

Plus, a complete multimedia tutorial that focuses on the most difficult cost accounting topics in each chapter.

In summary, I am pleased to review this textbook and find it useful for teaching an undergraduate cost accounting course. Because of its user-friendly and orderly approach, comprehensive coverage of basic cost accounting techniques, and adequate instructor and student resources, the book should merit a serious consideration by cost accounting professors as a primary textbook for an introductory costing accounting course. If someone teaches basic cost accounting for the first time, then this book should be regarded as an excellent candidate for adoption.

SANTANU MITRA  
Associate Professor  
Wayne State University

FREDERICK L. JONES AND DASARATHA V. RAMA, *Accounting Information Systems: A Business Process Approach*, Second Edition (Mason, OH; Thomson South-Western, 2006, pp. x, 684).

Enabled by Enterprise Resource Planning (ERP) systems, today's businesses are moving away from a functional approach, towards an integrated approach to managing transactions. This approach requires the accountant to understand the flow of transactions through the entire business process, from order-to-cash or purchase-to-pay. These business processes are reflective of a business strategy and are supported by Accounting Information Systems (AIS) that require the management of Information Technology (IT).

*Accounting Information Systems: A Business Process Approach*, covers the many disparate topics in AIS through the use of a framework tied to these concepts. Broad topics of the text include AIS Concepts and Tools, Understanding and Developing Accounting Systems, Transaction Cycles and Accounting Applications, and Managing Information Technology and Systems Development. The placement of these topics within a framework, detailed on the inside cover of the text, is what sets this book apart from others. The authors have identified the key components of studying AIS as: Business Strategy, Business Processes, AIS Applications, and the IT Environment. This is a "first look" for many students as to how accounting, and the systems that support it, in turn support the organization.

Chapters 1-4 focus on the business processes, enabling the student to see the "big picture" that eludes many of them as they take accounting courses focused on specific transaction types. Chapters 5-7 illustrate the use of accounting information, with a focus on application use and development. It answers the practical questions: What data supports decision-making? How can data best be formatted to convey information? How should forms be designed to provide user-friendly interfaces for data input? Chapters 8-11 combine the application with the business process, allowing the students to see how the big picture developed in the earlier chapters is implemented in an organization. Finally, management of the IT infrastructure, as well as IT Governance and General Controls, are covered in the last chapters. Business strategy is infused in all of the chapters.

This text is well suited to a course that is more technically oriented, particularly for the instructor who likes to add hands-on application development to the theory covered in the text. There is sufficient detail in each chapter that the motivated student will be able to apply the concepts in a concrete fashion. In particular, the end-of-chapter material supports this active learning. The authors recognize that an AIS course differs from the typical accounting class and provide exercises to move the student from a mastery of the terminology and new concepts through short exercises and on to problem solving exercises designed to challenge the student to apply the material in new and different ways.

Overall, the text does a good job of grounding the sometimes dense material in a framework that exemplifies well the current business environment. Students who understand the overall business processes of an organization will be better situated when called on to make decisions and apply their accounting knowledge in an increasingly integrated organizational structure.

M. PAMELA NEELY  
Assistant Professor  
*Rochester Institute of Technology*

WILLIAM R. SCOTT, *Financial Accounting Theory*, Fourth Edition (Toronto, Canada: Pearson/Prentice Hall, 2006, pp. vi, 472).

*Financial Accounting Theory* has 13 content chapters, and several sections containing preface, acknowledgements, bibliography, and index (subject and author index combined). The first edition of the book appeared in 1997. The book's success is indicated by the frequency of revisions, averaging a revision for every three years the book has been in print. As the author has indicated in the preface, the fourth edition has substantial revisions in both contents and topics covered in the book.

*Financial Accounting Theory's* 13 chapters are well prepared and presented. The first chapter is an introduction. It sets the theoretical framework: both historical and ethical, and their applications to accounting research. Accounting research is approached from two complementary perspectives. The first is theory in research, described in ideal conditions, adverse selection, and moral hazard. The second aspect focuses on theory in practice, which is discussed within the context of standard-setting entities/bodies. The remaining 12 chapters are organized within these two broad frameworks: theory in research and practice of financial accounting.

Chapters 3 to 11 discuss research in financial accounting, while the last two chapters, 12 and 13, are devoted to accounting in practice—standard-setting entities, particularly those agencies in Canada. Chapter 13 has a section on the United States standard-setting bodies: Financial Accounting Standards Board (FASB), and Securities and Exchange Commission (SEC), as well as the International Accounting Standards Board (IASB). The United States and IASB are incorporated as they relate to the Canadian Accounting standard-setting and practices. This structure enables the student and/or reader to have a broader understanding of the Canadian accounting practices as they interface and shaped by the accounting practices in the United States and Europe.

For the instructor, the text has teaching supplements: an instructor resource CD-ROM, which contains instructor's manual; solutions to chapter-end questions and problems; learning objectives for each chapters as well as supplementary references; and PowerPoint® presentations. While *Financial Accounting Theory* has chapter-end questions and problems, it does not provide the student/reader with a list of suggested readings by chapters, which are relevant if the book is expected to be used in upper-level accounting theory courses or seminars. The book does offer supplementary materials for students, for example, a student CD that has sample exercise solutions for questions and problems included in the book, cases, business practices, examples from standard-settings, and supplementary readings. If it is expected that the book can reach wider audiences beyond students taking accounting courses, then these supplementary materials become relevant. Otherwise, access to these materials will be limited only to students enrolled in accounting courses.

It is obvious that the text is a financial accounting theory book that is suited for a broader audience: students and accounting researchers, as well as practitioners. As an accounting theory textbook, it is appropriate for upper-level undergraduate and advanced