identification.
- Clarified discussion of calculating of cost of goods sold and ending inventory using perpetual average cost.
- Clarified the use of LIFO calculations under periodic versus perpetual system in practice.
- Added discussion of the impact of technology and the use of the perpetual inventory system

- Modified the Concept Review Exercise on inventory cost flow to include LIFO reserve.
- Revised Illustration 8-5 to reflect entries under a perpetual inventory system.
- Revised discussion of purchase discounts under the gross versus net method
- Added BE 8-10 for LIFO reserve.
- Modified E 8-19 and P 8-1 to include LIFO reserve adjustment from perpetual FIFO to periodic LIFO.
- Modified E 8-16 to compare FIFO and LIFO when costs are increasing and when costs are decreasing.
- Added a Data Analytics case based on topics in the chapter, using Tableau as a tool (auto-gradable in Connect).

Chapter 9: INVENTORIES: ADDITIONAL ISSUES

- Modified Concept Review Exercise for lower of cost or net realizable value to include unit values.
- Clarified treatment of employee discounts in the conventional retail method and revised Illustration 9-13.
- Revised discussion of Dollar-Value LIFO Retail.
- Added a Data Analytics case based on topics in the chapter, using Tableau as a tool (auto-gradable in Connect).

Chapter 10: PROPERTY, PLANT, AND EQUIPMENT AND INTANGIBLE ASSETS: ACQUISITION

- Revised discussion of nonmonetary exchanges to include four steps, and added summary Illustration 10-16.
- Revised Illustration 10-14A to clarify recording of a nonmonetary exchange.
- Moved discussion and illustration of amortization of software development costs to chapter 11.
- Added discussion of accounting for cloud computing arrangements and related implementation costs.
- Added Brief Exercise 10-18 on accounting for software development costs for internal purposes.
- Added Brief Exercise 10-19 on accounting for software development costs in cloud computing arrangements.
- Added a Data Analytics case based on topics in the chapter, using Tableau as a tool (auto-gradable in Connect).

Chapter 11: PROPERTY, PLANT, AND EQUIPMENT AND INTANGIBLE ASSETS: UTILIZATION AND DISPOSITION

- Moved discussion and illustration of amortization of software development costs from chapter 10.

- Modified Illustration 11–4B to simplify and clarify calculation of partial year depreciation.
- Added discussion of amortization of software development costs for internal purposes and in cloud computing arrangements.
- Updated discussion of impairment for goodwill based on ASU No. 2017-04.
- Added Exercise 11-13 on reporting assets held for sale.
- Updated discussion of MACRS depreciation for changes enacted by the Tax Cuts and Jobs Act.
- Added a Data Analytics case based on topics in the chapter, using Tableau as a tool (auto-gradable in Connect).

Chapter 12: INVESTMENTS

- In chapter, as well as Appendix 12B, enhanced coverage of ASU 2016–13's CECL model for accounting for credit losses.
- Revised wording of account titles to provide more streamlined and cohesive presentation of accounting for HTM, TS, AFS, equity, and equity method investments.
- Provided new Decision Makers' Perspective cases for Intel, FCA and Merck.
- Added a Data Analytics case based on topics in the chapter, using Tableau as a tool (auto-gradable in Connect).

Chapter 13: CURRENT LIABILITIES AND CONTINGENCIES

- Updated General Mills example used in Illustration 13–1 and throughout the chapter.
- Updated contingent liability examples.
- Added a Data Analytics case based on topics in the chapter, using Tableau as a tool (auto-gradable in Connect).

Chapter 14: BONDS AND LONG-TERM NOTES

- Updated Real World Financials in Bonds section.
- Revised the journal entry in Illustration 14-A2 and added additional explanation.
- Replaced illustration of zero coupon securities in Ill. 14-7 with a newer real world example, Coca Cola.
- Added a Data Analytics case based on topics in the chapter, using Tableau as a tool (auto-gradable in Connect).

Chapter 15: LEASES

- Added discussion to the operating leases section *related* to our *recording* both interest and amortization even though, for an operating lease, the *lessee* will *report* a single lease expense rather than the separate interest and amortization as with a finance lease.
- Added a *Why Lease?* section to Part A and added related EOC and TB questions.
- Added an *Is it a Lease?* section to Part C and added related EOC and TB questions.

- Added a paragraph at end of Nonlease Payments section in Part C to describe new ASU on simplification option for lessors.
- Added a Data Analytics case based on topics in the chapter, using Tableau as a tool (auto-gradable in Connect).

Chapter 16: ACCOUNTING FOR INCOME TAXES

- Reordered early coverage to provide more conceptual basis before walking through treatment of individual temporary differences.
- Revised illustrations to highlight the four-step process for calculating tax expense, using color-coded steps in all examples and solutions to end-of- chapter material.
- Revised coverage to walk through each com- bination of deferred tax assets and liabilities and revenue- and expense-related temporary differences.
- Modified all examples and end of chapter material to reflect new tax rates.
- Modified coverage of net operating loss carrybacks and carryforwards to reflect new tax act.
- Modified coverage of non-temporary differences to reflect new tax act, including Additional Consideration covering earning repatriation.
- Updated Real World "Shoe Carnival" case covering linkage between tax expense journal entry and changes in deferred tax assets, liabilities, and the valuation allowance.
- Added a Data Analytics case based on topics in the chapter, using Tableau as a tool (auto-gradable in Connect).

Chapter 17: PENSIONS AND OTHER POSTRETIREMENT BENEFIT PLANS

- Added Additional Consideration box to note the trend toward the "spot rate" method of determining the interest rate.
- Added Additional Consideration box to indicate that some companies are voluntarily choosing to recognize pension gains and losses immediately rather than amortizing them.
- Most Decision Makers' Perspective cases are now auto-gradable in Connect.
- Added a Data Analytics case based on topics in the chapter, using Tableau as a tool (auto-gradable in Connect).

Chapter 18: SHAREHOLDERS' EQUITY

- Revised discussion and assignment material to reflect the SEC's revision of the ex-dividend date from two business days before the date of record to one.
- Replaced Alcoa Case with Nike Case.
- Added a Data Analytics case based on topics in the chapter, using Tableau as a tool (auto-gradable in Connect).

Chapter 19: SHARE-BASED COMPENSATION AND EARNINGS PER SHARE

- Modified all illustrations and end of chapter material to reflect new tax rates.
- Added a Data Analytics case based on topics in the chapter, using Tableau as a tool (auto-gradable in Connect).

Chapter 20: ACCOUNTING CHANGES AND ERROR CORRECTIONS

- Revised discussion of approaches to account for accounting changes to include the modified retrospective approach.
- Modified all illustrations and end of chapter material to reflect new tax rates.

Chapter 21: STATEMENT OF CASH FLOWS REVISITED

- Revised a CVS Caremark Corp illustration of presenting cash flows from operating activities by the direct method.
- Added an enhanced Additional Consideration box on reporting bad debt expense in the SCF.
- Added a real world illustration of presenting cash flows from operating activities by the indirect method.
- Modified all illustrations and end of chapter material to reflect new tax rates.
- Revised a Research Case related to FedEx's investing and financing activities.
- Added a Real World Case on Staples reporting of its SCF.
- Added a Data Analytics case based on topics in the chapter, using Tableau as a tool (auto-gradable in Connect).

Appendix A: DERIVATIVES

- Extensively revised all illustrations, discussions, and assignment material to reflect changes emanating from the new FASB Accounting Standards Update No. 2017-12, Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities.
- Added new discussion, illustration and assignment material for a cash flow hedge, interest rate swap.
- Added new discussion, illustration and assignment material for an option contract,
- Added new discussion, illustration and assignment material for a nonfinancial forward contract
- Revised a Real World Case related to the Chicago Mercantile Exchange.
- Revised a Johnson & Johnson Real World Case on hedging transactions.