

## Book Reviews

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*Editor's Note:* Books for review should be sent to Michael K. Shaub, Texas A&M University, Department of Accounting, 485H Wehner Building, 4353 TAMU, College Station, TX 77843–4353.

The policy of *Issues in Accounting Education* is to publish only those reviews solicited by the Book Reviews Editor. Unsolicited reviews will not be accepted.

CHARLES T. HORNGREN, GEORGE FOSTER, SRIKANT M. DATAR, MADHAV RAJAN, and CHRIS ITTNER, *Cost Accounting: A Managerial Emphasis*, Thirteenth Edition (Upper Saddle River, NJ: Pearson Prentice Hall, 2009, pp. xxvii, 870).

*Cost Accounting: A Managerial Emphasis*, Thirteenth Edition, is the most recent edition of Horngren's well-known cost accounting text. With the new edition, two new authors were added, one from Wharton and another from Stanford. Interestingly, this edition focuses more on strategy and decision making and emphasizes the use of different costs for different decision-making needs. The first chapter introduces a general framework for decision making that is used in later chapters. Conversely, the presentation of this edition is more simplified than the previous edition.

The content of the text is comprehensive, covering a wide range of cost-related topics in 23 chapters. Clearly, this is more information than can fit in a one-semester course. Each chapter includes discussion of real companies and their cost accounting issues, which helps students see the real world implications of cost accounting. The text is logically organized and generally well written.

A strength of this text is how comprehensive it is, which allows the professor to choose the chapters that most fit the course being designed. The first four chapters cover the basics of cost terminology, cost behavior, cost-volume-profit analysis, and job costing, which are a good base to start a cost accounting course. For a one-semester course in cost accounting, instructors will want to choose an additional seven or eight chapters. The entire book could be covered in a two-semester cost accounting course sequence, of course.

The end-of-chapter materials are another strength of this text. In each chapter, the exercises and problems cover a variety of situations and methods, giving the instructor numerous choices and allowing students access to plenty of practice problems. A large portion of these are updated from the previous edition. The problems range from straightforward problem solving that reinforces specific cost accounting methods, to much more complex and lengthy problems that integrate several concepts and require analysis and more advanced problem solving. This allows the instructor to assign problems that range from short and simple to long and complex. This flexibility is a nice option.

A weakness of this text is that since it is so comprehensive, it may be too massive for some cost accounting courses. For schools with only one cost accounting course, some instructors, and perhaps students, will balk at using a book with content that cannot possibly be covered in less than two semesters. Others, however, may appreciate the flexibility of having choices among such a wide range of relevant topics. The chapters do lend themselves to creativity in coverage order. This flexibility for choosing which chapters to include and the order of coverage is a definite plus.

This text is appropriate for a one-semester cost accounting course, usually offered after the completion of an introductory managerial course. Such a course will not use the entire text, of course. This book could also easily fit a two-semester cost course sequence.

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DON R. HANSEN and MARYANNE M. MOWEN, *Cornerstones of Cost Accounting*, First Edition (Mason, OH: South-Western Cengage Learning, 2009, pp. xxxi, 1036).

*Cornerstones of Cost Accounting* presents a focused approach to the study of cost and managerial accounting by two authors with extensive textbook experience. This text is suitable for undergraduate cost accounting courses and undergraduate managerial accounting courses for which the prerequisite is completion of the undergraduate principles or introductory accounting course. The text is also suitable for an M.B.A. course in managerial accounting for which the prerequisite is completion of the undergraduate principles or introductory accounting course.

The text introduces topics in a logical sequence and the breadth of coverage is consistent with what one would expect in a cost accounting text. Additionally, the text covers many managerial topics listed among those tested on the BEC section of the uniform CPA examination.

The “Cornerstone” approach is a substantial strength of this text. In the Cornerstone approach, the authors link examples in the text to specific exercises in the end-of-chapter materials. For the most part, the Cornerstone examples are clearly developed and explained and thoroughly discuss the selected issue. Each Cornerstone example concludes with a “what-if” scenario which serves to encourage students to extend their understanding beyond the mere repetition of memorized techniques. Additionally, some Cornerstone examples require the student to infer how a number was computed.

Activity-based costing is introduced early in the text and is subsequently discussed in association with a number of allocation, budgeting, and forecasting issues. The authors provide a good introduction to strategic cost management, and consistently discuss behavioral implications of accounting choices. Additionally, the authors discuss managerial implications of cost allocation in a number of different contexts. These discussions should help accounting/finance students begin to understand the importance of communication between accountants and operational or executive management. The discussions also illustrate that accounting and finance professionals are more than just “number-crunchers” and that accounting/finance students must prepare themselves to be integral members of management teams. The authors also include many “real world” examples in the text which can serve to effectively motivate classroom discussion of the topics involved.

*Cornerstones of Cost Accounting* is particularly appropriate for an undergraduate program with one undergraduate cost/managerial accounting course that students complete after the principles or introductory accounting courses. Instructors at institutions in which the students can

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