eBook—Use & Features

Your eBook requires internet access. It is easy to use and offers an abundance of features!

- ✓ Search
- ✓ Bookmark
- ✓ Highlight & Annotate
- ✓ Notebook
- ✓ Create Flashcards
- ✓ Video content
- ✓ View customization & Screen Reader
- ✓ Printing options (restricted)
- ✓ Account management
- ✓ Access Student Support

Let's explore!

Prefer to view this guide in video format?

Click the video icon to the left and start watching!

Accessing Your eBook

There are two ways to access your eBook…

❶ From the Dashboard. Click **Read** to launch the eBook.

OR

❷ From within the Course. Click **Go to Course**.

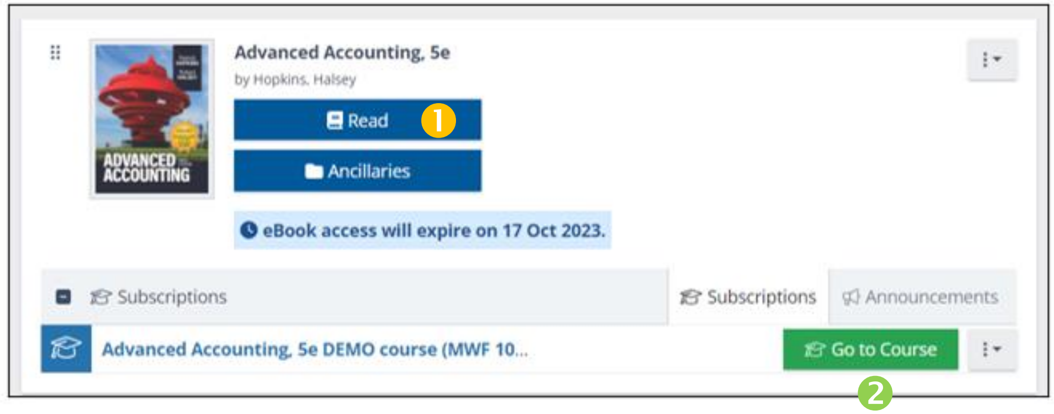
❸ Click **Course Content** to expand the menu.

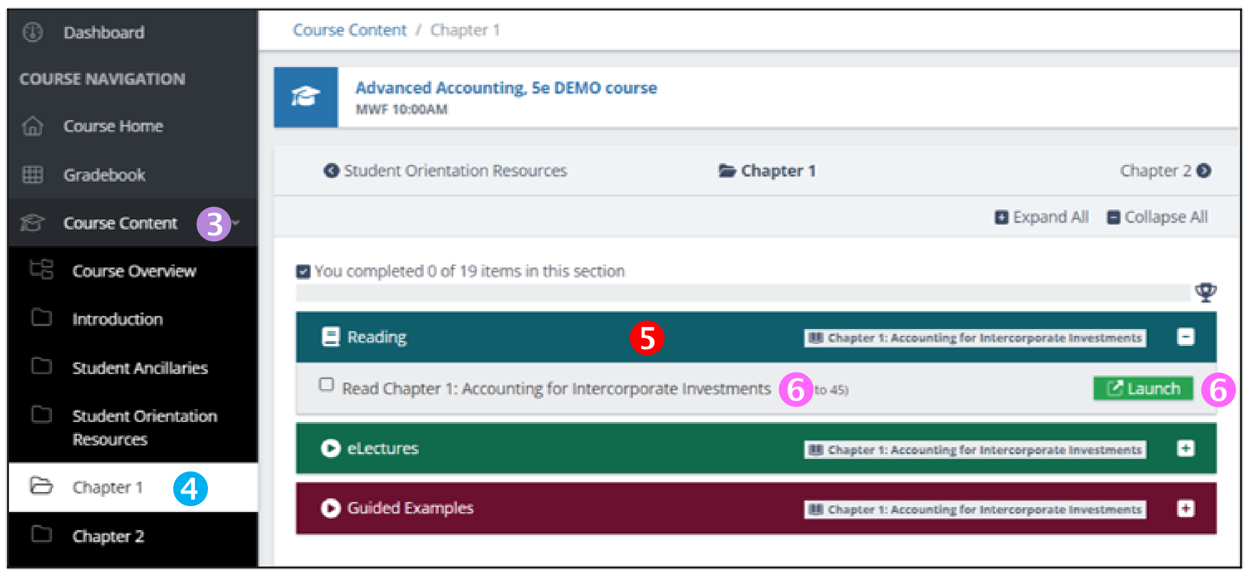
❹ Click on the desired chapter/module.

❺ Click on the **Reading** banner

❻ Click *Read Chapter #* or click **Launch**.

- You will be brought to the first page of the chapter.





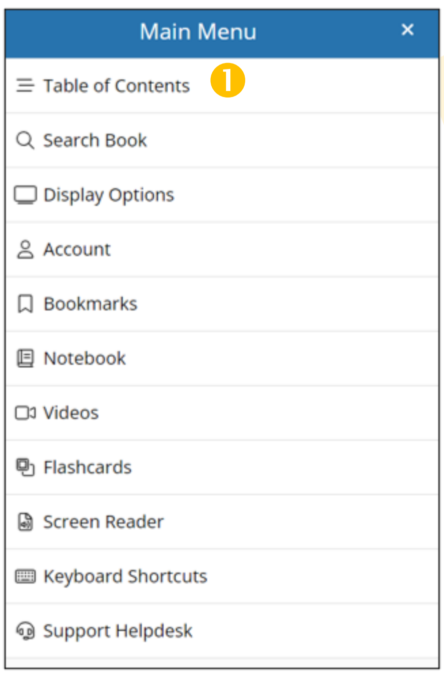
eBook—Access & Features

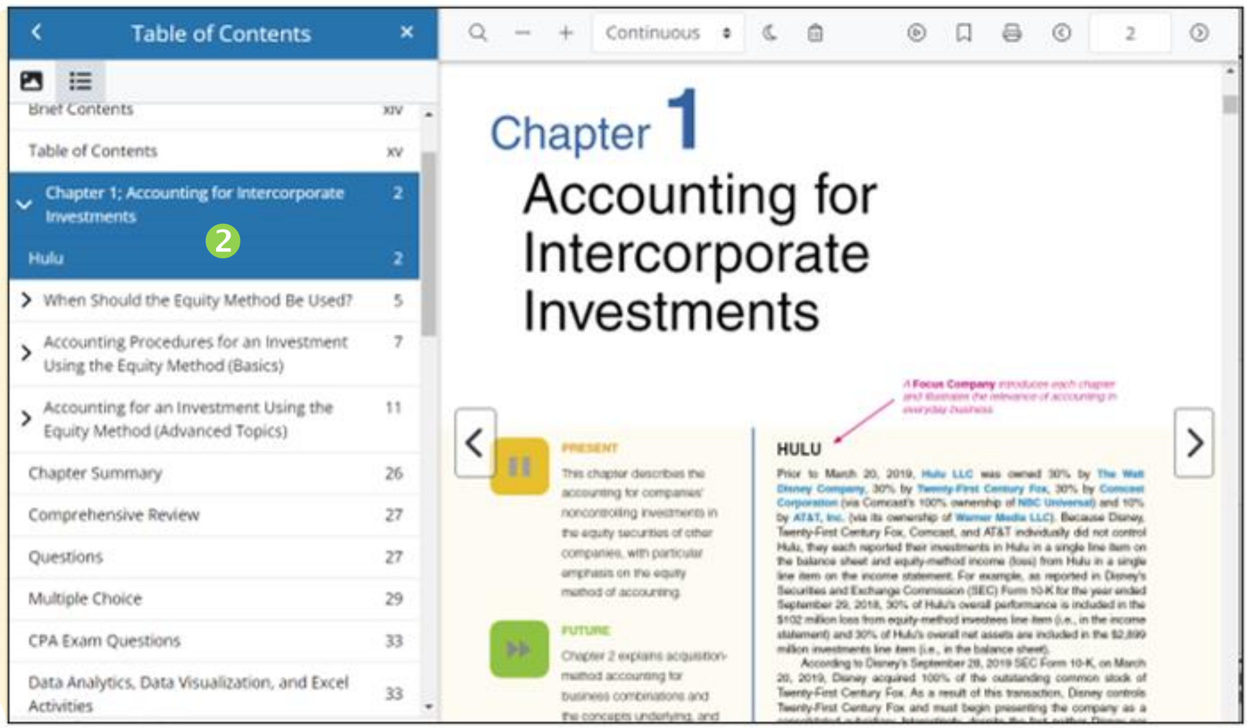
Table of Contents

To open the content of your eBook…

❶ Click **Table of Contents** to expand the menu.
Several of the menu options can be viewed in Thumbnail , or List view (shown).

❷ Use the menu to navigate throughout the book (the current page will be identified in blue).

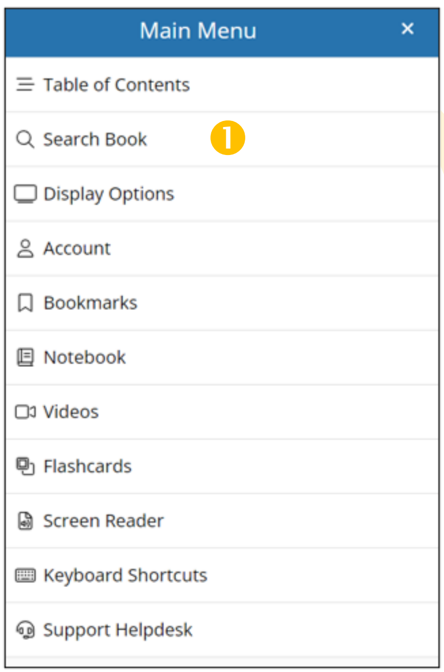




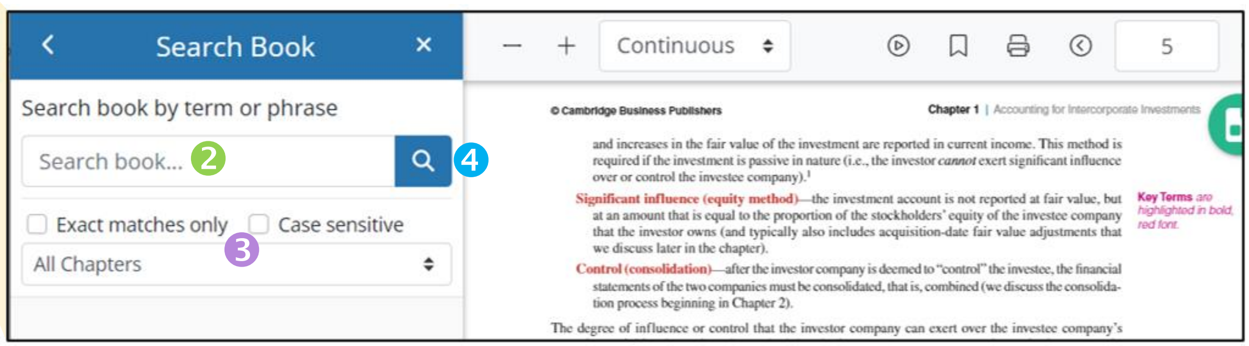
Search Feature

Looking for something specific? Use the Search function to find what you need.

1. Click **Search Book** from the Main Menu.
2. Type in the term or phrase in the *Search* field.



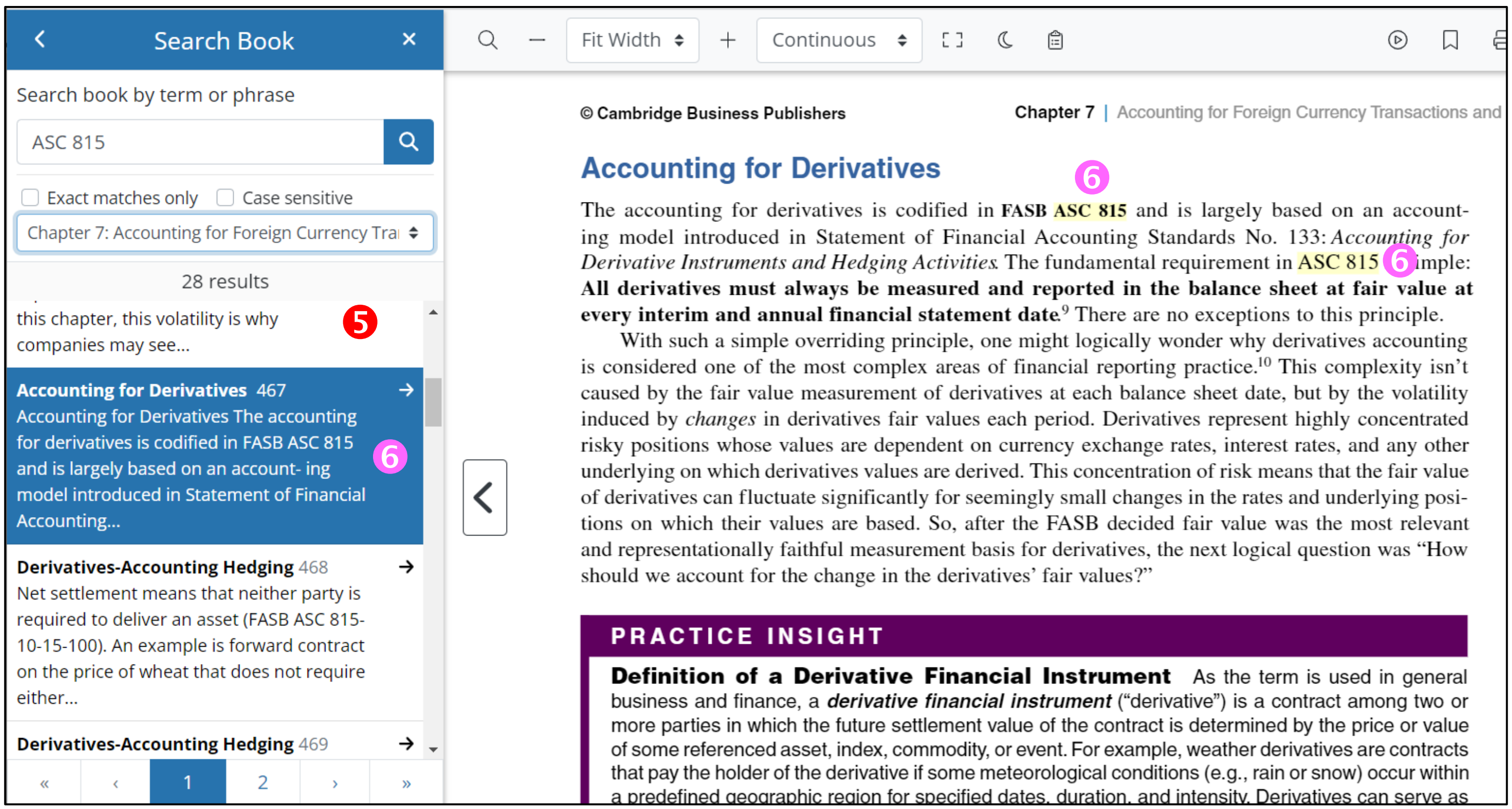
3. Utilize Filters to narrow your search (optional).
4. Click the **Magnifying Glass** icon.



Search Feature

❺ The Results of your search appear in the left panel.

❻ Click on a page from the list to see the searched term or phrase highlighted on the selected page.



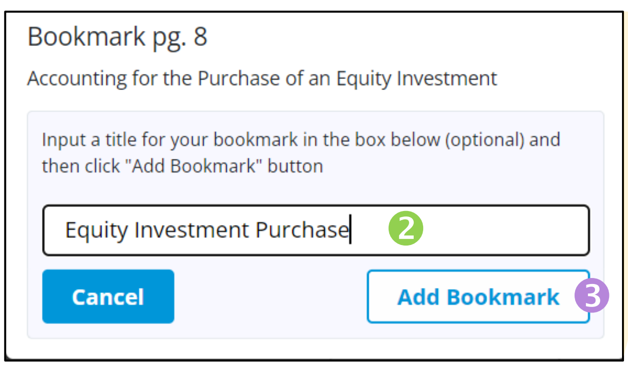
Bookmark Feature

No need to dog-ear a printed page, add Bookmarks to easily find bookmarked pages in the future.

1. Click the **Bookmark** icon at the top/right corner of the page.

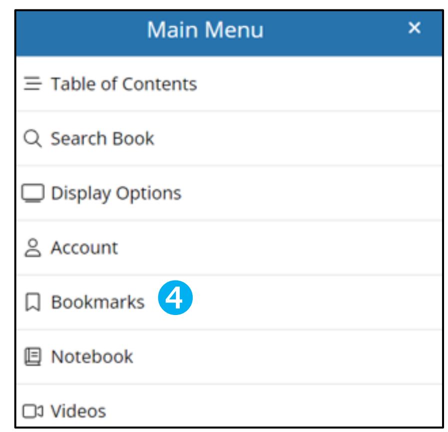
2. Add a title to identify the Bookmark (optional).

3. Click **Add Bookmark**. The Bookmarked page is now identified in dark red.



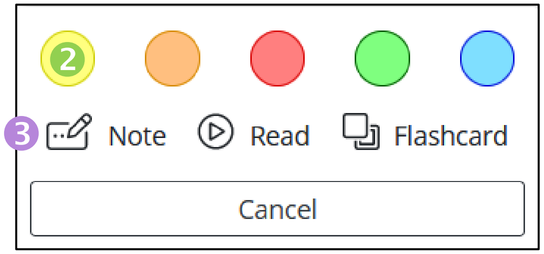
4. To access bookmarked pages, click **Bookmarks** on the Main Menu.

- You can edit or delete bookmarks here too!

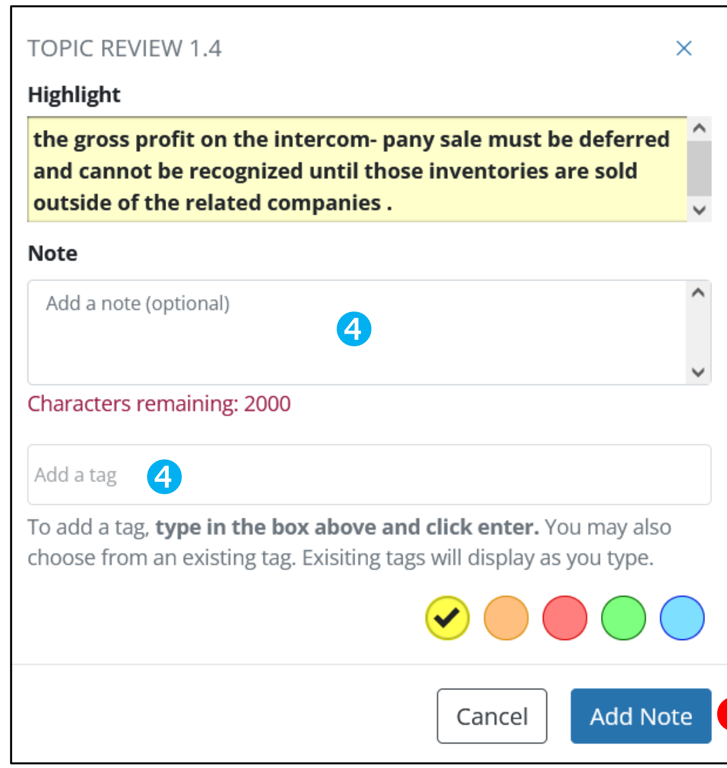


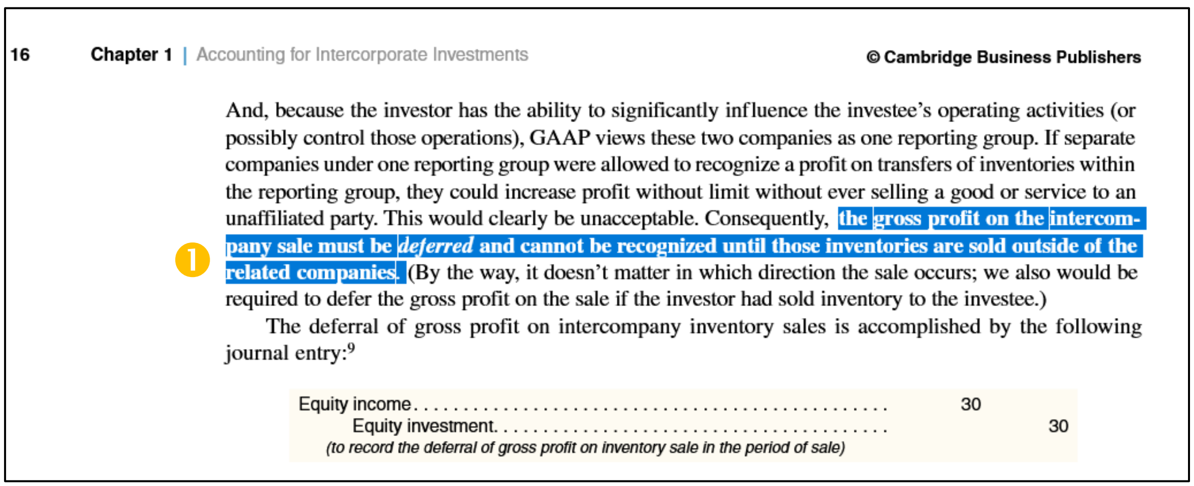
Highlight & Annotate

You can highlight text and take notes, just like you can with a print book!
All highlights and notes will appear in the Notebook.



1. Click and drag your cursor across the desired section of text.
2. To **Highlight** the selected text, choose a color from the pop-up window.
3. To add a Note, click **Note** in the pop-up window.
4. Type your Note and a Tag for reference.
5. Click **Add Note**.





16 **Chapter 1** | Accounting for Intercorporate Investments **© Cambridge Business Publishers**

And, because the investor has the ability to significantly influence the investee's operating activities (or possibly control those operations), GAAP views these two companies as one reporting group. If separate companies under one reporting group were allowed to recognize a profit on transfers of inventories within the reporting group, they could increase profit without limit without ever selling a good or service to an unaffiliated party. This would clearly be unacceptable. Consequently, **the gross profit on the intercompany sale must be *deferred* and cannot be recognized until those inventories are sold outside of the related companies.** (By the way, it doesn't matter in which direction the sale occurs; we also would be required to defer the gross profit on the sale if the investor had sold inventory to the investee.)

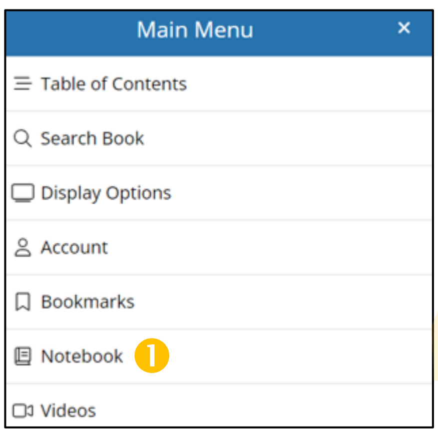
The deferral of gross profit on intercompany inventory sales is accomplished by the following journal entry:[9]

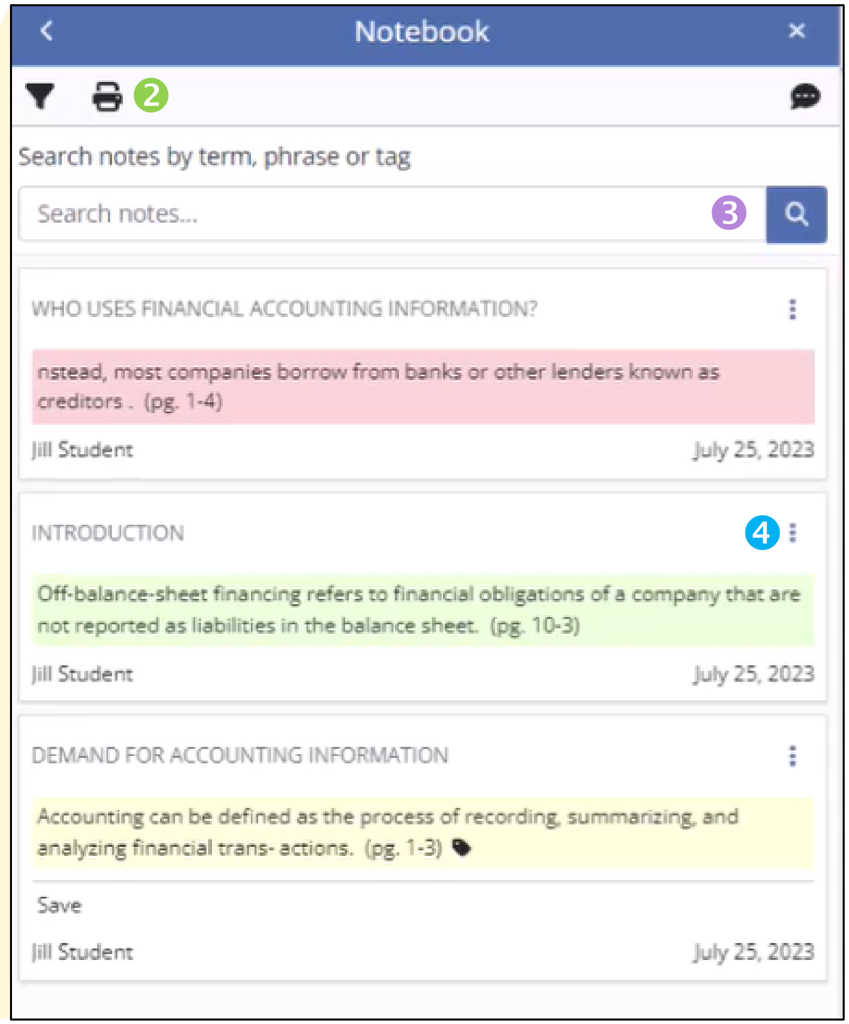
Equity income	30	
Equity investment		30
(to record the deferral of gross profit on inventory sale in the period of sale)		

Notebook

All highlights and notes can be accessed through the Notebook page.

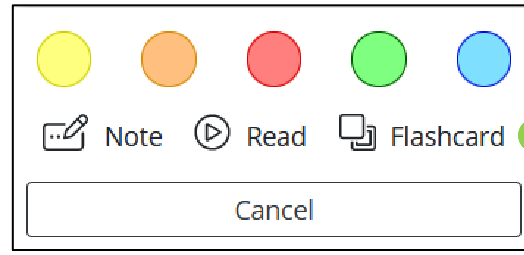
1. Click **Notebook** from the Main Menu.
2. Print your notes by clicking on the **Print** icon.
3. **Search** by entering a term or phrase and click the *magnifying glass* icon.
4. Click the **vertical ellipsis** in the top right corner of a note to go directly to the corresponding page, or to edit or delete the note.



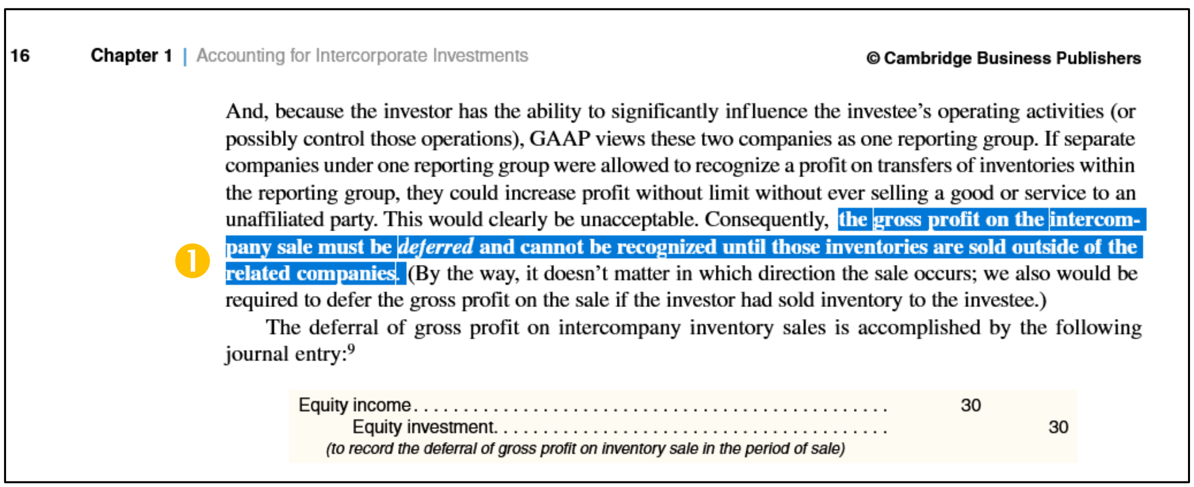


Flashcards

Create your own Flashcard study decks from selected text.



1. Click and drag your cursor across the desired section of text.
2. Select **Flashcard** in the pop-up window.
3. Name a new deck or select the deck in which to add the flashcard.
4. One side will be prefilled with the selected text.
   Type your text for the flip-side of the card.
5. Click **Add Flashcard**.



16 Chapter 1 | Accounting for Intercorporate Investments © Cambridge Business Publishers

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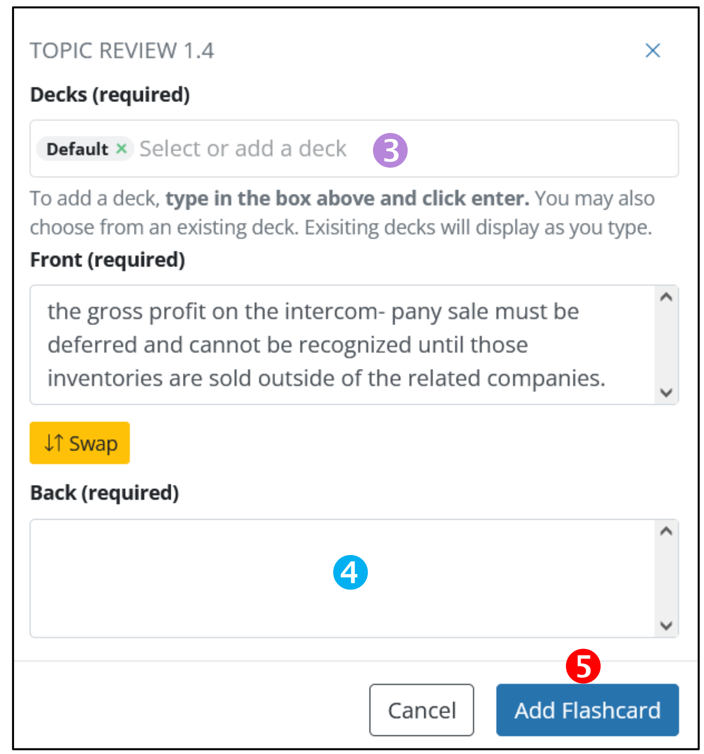
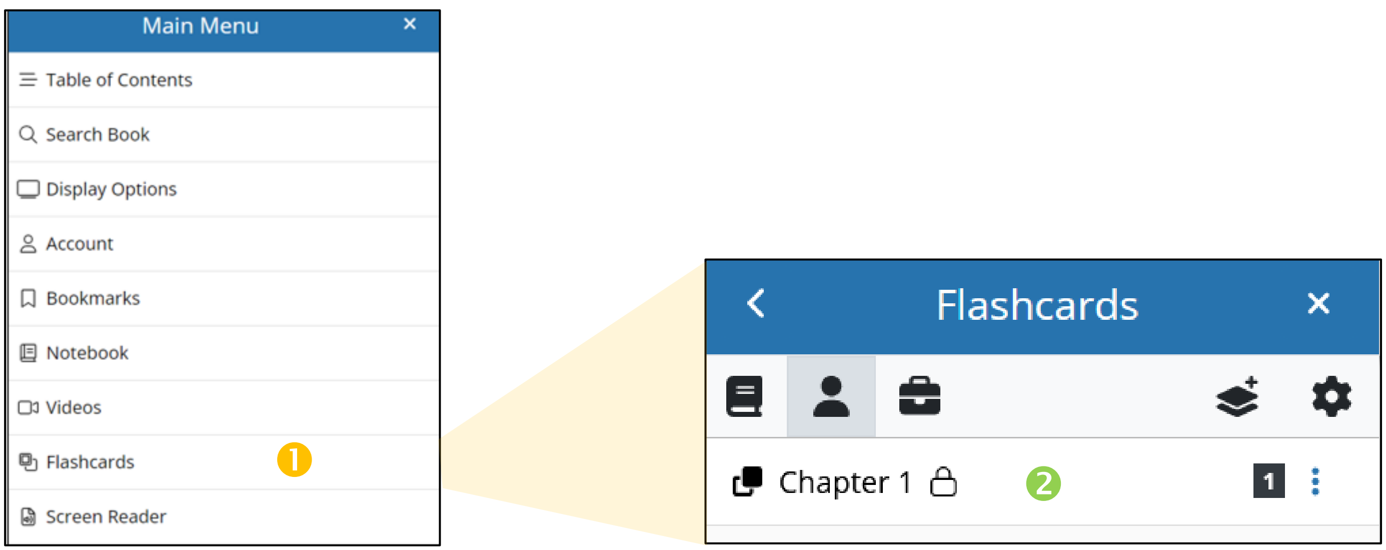


Flashcards

All flashcards can be accessed through the Flashcards page.

1. Click **Flashcards** from the Main Menu.
2. Select the Flashcard deck you want to view. You may have any/all of the following to choose from:
   - The Book deck (if available)
   - Your (default) deck
   - Decks shared by your instructor



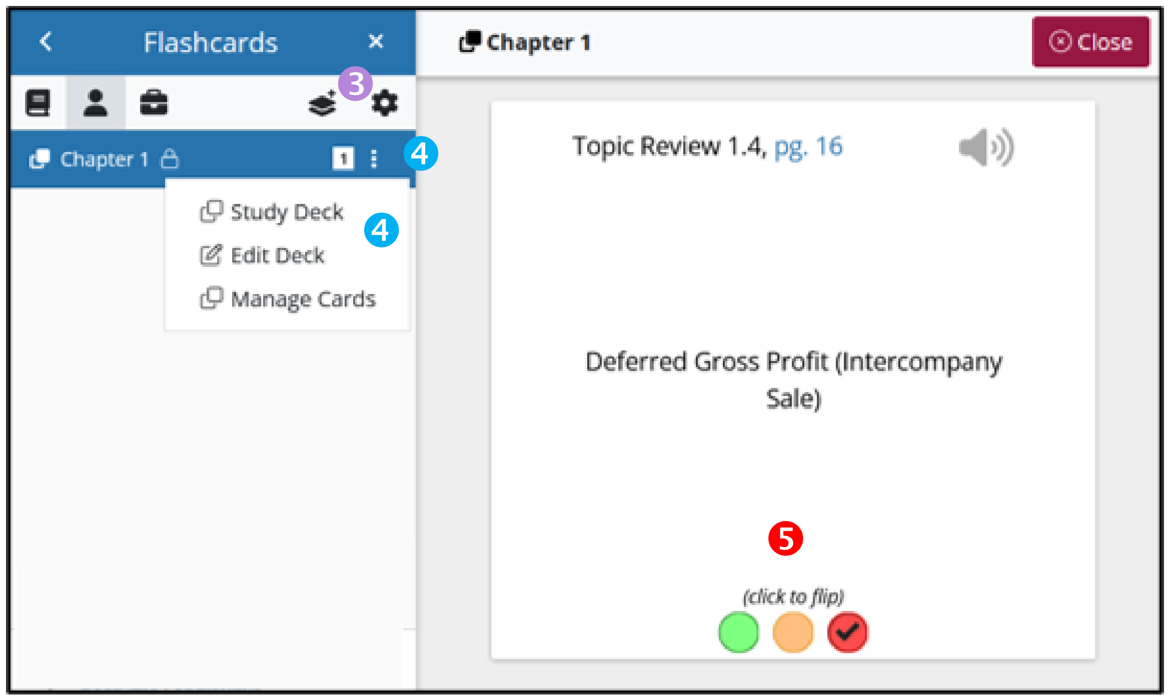
Flashcards

❸ Click the **Add Flashcard** icon to create additional flashcards and add to the selected deck, or the **Settings** icon to change deck settings.

❹ To **Study**, **Edit**, or **Manage** your flashcard deck, click the *vertical ellipsis* for the selected deck. Select the needed feature.

❺ When studying, click to flip.

- If you are confident, select Green.
- Still want to study it a while longer, select Yellow.
- Haven't mastered the content yet, select Red.

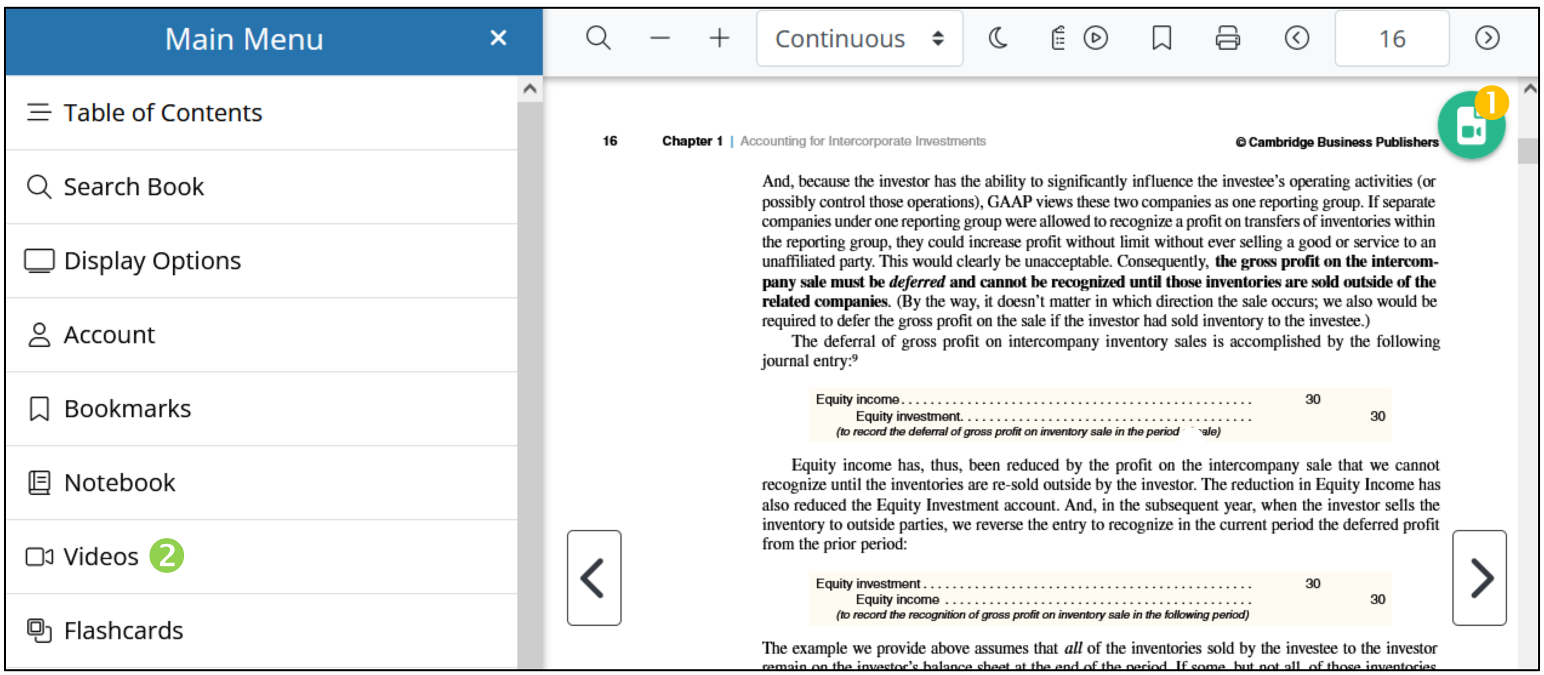


Video Content

Your eBook contains helpful videos created by the authors to help you understand the concepts of the chapter and learn to work through example problems.

You can access the eBook's Video content in two ways…

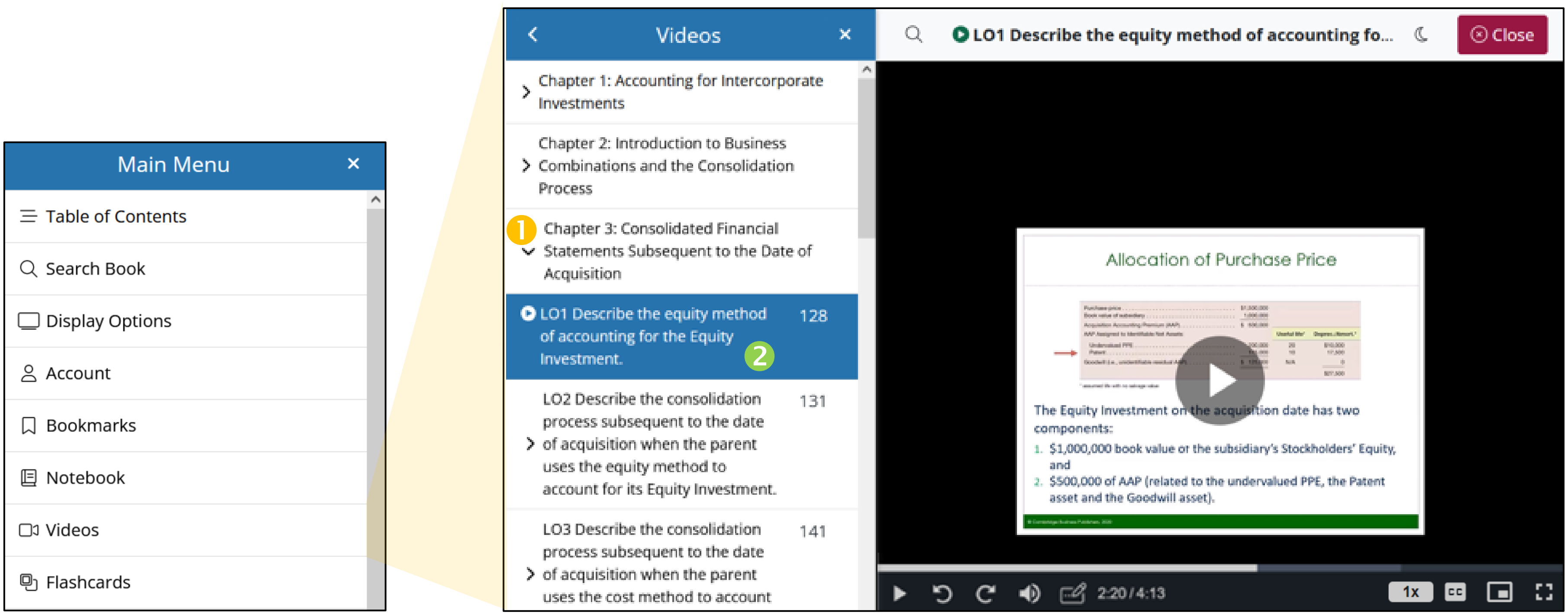
1. Look for the **Video icons** within the eBook and click to start watching!
2. Click **Videos** on the Main Menu to see a list of videos for the whole course.



Video Content

When accessed through the Main Menu…

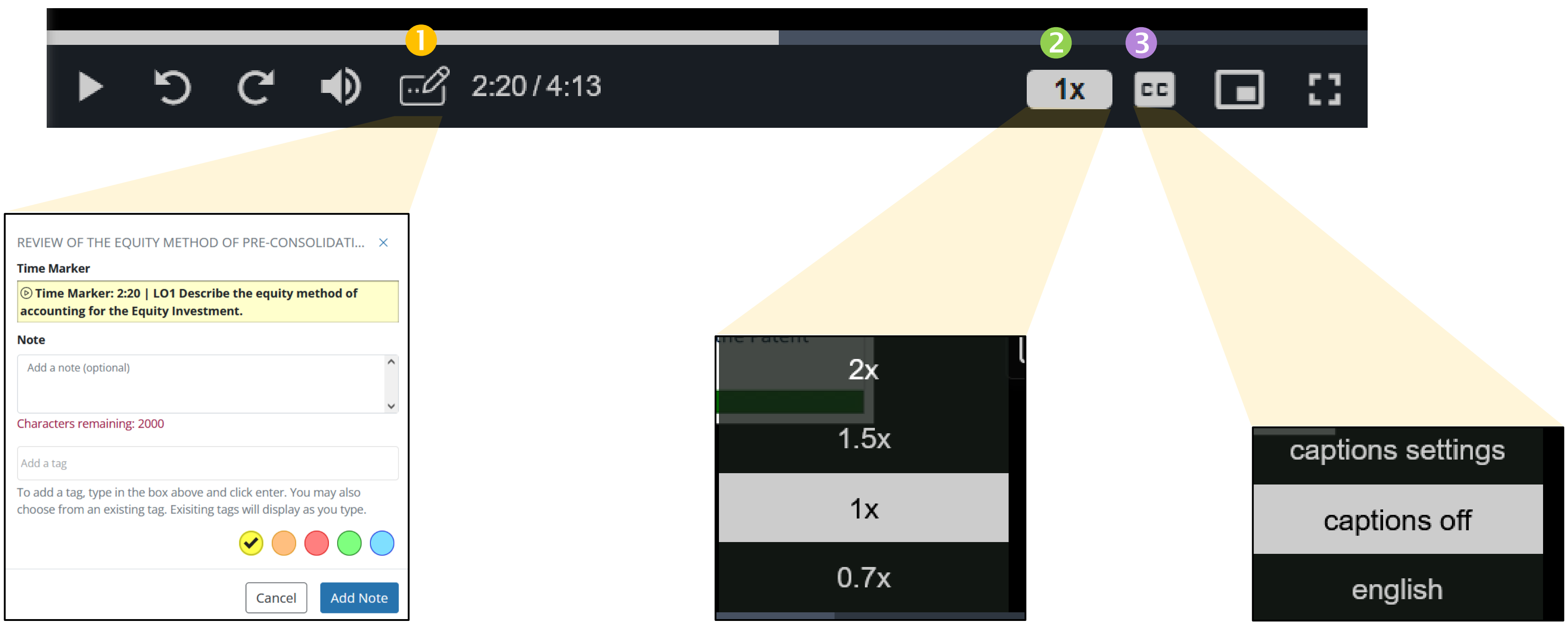
1. Select a Chapter/Module to expand the list of included videos.
2. Click the desired Video to begin watching.



Video Content

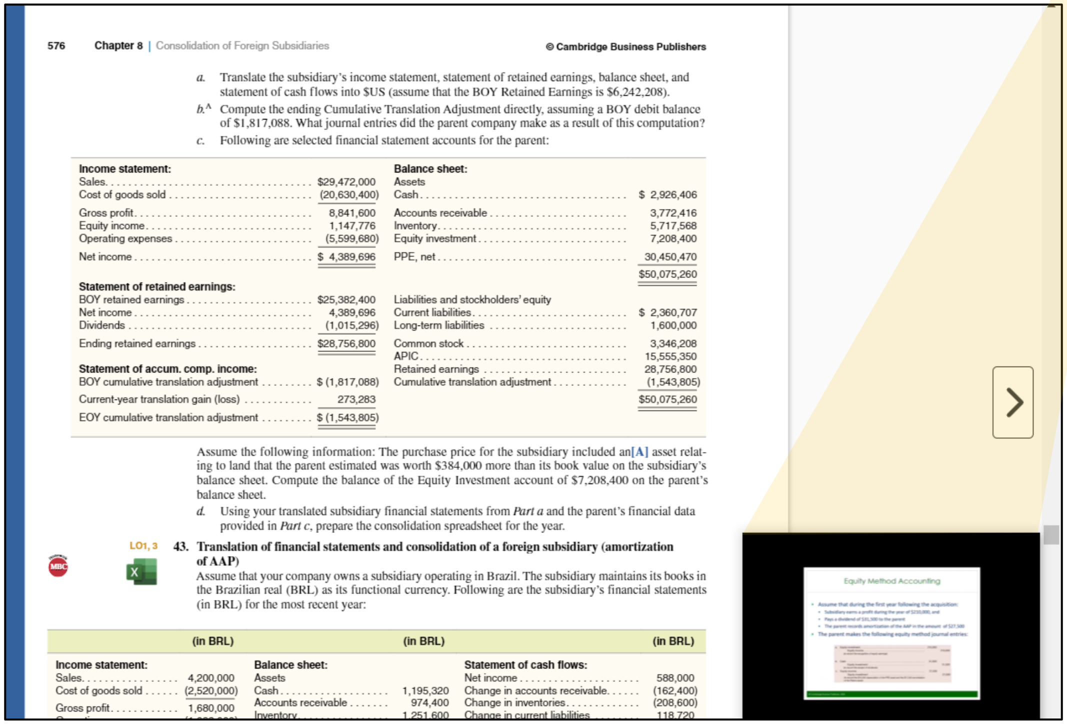
The videos themselves contain some cool features too!

1. Add a **Note**.
2. Speed up or Slow down the play speed.
3. Turn on **Closed Captioning**.



Video Content

❹ Selecting **Picture-in-Picture** allows you to play the video and read the text at the same time.



576 Chapter 8 | Consolidation of Foreign Subsidiaries © Cambridge Business Publishers

a. Translate the subsidiary's income statement, statement of retained earnings, balance sheet, and statement of cash flows into $US (assume that the BOY Retained Earnings is $6,242,208).

b.^ Compute the ending Cumulative Translation Adjustment directly, assuming a BOY debit balance of $1,817,088. What journal entries did the parent company make as a result of this computation?

c. Following are selected financial statement accounts for the parent:

Income statement:		**Balance sheet:**	
Sales	$29,472,000	Assets	
Cost of goods sold	(20,630,400)	Cash	$ 2,926,406
Gross profit	8,841,600	Accounts receivable	3,772,416
Equity income	1,147,776	Inventory	5,717,568
Operating expenses	(5,599,680)	Equity investment	7,208,400
Net income	$ 4,389,696	PPE, net	30,450,470
			$50,075,260
Statement of retained earnings:			
BOY retained earnings	$25,382,400	Liabilities and stockholders' equity	
Net income	4,389,696	Current liabilities	$ 2,360,707
Dividends	(1,015,296)	Long-term liabilities	1,600,000
Ending retained earnings	$28,756,800	Common stock	3,346,208
		APIC	15,555,350
Statement of accum. comp. income:		Retained earnings	28,756,800
BOY cumulative translation adjustment	$ (1,817,088)	Cumulative translation adjustment	(1,543,805)
Current-year translation gain (loss)	273,283		$50,075,260
EOY cumulative translation adjustment	$ (1,543,805)		

Assume the following information: The purchase price for the subsidiary included an[A] asset relating to land that the parent estimated was worth $384,000 more than its book value on the subsidiary's balance sheet. Compute the balance of the Equity Investment account of $7,208,400 on the parent's balance sheet.

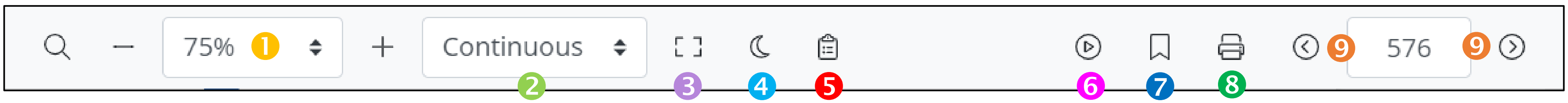
d. Using your translated subsidiary financial statements from *Part a* and the parent's financial data provided in *Part c*, prepare the consolidation spreadsheet for the year.

LO1, 3 **43. Translation of financial statements and consolidation of a foreign subsidiary (amortization of AAP)**
Assume that your company owns a subsidiary operating in Brazil. The subsidiary maintains its books in the Brazilian real (BRL) as its functional currency. Following are the subsidiary's financial statements (in BRL) for the most recent year:

	(in BRL)		(in BRL)		(in BRL)
Income statement:		**Balance sheet:**		**Statement of cash flows:**	
Sales	4,200,000	Assets		Net income	588,000
Cost of goods sold	(2,520,000)	Cash	1,195,320	Change in accounts receivable	(162,400)
Gross profit	1,680,000	Accounts receivable	974,400	Change in inventories	(208,600)
		Inventory	1,251,600	Change in current liabilities	118,720

View Customization, Screen Reader, and Other Helpful Tools

Within the eReader, you will find other features on the toolbar at the top of the page when viewing your eBook.



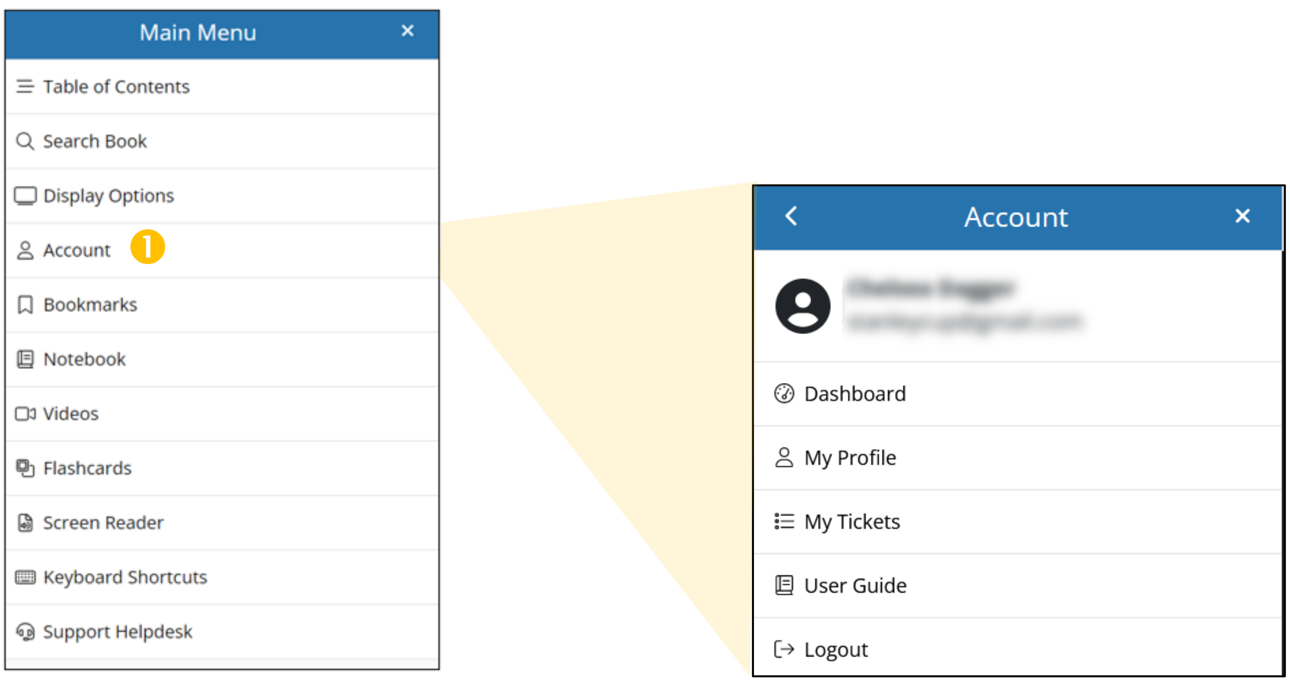
1. Adjust the Zoom.
2. Select your preferred Page Layout.
3. Toggle to Full Screen.
4. Change the theme to Dark Mode.
5. Submit Feedback.
6. Start the Screen Reader to have the text read to you.
7. Bookmark
8. Print (Restricted)
9. Navigate

Some of these features can be accessed or further adjusted by selecting **Display Options** or **Screen Reader** from the Main Menu.

Account Access

You can also access your Account through the eReader.

1. Click **Account** from the Main Menu within the eBook.
    - From here you can return to the **Dashboard**, view/edit your **Profile**, access your **Support Tickets***, open the **User Guide**, or **Logout**.



* See next page for more Support Help.

Need Help?

It happens. We all need help sometimes. Our Support Team is here to lend a hand.

1. Click **Support Helpdesk** from the Main Menu.
2. Create a **Support ticket**, or
3. Request a **Callback.**