

Chapter 16 Outline

Accounting for Investments
 Investments in Debt Securities
 Short-Term Equity Investments
 Long-Term Equity Investments
Valuation of Investments
 Held-to-Maturity Securities
 Trading Securities
 Available-for-Sale Securities

Competencies

1. Explain and demonstrate how to account for investments in debt securities (bonds). (p. 460)
2. Explain and demonstrate how to account for investments in equity securities (stocks). (pp. 460–461)
3. Explain and demonstrate the cost, equity, and consolidated statement methods of accounting for investments. (pp. 461–465)
4. Explain and demonstrate the approach to valuation of investments that is recommended by Financial Accounting Standards Board Statement 115. (pp. 465–468)