

Review of *Introduction to Financial Accounting - 2nd Edition (Revised)*

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Reviewer Information

Textbook that was reviewed
Introduction to Financial Accounting - 2nd Edition (Revised)
For what level would this textbook be appropriate?
First Year
My name
Rosalie Harms
My title/position
Department Chair, Business and Admin
My institution
University of Winnipeg

Comprehensiveness

The text covers all areas and ideas of the subject appropriately and provides an effective index and/or glossary.
No I don't think so. I think there are some gaps - I would like to see a chapter on investments, constructing the statement of cash flows as well as a more robust demonstration of the ADA for A/R, while other chapters were too complex. ie. Chapter 11 accounting for treasury shares and participative preferred shares and the example on the debt versus equity financing which might be better suited for coverage in a Corp Fin course. There is inconsistency in terminology and terminology that is no longer used under IFRS ie. matching principle. There is not a clear conversation on IFRS and ASPE - where and how each is applied and the differences between the two. The textbook begins by indicating that it is based on IFRS and then has an entire chapter dedicated to partnerships and proprietorships without explicit explanation that IFRS does not apply to these entities.
How do you rate the book's overall comprehensiveness?
3

Content Accuracy

Content, including diagrams and other supplementary material, is accurate, error-free, and unbiased.
As indicated early there are terminology issues and inconsistencies between what is appropriate for under IFRS versus ASPE, this should be cleaned up. ie matching principle, net income versus profit, statement of profit and loss. New revenue recognition terminology. I think the IFRS framework should also be reviewed.
Overall, how do you rate the accuracy of the content?
3

Relevance/Longevity

Content is up-to-date, but not in a way that will quickly make the text obsolete within a short period of time. The text is written and/or arranged in such a way that necessary updates will be relatively easy and straightforward to implement.
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I think the consistency of using one company (Big Dog) as an ongoing example is very good and lends itself to relatively straightforward and easy updates. Most content is current (IFRS inconsistencies aside). I just found the content to be overly advanced in some areas with gap coverage in other areas, given the coverage I would like to have for our first year accounting students that are looking to pursue an accounting designation. Reference back to the CPA map for Module 1 might be helpful.

Overall, how do you rate the relevance/longevity of the book?

4

Clarity

The text is written in lucid, accessible prose, and provides adequate context for any jargon/technical terminology used.
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It is a fairly easy reading textbook, which is excellent. This is particularly good for young students new to accounting or with very little business experience. The examples and chapter demonstrations are easy to follow and are logical.

Overall, how do you rate the clarity of the book?

4

Consistency

The text is internally consistent in terms of terminology and framework.
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No I don't think this is true. As indicated I think the IFRS framework is not clearly defined or adhere to and I think ASPE need to be addressed and defined at the first year level.

How do you rate the overall consistency of the text?
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2

Modularity

The text is easily and readily divisible into smaller reading sections that can be assigned at different points within the course (i.e., enormous blocks of text without subheadings should be avoided). The text should not be overly self-referential, and should be easily reorganized and realigned with various subunits of a course without presenting too much disruption to the reader.

I would agree with this statement. The text content is easy to navigate. Overall it is one of the easier to follow accounting textbooks I have seen.
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Overall, how do you rate the modularity of the text?
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5

Organization/Structure/Flow

The topics in the text are presented in a logical, clear fashion.

Yes I would agree with this statement for the most part. I like that the liabilities section has been broken down into two chapters - both current and non current. However, I think that the A/R section could have been better developed and is lost in the Internal control chapter. A more robust conversation on what constitutes an appropriate control environment would have also enhanced this section.
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Overall, how do you rate the organization/structure/flow of the text?

4

Interface

The text is free of significant interface issues, including navigation problems, distortion of images/charts, and any other display features that may distract or confuse the reader.

There are a few typos - amortization versus amortisation. Also on page 383 - Professional Fess versus Fees. But other than this nothing significant. There is a very clear, logical and orderly flow to the examples.

Overall, how do you rate the textbook's interface?
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4

Grammatical/Spelling Errors

The text contains no grammatical or spelling errors.
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Addressed in previous section.

How do you rate the grammar and spelling of the text?

4

Diversity and Inclusion

The text reflects diversity and inclusion regarding culture, gender, ethnicity, national origin, age, disability, sexual orientation, education, religion. It does not include insensitive or offensive language in these areas.
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Not sure this applicable, for the most part examples are focused on accounting and financial information not particular races or ethnicities. There are no company names that I found offensive or non inclusive.

Overall, how do you rate the diversity and inclusion of the text?

5

Recommendation

Do you recommend this book? If not, why?
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Nothing that I have not already addressed in my previous comments. I really think it is important to provide a clear discussion regarding IFRS versus ASPE standards in relationship to GAAP and Canadian reporting requirements. I think CRA requirements are less relevant in an Introduction to Accounting textbook and will be covered in more detail in the Intermediate courses. Highlighting how IFRS and ASPE differ and may be applied would really enhance this text. I think this is a significant gap and will lead to confusion for students moving to more advanced studies.
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