

Communications for Accounting ACCT 351COM – Fall 2013

Assignment Objectives

- To research accounting topics using the FASB Codification system.
- To clearly communicate research findings.
- To document using paraphrasing, direct quotes, citations, and references.
- To write a topic sentence for each response and one more sentence(s) containing relevant, detailed information with proper documentation.

Research Questions

Eileen P. Stone, a partner at your firm, has given you a research assignment. She wants to know how to treat the following accounting issues for clients that are publicly-traded companies.

Question 1

Before planting watermelons each year, Yancun Farms has to clear the land of debris from the previous year's harvest. How should these costs be recognized on the Balance Sheet and Income Statement?

Question 2

H-Two-O Company recently found out that water wells used in its bottle water production had been contaminated by oil spills. To make the water suitable for the bottle water production and to prevent potential future incidents, the Company installed an advanced water filtering system that will filter most environmental contamination. How should H-Two-O account for the cost of the water filtering system (to capitalize or to expense it)?

Writing Assignment

Write a memo of not more than one page that clearly and concisely answers the two research questions. Use direct quotes and paraphrasing to demonstrate that you understand proper documentation. Use paraphrasing to answer research question 1 and direct quotes to answer research question 2. Also, use APA style for citations and references. References should be listed on a separate page.

Use the FASB online Accounting Standards Codification (ASC) for researching these questions. To access this online database and search engine, you will need the login name and password you received in ACCT 350. The login URL for the ASC is <http://aaahq.org/ascLogin.cfm>.