

Beyond the Numbers

BTN 18-1 Managerial accounting is more than recording, maintaining, and reporting financial results. Managerial accountants must provide managers with both financial and nonfinancial information including estimates, projections, and forecasts. An important estimate for **Apple** is its reserve for warranty claims, and the company must provide shareholders information on these estimates.

Required

1. Access and read Apple's "Warranty costs" section of the "Critical Accounting Policies and Estimates" footnote to its financial statements, from Appendix A. How does management establish and adjust the warranty reserve? What are some of the effects if the company's actual results differ from its estimates?
2. What is the management accountant's role in determining those estimates?
3. What are some factors that could impact the warranty accrual in a given year?

Fast Forward

4. Access Apple's annual report for a fiscal year ending after September 28, 2013, from either its website [Apple.com] or the SEC's EDGAR database [SEC.gov]. Answer the questions in parts 1, 2, and 3 after reading the current "Critical Accounting Policies and Estimates." Identify any major changes.

**REPORT
ACTION**



APPLE