CHAPTER 12 Analyzing and Interpreting Financial Statements

Study Plan

Check Your Understanding

Section 1	*Read Section 1 on pages 368–370 and complete the exercises on page 371.*
	❏ Thinking Critically
	❏ Analyzing Accounting
	❏ Problem 12-1 *Preparing a Horizontal Analysis of an Income Statement*
Section 2	*Read Section 2 on pages 372–373 and complete the exercises on page 374.*
	❏ Thinking Critically
	❏ Communicating Accounting
	❏ Problem 12-2 *Preparing a Vertical Analysis of an Income Statement*
	❏ Problem 12-3 *Preparing a Vertical Analysis of a Balance Sheet*
Section 3	*Read Section 3 on pages 375–381 and complete the exercises on page 382.*
	❏ Thinking Critically
	❏ Computing in the Business World
	❏ Problem 12-4 *Calculating Liquidity Ratios*
	❏ Problem 12-5 *Merchandise Inventory Turnover*
Summary	*Review the Chapter 12 Summary on page 383 in your textbook.*
	❏ Key Concepts
Review and Activities	*Complete the following questions and exercises on pages 384–385 in your textbook.*
	❏ Using Key Terms
	❏ Understanding Accounting Concepts and Procedures
	❏ Case Study
	❏ Conducting an Audit with Alex
	❏ Internet Connection
	❏ Workplace Skills
Computerized Accounting	*Read the Computerized Accounting information on page 386 in your textbook.*
	❏ *Making the Transition from a Manual to a Computerized System*
	❏ *Customizing Financial Information in Peachtree*
Problems	*Complete the following end-of-chapter problems for Chapter 12 in your textbook.*
	❏ Problem 12-6 *Calculating Profitability Ratios*
	❏ Problem 12-7 *Calculating Financial Strength Ratios*
	❏ Problem 12-8 *Preparing a Horizontal Analysis of an Income Statement*
	❏ Problem 12-9 *Preparing a Vertical Analysis of a Balance Sheet*
	❏ Problem 12-10 *Preparing Comparative Financial Statements*
	❏ Problem 12-11 *Using Ratio Analysis on Financial Statements*
Challenge Problem	❏ Problem 12-12 *Interpreting Financial Data*
Chapter Reviews and Working Papers	*Complete the following exercises for Chapter 12 in your Chapter Reviews and Working Papers.*
	❏ Chapter Review
	❏ Self-Test