

B EXERCISES

- (L0 6) E1-1B (Authoritative Pronouncements)** Referring to the “House of GAAP” illustration (Illustration 1-4, page 12), classify the following sources of GAAP from “most authoritative” (= 1) to “least authoritative” (= 4).
- (a) FASB Emerging Issues Task Force.
 - (b) AICPA Industry Audit and Accounting Guide.
 - (c) AICPA Statement of Position.
 - (d) Widely recognized and prevalent industry practices.
 - (e) AICPA Accounting Interpretations.
 - (f) FASB Standards and Interpretations.
 - (g) AICPA AcSEC Practice Bulletins.
 - (h) FASB Implementation Guides.
 - (i) APB Opinions.
 - (j) AICPA Accounting Research Bulletins.
- (L0 6) E1-2B (Financial Accounting Standards Board)** The FASB follows a detailed due process in the development of new accounting standards. Place items (a) through (e) in the proper order.
- (a) Exposure draft.
 - (b) Discussion memorandum.
 - (c) Public hearing.
 - (d) Identification of agenda item.
 - (e) Issuance of standard.

