



LIST OF CHANGES

Financial Accounting

11th Edition **International Student Edition**
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NEW! Tableau Dashboard Activities easily introduce students to Tableau. Students learn to gather the information they need from a live embedded Tableau dashboard - no prior knowledge of Tableau needed.

NEW! Guided Help Videos for each Self-Study Quiz involving numbers or calculations that are similar to popular assignments.

NEW! Integrated Excel assignments pair the power of Microsoft Excel with the power of Connect in a seamless, live integration.

NEW Remote Proctoring and Browser locking Capabilities, hosted by Proctorio within Connect.

Take Students Higher

McGraw Hill supports you in moving students from foundational cognitive skills to higher-order thinking and application with a variety of digital content and assignable assets. Within Connect, each asset’s alignment to the levels of Bloom’s Taxonomy is identified so you can easily assign and receive reporting on student progress. The chart below outlines the asset type and how it aligns to Bloom’s Taxonomy.

LOWER HIGHER

ASSET	DESCRIPTION	REMEMBER	UNDERSTAND	APPLY	ANALYZE	EVALUATE	CREATE
Cases & Projects	Cases & Projects include annual report cases, financial reporting and analysis cases, critical thinking cases, financial reporting and analysis projects, and business analytics and data visualization exercises. CP1 presents auto-gradable questions based on Target’s annual report, CP2 includes auto-gradable questions based on Walmart’s report, and CP3 provides auto-gradable questions comparing key ratio(s) discussed in the chapter for Target and Walmart.	■	■				
Tableau Dashboard Activities	Tableau Dashboard Activities easily introduce students to Tableau. Students learn to gather the information they need from a live embedded Tableau dashboard - no prior knowledge of Tableau needed.	■	■				
Continuing Problem	The continuing case revolves around Penny’s Pool Service & Supply, Inc., and its largest supplier, Pool Corporation.	■	■	■			
Concept Overview Videos	Concept Overview Videos provide engaging narratives of all chapter learning objectives in an assignable, interactive online format. These videos follow the structure of the text and match specific learning objectives within each chapter of Financial Accounting.	■	■	■			

ASSET	DESCRIPTION	REMEMBER	UNDERSTAND	APPLY	ANALYZE	EVALUATE	CREATE
Guided Help Videos	Guided Help Videos provide students with immediate help understanding key concepts, our unique Guided Help videos provide narrated, animated, step-by-step walk-throughs for each numerical Self-Study Quiz that students can view at any time through their mobile device or online.	■	■	■			
SmartBook® 2.0	SmartBook 2.0: An adaptive study tool housed within Connect that helps identify specific topics and learning objectives individual students need to study. The result is that students are more engaged with course content, can better prioritize their time, and come to class ready to participate.	■	■	■	■		
New! Integrated Excel	New! Integrated Excel assignments pair the power of Microsoft Excel with the power of Connect. A seamless integration of Excel within Connect, Integrated Excel questions allow students to work in live, auto-graded Excel spreadsheets.	■	■	■	■	■	

The Value of Upgrading Connect

- **NEW!** More mobility. Free access to the ReadAnywhere app and a Connect Tablet App allowing student full access to their Connect course to complete assignments, read their eBook, and check their grades just like they would on a laptop browser.
- **NEW!** Integration of Proctorio provides remote proctoring, browser-locking capabilities, and verification options.
- **NEW!** More instructor flexibility in assigning content & creating review assignments personalized to students' weakest areas.
- **NEW!** Writing Assignment tool.
- **Accessibility enhancements** to ensure new content and technology follows the WCAG version 2.1 AA guidelines and best practices. Some examples of enhancements include alt descriptions added to eBook for screen reader users, increased accessibility to the presentation PowerPoint, and read-aloud functionality added to SmartBook.
- **More advanced student and class reporting capabilities.**
- **World-class reliability** with 99.9% platform uptime.

And our new partnership with the Online Learning Consortium (OLC) provides an even higher level of expertise and support when transitioning your course.



WHAT'S NEW IN THE 11th EDITION?

This edition is new in look, content, features, and resources to enhance learning by students and use by instructors.

Overall in Each Chapter:

- Greater focus on reporting by students' favorite tech companies including **Google, Facebook, Apple, Tesla, Amazon, Zoom, Microsoft** and others.
- Updated real company information throughout the edition to reflect the most recent annual report data.
- **New** marginal **TIP** feature to add clarity and remind students of important information, mostly in the text, but also in end-of-chapter assignments in early chapters to guide students in problem-solving.
- Moved marginal definitions of key terms to end-of-chapter Key Terms section with “rollover” feature in the ebook.
- **New Related Homework** after each Pause for Feedback Self-Study Quiz.
- **New Guided Help video** for each Self-Study Quiz involving numbers or calculations that are similar to popular assignments.
- **New** graphic highlighting key formulae.
- **New** Excel screen shots for trial balances, amortization schedules, and elsewhere.
- Increased use of company and individual names in end-of-chapter content to reflect more diversity.
- **New** parallel Alternate Problems to Problems that are also now available as algorithmic auto-graded *Connect* assignments.
- **New** end-of-book Annual Report Cases companies: **Target** and **Walmart**.
- **New** questions for Cases and Projects 1 through 3 in each chapter to allow for auto-grading, primarily using multiple-choice and fill-in-the-blank questions, often requiring an explanation for the choice.
- **New** structured project questions in *You as Analyst: Online Company Research*. Flexibility is created to allow instructors to assign it as an individual or a team project.
- **New** auto-graded **data analytics** exercises on *Connect* titled *Business Analytics and Data Visualization* for most chapters.

Chapter 1

- **New** exhibit illustrating relationship between the income statement, statement of stockholders' equity, and balance sheet.
- **New** Self-Study Quiz and **Guided Help video** on the structure of the income statement, statement of stockholders' equity, and balance sheet.
- Added initial discussion of **internal controls** to Chapter 1.
- **New** concise discussion of the conceptual framework (moved from Chapter 2).
- **New** end-of-chapter Demonstration Case based on the financial statements of **Best Buy**.

Chapter 2

- **New** **Chipotle Mexican Grill** transactions for illustration that closely match with the actual first quarter 2020 results.
- **New** introductory discussion of operating lease right-of-use assets and related liabilities.

- **New** exhibit on the steps for transaction analysis for investing and financing activities that includes an example in the exhibit.
- Modified the accounting cycle graphic to add clarity.
- **New Guided Help video** on current ratio computation and analysis.
- **New** comparison company: **Shake Shack**.
- Added an exercise using real company information for **Alphabet, Inc.**, parent company of **Google**.

Chapter 3

- **New** **Chipotle Mexican Grill** transactions for illustration that closely match with the actual first quarter 2020 results.
- Briefly discussed the impact of the pandemic on Chipotle (in opening discussion and Understanding the Business).
- Renewed focus on accrual basis accounting with clarity on businesses that use cash basis accounting.

- Modified the simplified EPS formula to add clarity and consistency throughout the text.
- Integrated five-step revenue recognition principle with examples using real companies **Chipotle Mexican Grill** and **Apple**.
- **New Guided Help video** on identifying the accounts and amounts when recognizing revenues in the proper period.
- **New** exhibit on the transaction analysis steps for any transaction, with an example added to the exhibit.
- Modified several assignments: Added new transactions and updated real company information.
- Separated the analysis of cash flow requirements from recording of transactions in several assignments.

Chapter 4

- All **Chipotle Mexican Grill** illustrations updated to reflect most recent annual report data.



- Modified the Accounting Cycle graphic to add clarity.
- **New** Exhibit 4.2 on the types of adjustments, which also lists typical accrual and deferral accounts.
- **New** Exhibit 4.3 on the adjustment process, specifying the accounts to be adjusted and illustrating journal entries.
- **New** exhibit on the interrelationships of the financial statements, combining two graphics from the prior edition.
- **New** graphic illustrating the closing process.
- Changed E4-2 to the trial balance of **Facebook, Inc.** and AP4-1 to the trial balance of **Tesla, Inc.**
- Revised the continuing problem (CON4-1) for Penny's Pool Service & Supply to start with an unadjusted trial balance for completing the accounting cycle, making the assignment capable of being auto-graded using Excel and *Connect*.

Chapter 5

- Updated all internet-based sources of financial information.
- **New Environmental, Social, and Governance (ESG) Reporting** feature added with discussion of **Apple's** ESG report.
- **New Yahoo! Finance** illustration of information available about Apple.
- **New Guided Help video** providing step-by-step instruction on how to determine the effects of transactions on key balance sheet and income statement subtotals.
- **New Guided Help video** providing step-by-step instruction on how to determine the effects of transactions of key performance ratios.
- **New** end-of-chapter Demonstration Case based on the financial statements of **Microsoft**.
- **New** end-of-chapter exercises and problems based on the financial statements of **Salesforce.com, Sonos, Inc., Consolidated Edison, Nordstrom, Inc.**, and other companies.

Chapter 6

- Updated the Focus Company **Skechers'** illustrations.
- **New Guided Help video** providing step-by-step instruction on accounting for credit card discounts and sales discounts.

- Revised discussions of errors in bad debt estimates to include the effects of the pandemic on **Skechers'** bad debts.
- **New** end-of-chapter exercises and problems based on the financial statements of **SAP, Adobe, General Mills, VF Corporation**, and other companies.
- Revised discussion of **internal control** of cash.

Chapter 7

- Updated the Focus Company **Harley-Davidson's** real company illustrations.
- **New** simplified discussion of how companies with perpetual inventory systems report using the LIFO cost flow assumption.
- **New Guided Help video** providing step-by-step instruction on converting ending inventory, cost of goods sold, and pretax income from LIFO to FIFO.
- **New Guided Help video** providing step-by-step instruction on correcting the income statement for errors in ending inventory.

Chapter 8

- **New** Focus Company: **FedEx Corporation** integrated in the chapter.
- **New** Understanding the Business section on package and cargo delivery industry.
- Briefly mentioned impact of pandemic in Key Ratio analysis.
- **New** discussion of operating lease right-of-use assets by airline and other industries as a method of acquisition.
- **New** comparison company **UPS** in fixed asset turnover ratio analysis.
- Revised Pause for Feedback on acquiring operational assets that more closely matches end-of-chapter assignments.
- **New Guided Help video** on recording the purchase of long-lived assets.
- **New** block on **Environmental, Social, and Governance (ESG) Reporting** with an excerpt from FedEx's *2020 Global Citizenship Report*.
- **New** discussion of **internal controls** for fixed assets.
- Illustrated depreciation schedules using Excel spreadsheets.
- Revised asset impairment test steps and illustrated applying the steps to Delta Air Lines' impairment measurement due to the pandemic.

- **New** illustration of determining goodwill using the purchase of **Tableau Software, Inc.** by **Salesforce.com, Inc.**
- Revised section on licenses and operating rights related to landing and take-off slots as intangible operating rights of airlines.

Chapter 9

- **New** and more vibrant real company pictures and illustrations of Focus Company **Starbucks**.
- Updated company names used in examples and end-of-chapter material to reflect more diversity.
- **New** comparison company **Monster Beverages**.
- Updated discussion of deferred revenue using Starbucks's "stored value cards" account and associated mobile app as an example.
- **New** real-world excerpt focused on a California lawsuit claiming that Starbucks's coffee has chemicals in it that requires a warning, and whether this lawsuit is a contingent liability.
- Added **Peloton** and **Beyond Meats** in end-of-chapter material.

Chapter 10

- **New** and more vibrant real company bond illustrations of Focus Company **Amazon**.
- Updated company names used in examples and end-of-chapter material to reflect more diversity.
- **New data analytics** box that highlights the role artificial intelligence plays in bond investing.
- Added **Apple** in end-of-chapter material.

Chapter 11

- **New** Focus Company: **Microsoft** integrated throughout the chapter with new pictures and updated illustrations.
- Updated company names used in examples and end-of-chapter material to reflect more diversity.
- **New Environmental, Social, and Governance (ESG) Reporting** feature added with discussion of **Microsoft's** ESG report.
- **New** discussion of how some states (e.g., the state of Washington) do not allow treasury stock and the effects this has on financial statements.





- **New** comparison company **IBM**.
- **New** real-world excerpt focused on **Microsoft's** equity compensation.
- Streamlined the chapter supplement that covers accounting for the equity of sole proprietorships and partnerships.
- Added **Zoom Video Communications** and **Facebook** in end-of-chapter material.

Chapter 12

- Updated the Focus Company **National Beverage** and all real company illustrations.

Chapter 13

- **New** and more vibrant real company pictures and illustrations of Focus Company **The Home Depot**.
- Updated company names used in examples and end-of-chapter material to reflect more diversity.
- Revised ratio titles to succinctly link to titles used in all previous chapters.

- Changed end-of-chapter material to include **Apple, Peabody Energy, Tesla, Boeing, Zoom Video Communications**, and **A-Mark Precious Metals**.
- **New Environmental, Social, and Governance (ESG) Reporting** feature added with discussion of **The Home Depot's** ESG report.

Appendix A

- Updated the Focus Company **The Walt Disney Company's** illustrations.
- Added marginal illustrations of the timing of transactions regarding held-to-maturity, trading securities, and available-for-sale debt and equity investments.
- **New Guided Help video** on recording transactions related to debt investments as trading securities and available-for-sale securities.
- **New** Pause for Feedback with a Self-Study Quiz on applying the fair value method to passive investments in equity securities.

- **New Guided Help video** on recording transactions related to applying the equity method for investments when there is significant influence.
- Added real world excerpt from **The Walt Disney Company's** annual report regarding the impact of the pandemic and the impairment of goodwill.

Connect

- **New Integrated Excel Activities** - pair the power of Microsoft Excel® with the power of Connect® in a seamless live integration.
- **New Tableau Dashboard Activities** - easily introduce students to Tableau®. Students learn to gather the information they need from a live embedded Tableau dashboard. No prior knowledge of Tableau® is needed.
- **New Alternative Problems** - all the alternative problems in the text can now be found and auto-graded in Connect®.



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