

Subject Index

Note: page references followed by “f” refer to material in figures or exhibits

A

accelerated depreciation method, 8-11
accounting cycle, 3-8-3-9, 3-8f
accounting equation, 1-19, 1-19f, 1-21f, 2-11f, 3-5f
accounting equation template, 2-25f
 see also template approach
accounting policies, 12-37-12-38
accounting standards, 1-17, 1-25, 2-3-2-4
 see also Accounting Standards for Private Enterprises (ASPE); International Financial Reporting Standards (IFRS)
 standard setters in Canada, 2-4
 used by Canadian companies, 2-3-2-4
 useful financial information, 2-5-2-8
 vs. Income Tax Act, 10-21-10-22
Accounting Standards for Private Enterprises (ASPE), 2-3
 cost model, 8-6, 8-8
 direct method, 5-10
 earnings-based approach, 4-12
 revenue recognition, 4-4, 4-5
accounts, 2-12
accounts payable, 1-21, 1-21f, 2-20, 3-5, 5-17f, 9-8-9-9
accounts payable payment period, 9-23, 9-23f, 12-21f, 12-27
accounts payable payment period ratio, 12-27-12-28
accounts payable turnover, 9-22, 12-27-12-28
accounts payable turnover ratio, 9-22, 9-23f
accounts receivable, 1-20f, 5-17f, 6-3, 6-12-6-14, 6-20
 collection of, 6-29-6-31
 conceptual framework, 6-20
 credit risk assessment, 6-23
 by region and customer type, 6-21f
 risk characteristics, 6-20-6-21
 significance to users, 6-3
 on statement of financial position, 6-14-6-16
 valuation methods, 6-14-6-16
accounts receivable turnover, 12-24-12-25
accounts receivable turnover ratio, 6-29-6-30, 12-21f
accrual basis of accounting, 2-9-2-10, 9-4, 10-17
accrual entry, 10-18
accruals, 3-23
accrued liabilities, 1-21, 1-21f
accumulated amortization, 8-32
accumulated depreciation, 8-6
Accumulated Depreciation account, 3-26
accumulated impairment losses, 8-6
Accumulated Other Comprehensive Income (AOCI), 11-4
acid test ratio, 6-28-6-29
acquisition differential, D-13
AcSB. *See* Canadian Accounting Standards Board (AcSB)
activity ratios, 12-19, 12-20f, 12-24-12-28

actuary, 10-18
adjusted EBITDA, 12-12-12-13, 12-39
adjusted trial balance, 3-28-3-29
adjusting entries, 3-22-3-28
adverse opinion, 12-8
advertising costs, 2-21, 3-17
agent, 4-15
allowance entry, 6-16-6-17
allowance for doubtful accounts, 6-14
allowance for expected credit losses, 6-14, 6-19f, 6-22-6-23, 6-23f
allowance method, 6-14-6-15, 6-16-6-24, 6-18f
amortization, 8-31
 see also depreciation
amortization of the bond discount (or premium), 10-12
amortized cost model, D-5-D-7
analyst, 12-3
analytics. *See* data visualization
annual meeting, 11-11
annual report, 1-3, 12-7
anti-dilution provision, 11-12
AOCI. *See* Accumulated Other Comprehensive Income (AOCI)
articles of incorporation, 11-6
ASPE. *See* Accounting Standards for Private Enterprises (ASPE)
asset adjustment method, C-2-C-3
asset revaluation, C-1-C-5
assets, 1-19-1-20
 see also specific assets
 common assets, 1-20
 current assets, 1-19, 1-20f, 5-17f, 5-18f
 impaired, 8-25-8-27
 intangible assets, 1-19, 1-20f, 8-4, 8-29-8-32
 long-term assets. *See* long-term assets
 non-current assets, 1-20f
 return on assets. *See* return on assets (ROA) ratio
 revaluation of, C-1-C-5
 on statement of financial position, 1-20f
 tangible assets, 8-4
assignment of responsibilities, 6-5-6-6, 7-26
associate, D-3, D-12f
assurance-type warranty, 9-13-9-14, 9-15
assurance warranty, 4-14
audit, 1-26
audit opinions, 6-6
audit trail, 6-6
auditor, 1-26
auditor's report, 12-8-12-11, A-1-A-31
authorized shares, 11-6
average accounts payable, 9-22
average age, 8-37
average age percentage, 8-37
average collection period, 6-30-6-31, 12-24-12-25
average collection period ratio, 12-21f
average payment period, 9-22

B

bad debts. *See* credit losses
bad debts expense, 6-13
balance sheet, 1-18
 see also statement of financial position
bank balance, 6-8
bank indebtedness, 1-21f, 9-5-9-6
bank loans, 2-14-2-15, 3-13-3-14, 5-21, 10-7-10-9, 10-8f
bank overdraft facility, 5-3
bank reconciliations, 6-7-6-12, 6-9f, 6-10f, 6-11f
 preparation, 6-11-6-12
 purpose, 6-7-6-8
bankrupt, 11-11
bartering, 3-1
basic earnings per share (EPS), 4-23-4-24, 4-23f, 4-24f, 12-21f, 12-33-12-34
 see also earnings per share (EPS)
basic warranty, 9-13
basket purchase, 8-7
“beat the street,” 12-1
beginning inventory, 7-8
benefits, 9-16
biological assets, 8-4, 8-36
blended instalment payments, 9-7
blended payments, 10-4
blended repayments, 10-5f
blue bonds, 10-9
board of directors, 1-6-1-7, 6-4-6-5, 9-22, 11-11, 11-13, D-11
bond interest rate, 10-7
bond market, 10-8
bonds, 10-7-10-9
 see also specific types of bonds
 amortization of the bond discount (or premium), 10-12
 climate change impact, 10-9
 interest expense, 10-11-10-13
 as investments, D-2
 price, 10-10-10-13
 vs. loans, 10-7-10-9, 10-8f
 vs. mortgages, 10-8, 10-8f
breakage, 9-11
business activities, 1-10-1-13, 1-10f, 1-13f
business information, 12-7-12-10
buybacks, 11-7-11-8

C

callable preferred shares, 11-16
Canada Business Corporations Act, 11-6
Canada Pension Plan (CPP), 9-16
Canada Revenue Agency (CRA), 1-8, 8-21
Canadian Accounting Standards Board (AcSB), 2-4
capital appreciation, 1-11
capital assets, 1-19, 10-14
capital cost allowance (CCA), 8-21, 10-21-10-22
capitalization, 5-27, 8-6, 8-8
capitalized, 8-6

S-2 SUBJECT INDEX

- carrying amount, 2-28, 3-26, 6-14, 8-6, 8-6f
and asset's value, 8-20
determination of, 8-26, 8-26f
goodwill, 8-34f
property, plant, and equipment, 8-9, 8-12f, 8-18f
- carrying value, 10-11, 10-12
- cases
- Al's Gourmet Fish, 3-67–3-68
 - Atlantic Service Company, 5-75–5-76
 - Blooming Valley Custom Landscaping, 11-65
 - Canadian Cookies and Cakes Ltd., 2-74
 - Cedar Appliance Sales and Service Ltd., 12-83
 - Christine's Yogourt Venture, 12-83–12-84
 - Conservative Company, 8-64
 - Daisy-Fresh Dry Cleaning, 2-73–2-74
 - Downunder Company, 3-70–3-71
 - D'Souza Lesynski LLP, 7-63
 - Enticing Fashions Ltd., 1-61–1-62
 - Furniture Land Inc., 4-49
 - Grant's Ice Cream Shop, 10-69
 - Greenway Medical Equipment Corporation, 9-49–9-50
 - Hanson Consulting, 9-50
 - Hencky Corporation, 12-84
 - Heritage Mill Works, 6-61
 - Jonah Fitzpatrick, 10-68
 - Jones Printing, 5-77–5-78
 - Kralovec Company, 5-78–5-79
 - Manonta Sales Company, 11-64
 - Manuel Manufacturing Company, 8-63
 - Maple Manufacturing Company, 8-63–8-64
 - Mbeke's Hardware Store, 3-70
 - Mega Manufacturing, 2-74
 - MegaMax Theatre, 6-61
 - Mountainside Appliances, 4-48
 - Nikki's Gems, 7-64
 - Park Avenue Tire Company, 7-62
 - Peterson Corporation, 10-69
 - Preakness Consulting and Bellevue Services, 8-64
 - Quebec Supercheese Company, 4-48
 - Regal Cars, 10-67–10-68
 - Ridlow Shipping Ltd., 5-77
 - Robertson Furniture Ltd., 5-76
 - Rolling Fields Retirement Homes, 8-63
 - Sanjay Supplies Limited, 6-60–6-61
 - Sentry Security Services, 3-68–3-69
 - Shirley's Snack Shop, 3-69–3-70
 - Slackur Company, 6-59–6-60
 - Slip-n-Slide Water Park, 9-50
 - Stanley Storage Systems, 7-61–7-62
 - Teed's Manufacturing Corporation, 11-65–11-66
 - Tribec Wireless Inc., 11-64–11-65
 - Versa Tools Inc., 6-59
 - Wascana Photography Services, 7-62–7-63
 - Wasselec's Moving and Storage, 10-68–10-69
 - Wroad Wrunner Courier Service, 2-73
- cash, 1-20f, 3-5, 5-3, 6-3
and adjusting entries, 3-25
definition of "cash," 5-3, 6-4
internal controls and, 6-5–6-6
significance to users, 6-3
on statement of financial position, 6-4
- Cash account, 2-29, 2-30f
- cash basis of accounting, 2-9–2-10
- cash coverage ratio, 10-28
- cash dividends, 11-21, 11-22, 11-24
- cash equivalents, 5-3, 6-4
- cash flow from financing activities, 1-23f
- cash flow from investing activities, 1-23f
- cash flow from operating activities, 1-23f
- cash flow patterns, 2-29–2-30, 5-28–5-30, 5-29–5-30f
- cash flow statement. *See* statement of cash flows
- cash flow visualizations, 5-22–5-23f
- cash flows, 5-4
- cash management strategy, 5-3
- cash position, 2-28–2-30
- cash-to-cash cycle, 5-26, 5-26f, 5-27, 6-25–6-27
- CCA. *See* capital cost allowance (CCA)
- change in an accounting estimate, 8-22
- changes in equity. *See* statement of changes in equity
- chart of accounts, 3-9–3-10, 3-10
- classified statement of financial position, 1-18, 2-28
- climate change impact
see also environmental, social, and governance (ESG) issues
- assurance-type warranty, 9-15
 - biological assets, 8-36
 - bonds, 10-9
 - climate-related financial reporting, 1-25
 - estimated residual value, 8-24
 - estimated useful life, 8-24
 - impairment charges, 8-27
 - legal issues related to climate change, 10-24–10-25
 - risks related to climate change, 6-24
- closing entries, 3-29–3-34
- closing the accounts, 3-31
- COGAS. *See* cost of goods available for sale (COGAS)
- COGS. *See* cost of goods sold (COGS)
- collateral, 9-6, 10-7
- collusion, 6-6, 6-7
- commercial substance, 4-6
- commitments, 10-22–10-23
- common cash flow challenges, 5-27
- common shareholder rights, 11-10–11-13
- common shares, 1-9, 1-22, 2-14, 11-3, 11-6, 11-8–11-17, 11-17f, D-2
- common-size analysis, 12-4, 12-16–12-18
- common-size statement of financial position, 12-17
- common-size statement of income, 12-17
- comparability, 2-5, 3-25, 4-12, 8-33, 12-42
- comparative information, 1-14
- complete, 2-7
- compound journal entry, 3-16
- comprehensive income, 4-19–4-20
- computer software, 8-30–8-31
- conceptual framework, 2-5–2-6, 2-7, 2-8, 2-10, 4-12
- accounts receivable, 6-20
 - accrual basis of accounting, 2-10, 9-4, 10-17
 - adjusting entries, 3-25
 - auditor's report, 12-9
 - capitalizing vs. expensing, 8-8
 - carrying amount of property, plant, and equipment, 8-9
 - characteristics and constraints, 2-7f
 - comparability, 3-25, 4-12, 12-42
 - dividends in arrears, 11-16
 - faithful representation, 4-8, 4-12, 4-22, 5-8, 6-20
 - goodwill, 8-33
 - pension costs, 10-17
 - performance obligations, 4-8
 - relevance, 4-22, 12-42
 - revenue recognition, 7-7
 - revenue recognition approaches, 4-12
 - statement of cash flows, 5-8
 - statement of income, 4-22
 - verifiability, 12-42
- conclusions, 12-5
- confirmatory value, 2-6
- consignee, 4-14
- consignment, 4-14–4-15, 7-8
- consignor, 4-14
- consolidated financial statement, 1-14, D-3
- consolidation method, D-3
- consolidations, 11-26
- constraints, 2-7f
- contingent liabilities, 10-23–10-25
- contra-asset account, 3-26, 8-6
- contract, 4-5, 4-6
- contract-based approach, 4-5–4-12
- contract liability, 9-13
- contract rate, 10-7, 10-10, 10-11f, 10-12
- contractual commitments, 10-23
- contributed surplus, 11-4–11-5
- control, 4-8, D-10, D-10f, D-13–D-16
- control account, 6-14
- convertible bonds, 10-8
- convertible preferred shares, 11-17
- copyrights, 8-4, 8-29–8-30
- coronavirus. *See* COVID-19 pandemic
- corporate income taxes, 8-21, 9-21
- corporate tax return, 9-21
- corporation, 1-8–1-10, 1-10f
- cost, 8-6–8-7
see also specific costs
- capitalization, 8-6, 8-6f
 - subsequent to purchase, 8-8
- cost constraint, 2-7, 10-15
- cost formulas, 7-14–7-20, 7-20f
- cost model, 8-6, 8-8
- cost of goods available for sale (COGAS), 7-8, 7-14, 7-17–7-19
- cost of goods sold (COGS), 1-16f, 2-18, 7-17–7-19, 7-31–7-33, 9-23, 9-23f, 12-27
- cost-recovery method. *See* zero-profit method
- cost-to-sales ratio, 7-30
- coupon rate, 10-7
- covenants, 6-29, 10-6, 10-7
- coverage, 12-28
- coverage ratios, 12-28, 12-30
- COVID-19 pandemic, 2-9, 7-1, 12-31
- CPP. *See* Canada Pension Plan (CPP)
- CRA. *See* Canada Revenue Agency (CRA)
- credit, 3-5
- credit card discount, 6-26
- credit cards, 6-26
- credit losses, 6-13
adjustment of expected credit losses, 6-22f
- allowance entry, 6-16–6-17
 - allowance for expected credit losses, 6-14, 6-19f, 6-22–6-23, 6-23f
 - allowance method, 6-16–6-20
 - direct writeoff method, 6-24–6-25
 - ethics in accounting, 6-25
 - expected credit loss provision, 6-14
 - expected credit losses, 6-3, 6-19f, 6-20–6-24
 - expected rate of credit losses, 6-21–6-22
 - recording the credit losses, 6-16–6-17

- credit purchase, 2-17
 credit risk, 6-23-6-24
 creditors, 1-3, 1-7
 cross-listed, 2-3
 cross-sectional analysis, 12-11-12-16
 cumulative preferred shares, 11-16
 currency, 6-4
 current, 1-18
 current assets, 1-19, 1-20f, 5-17f, 5-18f
 current items, 1-18
 current liabilities, 1-19, 1-21f, 5-17f, 5-18f
 changes in, 5-17f
 customers, transactions with, 9-9-9-15
 employees, transactions with, 9-16-9-19
 financial statement analysis, 9-22-9-23
 government, transactions with, 9-20-9-21
 lenders, transactions with, 9-4-9-7
 shareholders, transactions with, 9-21-9-22
 on statement of financial position, 9-4
 suppliers, transactions with, 9-8-9-9
 valuation methods, 9-4
 vs. non-current liabilities, 9-3-9-4
 current portion of long-term debt, 9-7
 current ratio, 6-28, 12-20f, 12-22
 customer lists, 8-4, 8-30
 customer loyalty programs, 9-3, 9-12-9-13
 customer loyalty provision, 9-9, 9-12
 customers
 current liabilities, 9-9-9-15
 payments from, 2-19
- D**
- data analytics
 credit risk assessment, 6-23
 data visualization, 2-31
 inventory, 7-30
 sales revenues analysis, 4-18
 supplier relationships, 9-24
 data visualization, 2-31
 date of declaration, 11-20
 date of payment, 11-20
 date of record, 11-20
 days to sell inventory ratio, 7-28-7-29, 12-21f,
 12-26-12-27
 debenture, 10-7
 debit, 3-5
 debt, 1-20
 debt instruments, D-2
 debt to equity, 12-39
 debt to equity ratio, 10-26, 12-21f, 12-28, 12-29
 declining-balance method, 8-11
 default on payments, 6-13
 deferrals, 3-24-3-25
 deferred income taxes, 1-21f, 9-21, 10-21
 deferred rent, 1-21
 deferred revenues, 1-21f, 9-9-9-10
 see also unearned revenues
 deferred warranty revenue, 9-13
 defined benefit pension plan, 10-18-10-19
 defined contribution pension plan, 10-17
 degree of leverage, 10-25-10-28
 demand deposits, 5-3
 depreciable amount, 8-10, 8-12
 depreciation, 2-22-2-23, 3-26-3-27, 8-4, 8-6,
 8-9-8-10, 8-10f
 capital cost allowance (CCA), 8-21, 10-21-10-22
 change in depreciation estimates, 8-21-8-24
 change in depreciation methods, 8-21-8-24
 depreciation methods, 8-10-8-24
 for partial periods, 8-20
 depreciation expense, 1-16f, 2-22-2-23, 8-18f,
 8-19, 8-20-8-21
 depreciation expense per unit, 8-14
 depreciation rate, 8-12
 derecognized, 8-27
 development costs, 8-31
 diluted earnings per share, 12-34
 diminishing-balance method, 8-11, 8-15-8-18
 direct method, 5-9-5-10, 5-24-5-25, 5-24f, 5-25f
 direct writeoff method, 6-24-6-25
 disclaimer of opinion, 12-8
 discount, 10-10
 disposal of property, plant, and equipment,
 8-27-8-28, 8-28f
 distinct goods or services, 4-7
 diversity of operations, 12-38
 dividend declaration, 11-19-11-20
 dividend payout ratio, 11-28-11-29, 12-21f,
 12-35
 dividend yield, 11-28-11-29
 dividend yield ratio, 12-21f, 12-36
 dividends, 1-11, 2-22, 3-18, 5-11-5-12, 5-20,
 11-11, 11-18-11-24, 11-30
 cash dividends, 11-21, 11-22, 11-24
 declaration and payment, recording,
 11-20-11-21
 key dates, 11-19-11-20
 payment of, 11-18-11-19
 stock dividends, 11-22-11-24, 11-23f
 Dividends Declared account, 3-33
 dividends in arrears, 11-16
 dividends payable, 1-21, 1-21f, 9-21
 documentation, 6-6, 7-26
 double-declining-balance method, 8-16-8-17
 see also double-diminishing-balance method
 double-diminishing-balance method, 8-16,
 8-16f, 8-17f
 see also double-declining-balance method
 double-entry accounting system, 2-11, 3-3-3-4
 accounting cycle, 3-8-3-9
 adjusted trial balance, 3-28-3-29
 adjusting entries, 3-22-3-28
 chart of accounts, 3-9-3-10
 closing entries, 3-29-3-34
 how it works, 3-3-3-4
 normal balance, 3-4-3-8
 opening balances, 3-11
 transaction analysis and recording, 3-11-3-22
 vs. template approach, 3-3-3-4, 3-5-3-6
 doubtful accounts expense, 6-13
 dual-class shares, 11-12
- E**
- earned, 2-10
 earnings, 1-14, 11-7
 earnings-based approach, 4-12
 earnings before interest, taxes, depreciation,
 amortization, acquisition, and
 restructuring. *See* EBITDAR (earnings
 before interest, taxes, depreciation,
 amortization, acquisition, and
 restructuring)
 earnings before interest, taxes, depreciation,
 and amortization (EBITDA), 10-28, 12-39
 earnings management, 1-17, 8-19
 earnings per share (EPS), 1-16-1-17, 4-22-4-23,
 11-7, 11-27
 see also basic earnings per share (EPS)
 EBITDA. *See* earnings before interest, taxes,
 depreciation, and amortization (EBITDA)
- EBITDAR (earnings before interest, taxes,
 depreciation, amortization, acquisition,
 and restructuring), 12-39
 economic benefit, 4-3
 economic entity, D-3, D-4f
 EDI. *See* electronic data interchange (EDI)
 effective rate, 10-7
 EFTs. *See* electronic funds transfers (EFTs)
 EI. *See* Employment Insurance (EI)
 electronic data interchange (EDI), 7-13
 electronic funds transfers (EFTs), 6-6
 elimination method, C-2-C-3
 employee entry, 9-17
 employees
 current liabilities, 9-16-9-19
 long-term liabilities, 10-16-10-20
 employer entry, 9-17
 Employment Insurance (EI), 9-16
 ending inventory, 7-17-7-19, 7-31-7-33
 ending retained earnings, 3-32
 enhancing qualitative characteristics, 2-5, 2-7,
 2-7f, 8-33
 environmental, social, and governance (ESG)
 issues, 1-25, 1-26
 see also climate change impact
 EPS. *See* earnings per share (EPS)
 equipment, 2-16, 3-14
 equity, 1-17
 equity analysis ratios, 12-19, 12-20f,
 12-33-12-37
 equity financing, 11-30
 equity instruments, D-2
 equity method, D-3, D-12
 errors, 6-7
 ESG issues. *See* environmental, social, and
 governance (ESG) issues
 estimated residual value, 2-22, 8-10, 8-10f, 8-19
 estimated useful life, 2-22, 8-10, 8-10f, 8-19
 estimates, 3-28
 ethics in accounting
 accounting standards, 1-17
 adjusting entries, 3-28
 Cash account, 6-8
 cash basis of accounting, 2-10
 cash flow from operating activities, 5-28
 credit losses, 6-25
 debt covenants, 10-7
 earnings management, 1-17
 environmental, social, and governance (ESG)
 issues, 1-26
 estimated residual value, 8-19
 estimated useful life, 8-19
 external auditor, 1-26
 internal controls and inventory, 7-27
 land, and cost allocation, 8-8
 ratios, 6-29
 revenue recognition issues, 4-3
 source deductions, 9-19
 ex-date, 11-20
 ex-dividend date, 11-20
 expected credit loss provision, 6-14
 expected credit losses, 6-3, 6-19f, 6-20-6-24
 expense accounts, 3-32
 expensed, 8-8
 expenses, 1-14, 1-15
 see also specific expenses
 extended warranty, 4-14, 9-13
 external auditors, 7-27
 extinguished, 11-20

S-4 SUBJECT INDEX

F

face value, 10-7, 10-12
factor, 6-27
factoring, 6-27
fair value, 8-9, D-5
fair value through net income (FV-NI), D-7
fair value through other comprehensive income (FVOCI), D-5, D-8–D-10
fair value through other comprehensive income investments, D-8–D-10
fair value through profit or loss (FVPL), D-5, D-7–D-8
fair value through profit or loss investments, D-7–D-8
faithful representation, 4-8, 4-12, 4-22, 5-8, 6-20
FIFO. *See* first-in, first-out (FIFO)
financial accounting, 1-3–1-8
financial information
 qualitative characteristics, 2-5–2-8, 2-8f
 useful financial information, 2-5–2-8
financial institutions, 1-7
financial metrics, 12-39
financial position, 1-18
financial reporting, 1-13–1-26
financial statement analysis, 4-22–24, 12-1, 12-3–12-4
 see also ratio analysis
 accounts receivable, collection of, 6-29–6-31
 basic earnings per share, 4-23–4-24
 business information, 12-7–12-10
 contexts for, 12-5–12-6
 current liabilities, 9-22–9-23
 earnings per share (EPS), 4-23–4-24
 inventory, 7-27–7-30
 liquidity, 6-27–6-29
 long-term assets, 8-37–8-38
 long-term liabilities, 10-25–10-29
 non-IFRS financial measures, 12-39–12-42
 perspectives, 12-11–12-16
 process, 12-4–12-5
 shareholders' equity, 11-26–11-29
 statement of cash flows, 5-30–5-32
 techniques, 12-16–12-21
 understanding the business, 12-6–12-7
financial statement users, 1-3–1-8, 1-6f
financial statements, 1-3, 2-26–2-32
 see also specific financial statements
 components of, 1-13–1-14, 1-14f
 consolidated financial statement, 1-14, D-3
 depreciation expense, 8-19
 information flows, 1-23f
 inventory valuation errors, impact of, 7-23–7-24
 notes to the financial statements, 1-14f, 1-25–1-26
 preparation of, 3-29–3-34
 ratio analysis. *See* ratio analysis and revaluation model, C-4–C-5
 summary of, 1-24
financial transparency, 2-1
financing activities, 1-10, 1-11, 1-11f, 1-24, 2-28, 2-29, 5-5, 5-7, 5-7f, 5-12
financing agreement, 10-4
financing with equity, 11-30
finished goods, 7-5–7-6
finite useful life, 8-31, 8-32
first-in, first-out (FIFO), 7-14, 7-16–7-17, 7-19, 7-32–7-33

fiscal year, 1-14–1-15
fitness clubs, 9-10
five-step process for revenue recognition, 2-10, 4-6f, 4-9f
fixed asset turnover, 8-38
fixed dividend rate, 11-13
floating rate, 11-13
FOB destination, 7-7
FOB shipping point, 7-7
forms of business organization, 1-8–1-10, 1-10f
franchise rights, 8-4, 8-30
franchisee, 8-30
franchisor, 8-30
free cash flow, 5-31–5-32, 12-39
free debt, 9-8–9-9
free from error, 2-7
free on board, 7-7
fully funded, 10-19
function, 4-20–4-22
fundamental qualitative characteristics, 2-5, 2-7f, 8-9
funding entry, 10-18
future economic benefits, 8-11
FV-NI. *See* fair value through net income (FV-NI)
FVOCI. *See* fair value through other comprehensive income (FVOCI)
FVPL. *See* fair value through profit or loss (FVPL)

G

G/L. *See* general ledger (G/L)
GAAP. *See* generally accepted accounting principles (GAAP)
GAAP financial measures, 12-39
gains, 1-14, 8-27–8-28, D-7
general journal, 3-12–3-19
general ledger (G/L), 3-6, 3-19–3-21
general ledger (G/L) account, 3-6
general ledger (G/L) balance, 6-8
generally accepted accounting principles (GAAP), 12-39
gift card liability, 9-9
gift cards, 9-1, 9-10–9-11
going concern assumption, 2-8–2-9
going concern basis, 2-8
goodwill, 1-20f, 8-4, 8-32–8-35, 8-33f
governance reporting. *See* environmental, social, and governance (ESG) issues
government, transactions with, 9-20–9-21
green bonds, 10-9
gross margin, 1-16, 7-24–7-25, 7-25f, 12-30–12-31
gross margin estimation method, 7-30
gross margin ratio, 7-25, 7-25f, 12-21f
gross profit, 1-16
gross wages, 9-17
guaranteed investment certificates, D-2
guarantees, 10-22–10-23

H

homogeneous, 7-16
human error, 6-7
hybrid pension plans, 10-19
hybrid securities, 11-15

I

IASB. *See* International Accounting Standards Board (IASB)
IFRS. *See* International Financial Reporting Standards (IFRS)

IFRS financial measures, 12-39
immaterial, 2-6
impaired, 8-25–8-27
impairment loss, 8-25
income, 1-14
income statement. *See* statement of income
Income Summary account, 3-32, 3-33
income tax, 9-16
Income Tax Act, 10-21–10-22
income tax expense (provision for taxes), 1-16f
income taxes payable, 1-21, 1-21f
incorporation, 2-14
incurred, 2-10
indefinite useful life, 8-31, 8-32
indenture agreement, 10-7
independent verification, 6-6, 7-26
indirect method, 5-9–5-10, 5-12–5-23, 5-25
initial borrowing, 10-4
initial public offering (IPO), 11-9
input methods, B-2
instalment loans, 10-4
institutional investors, 10-7
insurance coverage, 2-16–2-17, 3-14–3-15
insurance expense, 2-24, 3-27
intangible assets, 1-19, 1-20f, 8-4, 8-29–8-32
intellectual property, 8-29–8-31
interest, 1-7, 5-11–5-12
interest-bearing debt, 10-26
interest coverage, 12-39
interest coverage ratio, 10-28, 12-21f, 12-28, 12-30
interest expense, 1-16f, 2-24–2-25, 3-27–3-28, 10-11–10-13
interest payment, 10-12
interlisted, 2-3
internal control system, 6-5
internal controls, 6-4–6-7
 and inventory, 7-26–7-27
 limitations, 6-7
 principles of, 6-5–6-6, 7-26–7-27
 responsibility for, 6-4–6-5
International Accounting Standards Board (IASB), 2-4
International Financial Reporting Standards (IFRS), 1-25, 2-3, 12-39
 cash flows, 5-10
 characteristics and constraints, 2-7f
 direct method, 5-10
 progress billings, B-2
 revenue recognition, 4-4, 4-5
 inventory, 1-20, 1-20f, 2-17–2-18, 3-15, 5-17f, 7-3
 cost formulas, 7-14–7-20, 7-20f
 costs included in, 7-13–7-14
 and data analytics, 7-30
 financial statement analysis, 7-27–7-30
 flow of inventory at a manufacturer, 7-6f
 goods included in, 7-7–7-8
 gross margin, 7-24–7-25
 historical cost, 7-22
 internal controls, 7-26–7-27
 inventory systems, 7-8–7-13, 7-11f, 7-12f
 see also periodic inventory systems;
 perpetual inventory systems
 inventory valuation, 7-20–7-24
 inventory valuation errors, 7-23–7-24, 7-24f
 major classifications, 7-5–7-6
 management's objective, 7-4
 significance to users, 7-3–7-5

on statement of financial position, 7-21–7-22
types of, 7-5–7-7
inventory shrinkage, 7-10
inventory systems, 7-8–7-13, 7-11f, 7-12f
see also periodic inventory systems; perpetual inventory systems
inventory turnover ratio, 7-28–7-29, 12-21f, 12-25–12-27
inventory valuation, 7-20–7-24
inventory writedown, 7-21
investee, D-2
investing activities, 1-10, 1-12, 1-12f, 1-24, 2-28, 2-29, 5-5, 5-7, 5-7f, 5-12
investment banker, 10-8
investments, 5-19
see also specific types of investments
amortized cost model, D-5–D-7
available for sale, D-5
classification of, D-2–D-5
control, D-10, D-13–D-16
held for trading, D-5
held to maturity, D-5
non-strategic investments, D-2, D-2f, D-3f, D-5–D-10
reasons for making investments, D-1–D-2
significance influence, D-10–D-13
strategic investments, D-2, D-2f, D-3f, D-10–D-16
investors, 1-3, 1-6–1-7, D-2
IPO. *See* initial public offering (IPO)
issuance of shares, 2-14, 3-13
issued shares, 11-7

J

JIT. *See* just-in-time (JIT)
journal entry, 3-12, 3-12f
judgement, 3-28
just-in-time (JIT), 7-26

K

key audit matters, 12-8

L

land, 2-17, 3-15, 8-8, 8-10
lawsuit, 10-24–10-25, 10-24f
lease agreement, 10-14
lease inducements, 1-21
lease liability, 1-21, 1-21f, 10-15
leasing, 10-14–10-16
legal capital, 11-7
legal entity, D-4
legal life, 8-32
legislation, 11-6
lenders, 9-4–9-7, 10-4–10-7
lessee, 10-14
lessor, 10-14
leverage, 10-25–10-26, 12-28, 12-30
leverage ratios, 12-28
liabilities, 1-19, 1-20–1-21
see also specific liabilities
accrued liabilities, 1-21
characteristics of a liability, 1-20
current liabilities. *See* current liabilities
long-term liabilities. *See* long-term liabilities
non-current liabilities, 1-21f, 9-3–9-4
on statement of financial position, 1-21f
licences, 8-4, 8-30
line of credit, 5-3, 9-5–9-6
liquidation, 11-12
liquidity, 1-19, 3-6, 6-3, 6-27–6-29, 9-3–9-4

liquidity ratios, 12-19, 12-20f, 12-22–12-23
litigation, 10-24–10-25, 10-24f
loans. *See* bank loans
long-term assets, 8-1
asset revaluation, C-1–C-5
biological assets, 8-4, 8-36
financial statement analysis, 8-37–8-38
goodwill. *See* goodwill
intangible assets. *See* intangible assets
property, plant, and equipment. *See* property, plant, and equipment (PP&E)
relative age, determination of, 8-37
right-of-use assets, 1-20, 8-4, 8-35–8-36
significance of, 8-4–8-5
types of, 8-3–8-4
use of, 8-37–8-38
long-term contracts, B-1–B-6
long-term debt, 1-21, 1-21f, 10-28–10-29
long-term liabilities
see also specific long-term liabilities
accounting standards vs. Income Tax Act, 10-21–10-22
commitments, 10-22–10-23
contingent liabilities, 10-23–10-25
employees, transactions with, 10-16–10-20
financial statement analysis, 10-25–10-29
guarantees, 10-22–10-23
lenders, transactions with, 10-4–10-7
other creditors, transactions with, 10-14–10-16
significance to users, 10-3
long-term loans, 10-4–10-7
loss, 1-14, 8-27–8-28
accumulated impairment losses, 8-6
credit losses. *See* credit losses
impairment loss, 8-25
net loss, 1-14
unrealized holding loss, D-7
low-cost producer, 12-7
lower of cost or net realizable value, 7-22, 7-22f
lump-sum purchase, 8-7

M

management, 1-3
internal control system, 6-5
inventory, objective for, 7-4
inventory system, choice of, 7-12–7-13
management discussion and analysis (MD&A), 1-3, 1-15, 1-25, 5-31, 12-7–12-8
managerial accounting, 1-3
manipulation, 12-38
manufacturers, 7-3
market capitalization, 11-5
market rate, 10-7, 10-12
market value, 1-22
material, 2-6
materiality, 2-6, 8-8
maturity date, 10-7
MD&A. *See* management discussion and analysis (MD&A)
measured at amortized cost, D-5
measured at fair value through other comprehensive income, D-5
see also fair value through other comprehensive income (FVOCI)
measured at fair value through profit or loss, D-5
see also fair value through profit or loss (FVPL)
memorandum entry, 11-25

merchandise inventories, 7-21
merchandisers, 7-3
minority interest, 11-12, D-13
modified opinion, 12-8
money market funds, D-2
mortgages, 10-4–10-7, 10-8, 10-8f
multi-step statement of income, 4-16–4-18, 4-17–4-18f
multiple voting shares, 11-12
mutually unexecuted contracts, 10-22–10-23

N

nature, 4-20–4-22
net assets, 1-21
net assets upon liquidation, 11-12
net book value, 2-28, 8-6
net debt, 10-26
net debt as a percentage of total capitalization, 12-28, 12-39
net debt as a percentage of total capitalization ratio, 10-26–10-27, 12-21f
net earnings, 1-14, 1-16, 12-17
net free cash flow, 5-31–5-32, 12-36, 12-39
net free cash flow ratio, 12-21f
net income, 1-14, 1-16, 4-19–4-20, D-7
net loss, 1-14
net margin, 12-30
net position in a contract, 4-5, 4-6f
net realizable value (NRV), 7-21, 7-21f
net wages, 9-17
neutral, 2-7
no par value shares, 11-7
non-controlling interest, 11-12, D-13
non-cumulative shares, 11-16
non-current, 1-18
non-current assets, 1-20f
non-current items, 1-18
non-current liabilities, 1-21f, 9-3–9-4
non-financial measures, 12-39
non-GAAP financial measures, 12-39
non-IFRS financial measures, 5-31, 12-39–12-42
non-strategic investments, D-2, D-2f, D-3f, D-5–D-10
normal balance, 3-4–3-8, 3-7f
notes payable, 1-21f
notes to the financial statements, 1-14f, 1-25–1-26
NRV. *See* net realizable value (NRV)

O

obligations, 1-20
one-time dividend, 11-19
opening balances, 3-11
opening inventory, 7-8
operating activities, 1-10, 1-12–1-13, 1-12f, 1-24, 2-28, 2-29, 5-5, 5-7, 5-7f, 5-8–5-10, 5-27–5-28, 5-30–5-32
operating cash flow ratio, 5-30–5-31, 12-20f, 12-23
operating efficiency ratios, 12-24
operating profit, 12-17–12-18
operating segments, 12-6
operational measures, 12-39
ordinary activities, 4-3
ordinary shares, 11-10
other comprehensive income, 4-19, 11-4, D-5, D-8–D-10
other financial measures, 12-39
other income, 1-16f

S-6 SUBJECT INDEX

- output methods, B-2
 - outstanding shares, 11-7
 - overfunded, 10-19
 - overhead, 7-5
 - ownership interest, 11-30
- P**
- P/E multiple, 12-34
 - P/E ratio. *See* price/earnings (P/E) ratio
 - pandemic. *See* COVID-19 pandemic
 - par, 10-10
 - par value, 11-7
 - par value shares, 11-7f
 - parent, D-3
 - parent company, 1-14
 - partially executed contracts, 9-9
 - participating preferred shares, 11-17
 - partnership, 1-10f
 - patents, 8-4, 8-29
 - pay periods, 9-17
 - payments, 3-16
 - from customers, 2-19
 - to suppliers, 2-19–2-20
 - wages, 9-17–9-18
 - payroll costs, 9-17–9-19
 - pension agreement, 10-16
 - pension costs, 10-17
 - pensions, 9-16, 10-1, 10-17–10-19
 - percentage-of-completion method, B-2–B-4
 - performance measures, 12-39–12-42
 - performance obligations, 4-5, 4-7, 4-8, 4-11–4-12
 - period costs, 8-8
 - periodic inventory systems, 7-8–7-10, 7-9f, 7-11f, 7-12f, 7-31–7-33
 - periodic loan payment, 10-5
 - permanent accounts, 3-11
 - perpetual inventory systems, 7-10–7-11, 7-11f, 7-12f, 7-17–7-19
 - perpetuals, 11-13
 - physical controls, 6-5, 7-26
 - post-employment benefits, 10-20
 - posting, 3-19
 - potential dilution of earnings per share, 12-34
 - PP&E. *See* property, plant, and equipment (PP&E)
 - pre-emptive right, 11-12
 - predictive value, 2-6
 - preference shares, 11-13–11-17
 - preferred shares, 11-6, 11-8–11-17, 11-17f, D-2
 - premium, 10-10
 - prepaid expenses and deposits, 1-20f, 5-17f
 - price/earnings (P/E) ratio, 11-27–11-28, 12-21f, 12-34
 - principal, 1-7, 4-15
 - private companies, 1-6, 1-9
 - private placement, 10-7
 - privately held companies, 1-9
 - product differentiation strategy, 12-7
 - products, 2-18–2-19, 3-15–3-16
 - profit, 1-14, 1-16
 - profit margin, 12-7, 12-31–12-32
 - profit margin ratio, 2-32–2-33, 12-21f
 - profitability, 2-26–2-27
 - profitability ratios, 12-19, 12-20f, 12-30–12-32
 - progress billings, B-1–B-2
 - property, plant, and equipment (PP&E), 1-20f, 3-26, 5-18–5-19, 8-4
 - basket purchases, 8-7
 - carrying amount, 8-9
 - costs subsequent to purchase, 8-8
 - depreciation, 8-9–8-10, 8-10f
 - depreciation methods, 8-10–8-21
 - disposal of property, plant, and equipment, 8-27–8-28, 8-28f
 - fair values, 8-9
 - impaired, 8-25–8-27
 - revaluation of, C-1–C-2
 - on statement of financial position, 8-5–8-6
 - valuation of, 8-5–8-9
 - vs. intangible assets, 8-32
 - proportionate method, C-2, C-3–C-4
 - proprietorship, 1-10f
 - prospective analysis, 12-11
 - prospectus, 11-9
 - provision, 9-9
 - provision for warranty claims, 9-9
 - prudence, 2-7
 - public accountants, 6-6
 - public companies, 1-6, 1-9, 6-6, 10-15, 12-37
 - public offering, 10-7
 - publicly traded companies, 1-9
 - purchasing on account, 2-17
- Q**
- QPP. *See* Quebec Pension Plan (QPP)
 - qualified opinion, 12-8
 - qualitative characteristics, 2-5–2-8, 2-8f
 - Quebec Pension Plan (QPP), 9-16
 - quick assets, 6-28
 - quick ratio, 6-28–6-29, 12-20f, 12-22, 12-23
- R**
- rate of growth, 5-27
 - rate reset, 11-13
 - ratio analysis, 2-32–2-34, 12-18–12-19, 12-22–12-37
 - see also* financial statement analysis; ratios
 - common ratios, 12-19–12-20, 12-20–12-21f
 - definitions of ratios, 12-38
 - ethics in accounting, 6-29
 - limitations of, 12-37–12-38
 - and revaluations, C-5
 - ratios
 - see also* ratio analysis
 - accounts payable payment period ratio, 12-27–12-28
 - accounts payable turnover ratio, 9-22, 9-23f
 - accounts receivable turnover ratio, 6-29–6-30, 12-21f
 - acid test ratio, 6-28–6-29
 - activity ratios, 12-19, 12-20f, 12-24–12-28
 - average collection period ratio, 12-21f
 - cash coverage ratio, 10-28
 - cost-to-sales ratio, 7-30
 - coverage ratios, 12-28, 12-30
 - current ratio, 6-28, 12-20f, 12-22
 - days to sell inventory ratio, 7-28–7-29, 12-21f, 12-26–12-27
 - debt to equity ratio, 10-26, 12-21f, 12-28, 12-29
 - dividend payout ratio, 11-28–11-29, 12-21f, 12-35
 - dividend yield ratio, 12-21f, 12-36
 - equity analysis ratios, 12-19, 12-20f, 12-33–12-37
 - ethics in accounting, 6-29
 - gross margin ratio, 7-25, 7-25f, 12-21f
 - interest coverage ratio, 10-28, 12-21f, 12-28, 12-30
 - inventory turnover ratio, 7-28–7-29, 12-21f, 12-25–12-27
 - leverage ratios, 12-28
 - liquidity ratios, 12-19, 12-20f, 12-22–12-23
 - net debt as a percentage of total capitalization ratio, 10-26–10-27, 12-21f
 - net free cash flow ratio, 12-21f
 - operating cash flow ratio, 5-30–5-31, 12-20f, 12-23
 - operating efficiency ratios, 12-24
 - price/earnings (P/E) ratio, 11-27–11-28, 12-21f, 12-34
 - profit margin ratio, 2-32–2-33, 12-21f
 - profitability ratios, 12-19, 12-20f, 12-30–12-32
 - quick ratio, 6-28–6-29, 12-20f, 12-22, 12-23
 - return on assets (ROA) ratio, 2-34, 12-21f, 12-31–12-32
 - return on equity (ROE) ratio, 2-33, 11-29, 12-21f, 12-31–12-32
 - return on shareholders' equity ratio, 11-29
 - solvency ratios, 12-19, 12-20f, 12-28–12-30
 - times interest earned ratio, 10-28
 - working capital ratio, 6-28
 - raw materials, 7-5
 - receivables. *See* accounts receivable
 - reclassification entry, 9-7
 - recognition of revenue. *See* revenue recognition
 - recommendations, 12-5
 - reconciliation method, 5-10
 - recoverable amount, 8-25
 - recovery, 6-17
 - recovery entry, 6-17–6-20
 - red flags, 12-19
 - redeemable preferred shares, 11-16
 - regulators, 1-7–1-8
 - relative fair value, 8-7
 - relevance, 4-22, 8-9, 12-42
 - relevant, 2-5
 - remittance, 9-18–9-19
 - rent, 2-15, 3-14
 - reporting objectives
 - statement of cash flows, 1-23–1-24
 - statement of changes in equity, 1-17–1-18
 - statement of financial position, 1-18–1-23
 - statement of income, 1-14–1-17
 - representationally faithful, 2-5
 - reset date, 11-13
 - residual value. *See* estimated residual value
 - restricted cash, 5-3
 - restrictive covenants, 10-7
 - retailers, 7-3
 - retained earnings, 1-11, 1-17, 1-18f, 2-12f, 3-6f, 3-34, 11-4
 - Retained Earnings account, 3-33–3-34
 - retractable preferred shares, 11-16
 - retrospective analysis, 12-11
 - return asset, 7-8
 - return of principal, 1-11
 - return on assets (ROA) ratio, 2-34, 12-21f, 12-31–12-32
 - return on equity (ROE) ratio, 2-33, 11-29, 12-21f, 12-31–12-32
 - return on shareholders' equity ratio, 11-29
 - revaluation date, C-1
 - revaluation model, 8-6, 8-9, C-1–C-5
 - revaluation surplus, C-2, C-4
 - revenue recognition, 4-5–4-12
 - conceptual framework, 7-7
 - consignment, 4-14
 - contract-based approach, 4-5–4-12

- and ethics in accounting, 4-3
 - five-step model of revenue recognition, 4-6f, 4-9f
 - five-step process for revenue recognition, 2-10
 - long-term contracts, B-1–B-6
 - over the period of the contract, B-1–B-2
 - percentage-of-completion method, B-2–B-4
 - progress billings, B-1–B-2
 - revenue recognition criteria, 4-12
 - right of return, 4-13–4-14
 - significance to users, 4-4
 - third-party sales, 4-15–4-16
 - timing of, 4-5–4-12
 - warranties, 4-14
 - zero-profit method, B-5–B-6
 - revenue recognition criteria, 4-12
 - revenues, 1-14, 1-15
 - see also* revenue recognition
 - other terms for, 4-3
 - significance of, 4-2–4-4
 - and users, 4-3–4-4
 - reverse stock splits, 11-26
 - revolving credit facilities, 9-5, 9-6
 - right of return, 4-13–4-14
 - right-of-use assets, 1-20, 8-4, 8-35–8-36, 10-15
 - right to receive consideration, 4-5
 - risk, 12-30
 - climate change, 6-24
 - credit risk assessment, 6-23–6-24
 - risk characteristics, 6-20–6-21
 - ROA ratio. *See* return on assets (ROA) ratio
 - ROE ratio. *See* return on equity (ROE) ratio
- S**
- sale of goods, 4-9
 - sales discounts, 4-7, 6-27
 - sales revenues, 1-16f, 4-18
 - seasonality, 12-38
 - secured, 9-6
 - selective revaluation, C-2
 - sell on account, 6-12–2-14
 - selling, general, and administrative expense, 1-16f
 - senior debenture, 10-7
 - separation of duties, 6-6, 7-26
 - service-type warranties, 9-13, 9-15
 - service warranties, 4-14
 - services, 4-10
 - share capital, 1-17, 1-18f, 11-24
 - share repurchases, 11-7–11-8, 11-8f
 - shareholders, 1-6–1-7, 1-9, 1-11, 9-21–9-22
 - shareholders' equity, 1-11, 1-21–1-22
 - see also* statement of changes in equity
 - common components, 1-18
 - dividends. *See* dividends
 - financial statement analysis, 11-26–11-29
 - return on equity (ROE) ratio. *See* return on equity (ROE) ratio
 - shareholders' equity section, 11-3–11-5
 - significance to users, 11-3
 - on statement of financial position, 11-3–11-5
 - stock splits, 11-24–11-26
 - shareholders' equity section, 11-3–11-5
 - shares
 - see also specific types of shares*
 - common shares, 1-9, 1-22, 2-14, 11-3, 11-6, 11-8–11-17, 11-17f, D-2
 - issuance of shares, 2-14, 3-13
 - issued shares, 11-7
 - preferred shares, 11-6, 11-8–11-17, 11-17f, D-2
 - types of shares, 11-6–11-17
 - short-term investments, 1-20f
 - significance influence, D-10–D-13, D-10f
 - single-step statement of income, 4-16–4-18, 4-17f
 - social bonds, 10-9
 - social reporting. *See* environmental, social, and governance (ESG) issues
 - solvency ratios, 12-19, 12-20f, 12-28–12-30
 - source deductions, 9-16, 9-18–9-19
 - source document, 3-11
 - special dividend, 11-19
 - special voting rights, 11-12–11-13
 - specific identification (specific ID), 7-14, 7-15, 7-18, 7-18f
 - stakeholders, 1-4, 1-4f, 1-5f
 - stand-alone selling price, 4-8
 - standard warranty, 4-14, 9-13
 - standards. *See* accounting standards
 - standby fees, 9-6
 - stated dividend rate, 11-13
 - statement of cash flows, 1-14f, 1-23, 1-24f, 2-30f, 5-3
 - “cash,” definition of, 5-3
 - cash flow activities not appearing on, 5-12
 - cash flow visualizations, 5-22–5-23f
 - cash position, changes in, 2-28–2-30
 - categories of cash flows, 5-7–5-8
 - conceptual framework, 5-8
 - current assets and liabilities, changes in, 5-18f
 - direct method, 5-9–5-10, 5-24–5-25, 5-24f, 5-25f
 - financial statement analysis, 5-30–5-32
 - indirect method, 5-9–5-10, 5-12–5-23, 5-25
 - interpretation of cash flow information, 5-26–5-30
 - reporting objectives, 1-23–1-24
 - significance to users, 5-4–5-5
 - and statement of financial position, 5-22f
 - steps for the preparation of, 5-13f, 5-15–5-22
 - subsections of, 1-23
 - understanding, 5-7–5-12
 - vs. statement of income, 5-6–5-7
 - statement of changes in equity, 1-14f, 1-17, 1-24f, 2-27f, 3-30f
 - alternate names, 1-17f
 - change in equity positions, 2-27–2-28
 - reporting objectives, 1-17–1-18
 - statement of changes in shareholders' equity, 1-17f
 - see also* statement of changes in equity
 - statement of comprehensive income, 4-19–4-20
 - statement of earnings, 1-14f
 - see also* statement of income
 - statement of equity, 1-17f
 - see also* statement of changes in equity
 - statement of financial position, 1-14f, 1-18, 1-24f, 2-29f, 3-30–3-31f
 - see also* balance sheet
 - accounts, 3-25
 - assets, 1-19–1-20
 - biological assets, 8-36
 - cash, 6-4
 - current liabilities, 9-4
 - financial position at end of accounting period, 2-28
 - goodwill, 8-34
 - intangible assets, 8-31–8-32
 - inventory, 7-21–7-22
 - liabilities, 1-20–1-21, 1-21f
 - property, plant, and equipment (PP&E), 8-5–8-6
 - reporting objectives, 1-18–1-23
 - revaluation model, C-4
 - right-of-use assets, 8-35–8-36
 - shareholders' equity, 11-3–11-5
 - shareholders' equity, 1-21–1-22
 - and statement of cash flows, 5-22f
 - statement of income, 1-14, 1-14f, 1-24f, 2-27f, 3-30f
 - accounts, 3-25
 - alternate names, 1-14f
 - common items, 1-16f
 - conceptual framework, 4-22
 - formats, 4-16–4-19
 - function vs. nature, 4-20–4-22
 - profitability of company, 2-26–2-27
 - reporting objectives, 1-14–1-17
 - vs. statement of cash flows, 5-6–5-7
 - statement of net earnings, 1-14f
 - see also* statement of income
 - statement of operations, 1-14f
 - see also* statement of income
 - statement of profit or loss, 1-14f
 - see also* statement of income
 - statement of shareholders' equity, 1-17f
 - see also* statement of changes in equity
 - stock dividends, 11-22–11-24, 11-23f
 - stock exchanges, 1-7
 - stock splits, 11-24–11-26
 - stockout, 7-4
 - straight-line depreciation, 2-23
 - straight-line method, 8-11, 8-12–8-14, 8-13–8-14f, 8-18
 - straight-line rate, 8-16
 - strategic investments, D-2, D-2f, D-3f, D-10–D-16
 - subledger, 6-14
 - subordinated debenture, 10-7
 - subsidiary, D-3
 - subsidiary companies, 1-14
 - subsidiary ledger, 6-14
 - super voting share, 11-12
 - suppliers, 3-17
 - accounts payable payment period, 9-23
 - accounts payable turnover ratio, 9-22
 - current liabilities, 9-8–9-9
 - payments to, 2-19–2-20
 - relationships with, and data analytics, 9-24
 - sustainability bonds, 10-9
 - synoptic approach, 2-11–2-12
- T**
- T2, 9-21
 - T account, 3-19, 3-33, 3-33f
 - tangible assets, 8-4
 - target benefit plans, 10-19
 - taxing authorities, 1-8
 - template approach, 2-11–2-12, 2-11f
 - abbreviations, 2-12
 - analysis and recording of transactions, 2-13–2-25
 - limitations, 2-25–2-26
 - vs. double-entry accounting system, 3-3–3-4, 3-5–3-6
 - temporary accounts, 3-11
 - third-party sales, 4-15–4-16

S-8 SUBJECT INDEX

time value of money, 9-4
timeliness, 2-5, 2-6
times interest earned ratio, 10-28
tone at the top, 6-5
trade accounts payable, 9-8
trade payables, 9-8
 see also accounts payable
trade secrets, 8-30
trademarks, 8-4, 8-29
transaction analysis and recording,
 3-11–3-22
 general journal, 3-12–3-19
 general ledger (G/L), 3-19–3-21
 identification of transactions, 3-11–3-12
 trial balance, 3-21–3-22
transaction price, 4-7–4-8
treasury shares, 11-7
trend analysis, 12-11–12-16, 12-12f
trial balance, 3-21–3-22, 3-21f
trustee, 10-17
*2020 Environmental, Social and Governance
 Report (TD Bank), 1-26*

U

uncollectible accounts, 6-3
undercapitalization problem, 5-27

underfunded, 10-18–10-19
understandability, 2-5
understanding the business, 12-6–12-7
underwriters, 10-8, 11-9
unearned revenues, 5-17f, 9-9
 see also deferred revenues
units-of-activity method, 8-11
units-of-production method, 8-11, 8-14–8-15,
 8-14–8-15f, 8-18
unmodified opinion, 12-8
unrealized holding gain or loss, D-7
unsecured, 9-6
usage method, 8-11
useful life, 2-22, 8-8, 8-11, 8-14,
 8-31–8-32
 see also estimated useful life
users and uses of financial accounting,
 1-3–1-8
utility costs, 2-20, 3-17

V

valuation. *See* statement of financial position
variable consideration, 4-7
verifiability, 2-5, 2-7, 12-42
vested benefits, 10-18
voting rights, 11-11, 11-12

W

wages, 2-21, 3-17–3-18
 costs, 9-19–9-20
 gross wages, 9-17
 net wages, 9-17
 payments, 9-17–9-18
wages payable, 5-17f, 9-16, 9-19–9-20
warranties, 4-14, 9-13–9-15
 see also specific types of warranties
warranty provision, 9-13
warrior accountant, 1-26
weighted-average, 7-14, 7-15–7-16, 7-16f, 7-18,
 7-18f, 7-31–7-32
window dressing, 12-38
with recourse, 6-27
without recourse, 6-27
work-in-process, 7-5
working capital, 1-19, 1-19f
working capital ratio, 6-28
writeoff, 6-17
writeoff entry, 6-17, 6-18

Y

yield, 10-7, 10-10, 10-11f, 10-12

Z

zero-profit method, B-2, B-5–B-6

