

Chapter 1

Starting A Proprietorship: Changes that Affect the Accounting Equation

After studying Chapter 1, you will be able to:

- 1 Define accounting terms related to starting a service business organized as a proprietorship and to changes that affect the accounting equation.
- 2 Identify accounting concepts and practices related to starting a service business organized as a proprietorship and to changes that affect the accounting equation.
- 3 Classify accounts as assets, liabilities, or owner's equity and demonstrate their relationships in the accounting equation.
- 4 Analyze how transactions affect accounts in an accounting equation.

1-1 The Accounting Equation

1-2 How Business Activities Change the Accounting Equation

1-3 How Transactions Change Owner's Equity in an Accounting Equation

account:

account balance:

account title:

accounting:

accounting equation:

accounting records:

accounting system:

asset:

business ethics:

equities:

capital:

ethics:

expense:

financial statements:

liability:

owner's equity:

proprietorship:

revenue:

sale on account:

service business:

transaction:

withdrawals:

Chapter 2

Analyzing Transactions into Debit and Credit Parts

After studying Chapter 2, you will be able to:

1. Define accounting terms related to analyzing transactions into debit and credit parts.
2. Identify accounting practices related to analyzing transactions into debit and credit parts.
3. Use T accounts to analyze transactions showing which accounts are debited or credited for each transaction.
4. Analyze how transactions to set up a business affect accounts.
5. Analyze how transactions affect owner's equity accounts.

Lesson 2-1 Using T Accounts

Lesson 2-2 Analyzing How Transactions Affect Accounts

Lesson 2-3 Analyzing How Transactions Affect Owner's Equity Accounts

chart of accounts:

credit:

debit:

normal balance:

T account:

Chapter 4

Posting to a General Ledger

After studying Chapter 4, you will be able to:

1. Define accounting terms related to posting from a journal to a general ledger.
2. Identify accounting concepts and practices related to posting from a journal to a general ledger.
3. Prepare a chart of accounts for a service business organized as a proprietorship.
4. Post separate amounts from a journal to a general ledger.
5. Post column totals from a journal to a general ledger.
6. Analyze and journalize correcting entries.

Lesson 4-1 Preparing a Chart of Accounts

Lesson 4-2 Posting Separate Amounts from a Journal to a General Ledger

Lesson 4-3 Posting Column Totals from a Journal to a General Ledger

Lesson 4-4 Completed Accounting Forms and Making Correcting Entries

account number:

correcting entry:

file maintenance:

general ledger:

ledger:

opening an account:

posting:

Chapter 5

Cash Control Systems

After studying Chapter 5, you will be able to:

1. Define accounting terms related to using a checking account and a petty cash fund.
2. Identify accounting concepts and practices related to using a checking account.
3. Prepare business papers related to using a checking account.
4. Reconcile a bank statement.
5. Journalize dishonored checks and electronic banking transactions.
6. Establish and replenish a petty cash fund.

Lesson 5-1 Checking Accounts

Lesson 5-2 Bank Reconciliation

Lesson 5-3 Dishonored Checks and Electronic Banking

Lesson 5-4 Petty Cash

bank statement:

blank endorsement:

checking account:

code of conduct:

debit card:

dishonored check:

electronic funds transfer:

endorsement:

petty cash:

petty cash slip:

postdated check:

restrictive endorsement:

special endorsement:

Chapter 6

Work Sheet for a Service Business

After studying Chapter 6, you will be able to:

1. Define accounting terms related to a work sheet for a service business organized as a proprietorship.
2. Identify accounting concepts and practices related to a work sheet for a service business organized as a proprietorship.
3. Prepare a heading and a trial balance on a work sheet.
4. Plan adjustments for supplies and prepaid insurance.
5. Complete a work sheet for a service business organized as a proprietorship.
6. Identify selected procedures for finding and correcting errors in accounting records.

adjustments:

balance sheet:

fiscal period:

income statement:

net income:

net loss:

trial balance:

work sheet:

Chapter 7

Financial Statements for a Proprietorship

After studying Chapter 7, you will be able to:

1. Define accounting terms related to financial statements for a service business organized as a proprietorship.
2. Identify accounting concepts and practices related to preparation of financial statements for a service business organized as a proprietorship.
3. Prepare an income statement for a service business organized as a proprietorship and analyze an income statement using component percentages.
4. Prepare a balance sheet for a service business organized as a proprietorship.

component percentage:

stakeholders:

Chapter 8

Recording Adjusting and Closing Entries for a Service Business

After studying Chapter 8, you will be able to:

1. Define accounting terms related to adjusting and closing entries for a service business organized as a proprietorship.
2. Identify accounting concepts and practices related to adjusting and closing entries for a service business organized as a proprietorship.
3. Record adjusting entries for a service business organized as a proprietorship.
4. Record closing entries for a service business organized as a proprietorship.
5. Prepare a post-closing trial balance for a service business organized as a proprietorship.

accounting cycle:

adjusting entries:

closing entries:

permanent accounts:

post-closing trial balance:

temporary accounts:

Chapter 9

Journalizing Purchases and Cash Payments

After studying Chapter 9, you will be able to:

1. Define accounting terms related to purchases and cash payments for a merchandising business.
2. Identify accounting concepts and practices related to purchases and cash payments for a merchandising business.
3. Journalize purchases of merchandise using a purchases journal.
4. Journalize cash payments and cash discounts using a cash payments journal.
5. Prepare a petty cash report and journalize the reimbursement of the petty cash fund.
6. Total, prove, and rule a cash payments journal and start a new cash payments journal page.
7. Journalize purchases returns and allowances and other transactions using a general journal.

capital stock:

cash discount:

cash over:

cash payments journal:

cash short:

contra account:

corporation:

cost of merchandise:

debit memorandum:

general amount column:

list price:

markup:

merchandise:

merchandising business:

purchase invoice:

purchase on account:

purchases allowance:

purchases discount:

purchases journal:

purchases return:

retail merchandising business:

share of stock:

special amount column:

special journal:

stockholder:

terms of sale:

trade discount:

vendor:

wholesale merchandising business:

Chapter 10

Journalizing Sales and Cash Receipts Using Special Journals

After studying Chapter 10, you will be able to:

1. Define accounting terms related to sales and cash receipts for a merchandising business.
2. Identify accounting concepts and practices related to sales and cash receipts for a merchandising business.
3. Journalize sales on account using a sales journal.
4. Journalize cash receipts using a cash receipts journal.
5. Record sales returns and allowances using a general journal.

batch report:

batching out:

cash receipts journal:

cash sale:

credit card sale:

credit memorandum:

customer:

point-of-sale (POS) terminal:

sales allowance:

sales discount:

sales journal:

sales return:

sales tax:

terminal summary:

Chapter 11

Posting To General and Subsidiary Ledgers

After studying Chapter 11, you will be able to:

1. Define accounting terms related to posting to ledgers.
2. Identify accounting practices related to posting to ledgers.
3. Post separate items from a purchases, cash payments, and general journal to an accounts payable ledger.
4. Post separate items from a sales, cash receipts, and general journal to an accounts receivable ledger.
5. Post separate items from a cash payments and general journal to a general ledger.
6. Post special journal column totals to a general ledger.
7. Journalize and post correcting entries affecting customer accounts.

accounts payable ledger:

accounts receivable ledger:

controlling account:

schedule of accounts payable:

schedule of accounts receivable:

subsidiary ledger:

Chapter 12

Preparing Payroll Records

After studying Chapter 12, you will be able to:

1. Define accounting terms related to payroll records.
2. Identify accounting practices related to payroll records.
3. Complete a payroll time card.
4. Calculate payroll taxes.
5. Complete a payroll register and an employee earnings record.
6. Prepare payroll checks.

employee earnings record:

Medicare tax:

net pay:

pay period:

payroll:

payroll register:

payroll taxes:

salary:

social security tax:

tax base:

total earnings:

withholding allowance:

Chapter 13

Payroll Accounting, Taxes, and Reports

After studying Chapter 13, you will be able to:

1. Define accounting terms related to payroll accounting, taxes, and reports.
2. Identify accounting concepts and practices related to payroll accounting, taxes, and reports.
3. Analyze payroll transactions and record a payroll.
4. Record employer payroll taxes.
5. Prepare selected payroll tax reports.
6. Pay and record withholding and payroll taxes.

federal unemployment tax:

lookback period:

state unemployment tax:

Chapter 14

Distributing Dividends and Preparing a Work Sheet for a Merchandising Business

After studying Chapter 14, you will be able to:

1. Define accounting terms related to distributing dividends and preparing a work sheet for a merchandising business.
2. Identify accounting concepts and practices related to distributing dividends and preparing a work sheet for a merchandising business.
3. Journalize the declaration and payment of a dividend.
4. Begin a work sheet for a merchandising business.
5. Plan work sheet adjustments for merchandise inventory, supplies, prepaid expenses, uncollectible accounts, and depreciation.
6. Calculate federal income tax and plan the work sheet adjustment for federal income tax.
7. Complete a work sheet for a merchandising business.

allowance method of recording losses from uncollectible accounts:

board of directors:

book value:

book value of a plant asset:

book value of accounts receivable:

current assets:

declaring a dividend:

depreciation expense:

dividends:

estimated salvage value:

merchandise inventory:

plant assets:

retained earnings:

straight-line method of depreciation:

uncollectible accounts:

Chapter 15

Financial Statements for a Corporation

After studying Chapter 15, you will be able to:

1. Define accounting terms related to financial statements for a merchandising business organized as a partnership.
2. Identify accounting concepts and practices related to financial statements for a merchandising business organized as a corporation.
3. Prepare an income statement for a merchandising business organized as a corporation.
4. Analyze an income statement using component percentages and financial ratios.
5. Prepare a statement of stockholders' equity for a merchandising business organized as a corporation.
6. Prepare a balance sheet for a merchandising business organized as a corporation.

cost of merchandise sold:

current liabilities:

earnings per share:

financial ratio:

gross profit on sales:

long-term liabilities:

net sales:

par value:

price-earnings ratio:

statement of stockholders' equity:

supporting schedule:

Chapter 16

Recording Adjusting and Closing Entries for a Corporation

After studying Chapter 16, you will be able to:

1. Identify accounting concepts and practices related to adjusting and closing entries for a merchandising business organized as a corporation.
2. Record adjusting entries.
3. Record closing entries for income statement accounts.
4. Record closing entries for dividends.
5. Prepare a post-closing trial balance.

Chapter 17

Accounting for Uncollectible Accounts Receivable

After studying Chapter 17, you will be able to:

- 1 Define accounting terms related to uncollectible accounts.
- 2 Identify accounting concepts and practices related to uncollectible accounts.
- 3 Calculate, journalize, and post estimated uncollectible accounts expense.
- 4 Journalize and post entries related to writing off and collecting uncollectible accounts receivable.

17-1 Uncollectible Accounts

17-2 Writing Off and Collecting Uncollectible Accounts Receivable

writing off an account:

Chapter 18

Accounting for Plant Assets and Depreciation

After studying Chapter 18, you will be able to:

1. Define accounting terms related to plant assets, depreciation, and property tax expense.
2. Identify accounting concepts and practices related to accounting for plant assets, depreciation, and property tax expense.
3. Record the buying of a plant asset and the paying of property tax.
4. Calculate depreciation expense and book value using the straight-line method of depreciation.
5. Prepare plant asset records and journalize annual depreciation expense.
6. Record entries related to disposing of plant assets.
7. Calculate depreciation expense using the double declining-balance method of depreciation.

Lesson 18-1 Buying Plant Assets and Paying Property Tax

Lesson 18-2 Calculating Depreciation Expense

Lesson 18-3 Journalizing Depreciation Expense

Lesson 18-4 Disposing of Plant Assets

Lesson 18-5 Declining-Balance Method of Depreciation

assessed value:

declining-balance method of depreciation:

gain on plant assets:

loss on plant assets:

personal property:

plant asset record:

real property:

Chapter 19

Accounting for Inventory

Lesson 19-1 Determining the Quantity of Merchandise Inventory

Lesson 19-2 Determining the Cost of Merchandise Inventory

Lesson 19-3 Estimating Inventory

After studying Chapter 19, you will be able to:

1. Define accounting terms related to inventory.
2. Identify accounting concepts and practices related to inventory.
3. Prepare a stock record.
4. Determine the cost of merchandise inventory using the fifo, lifo, and weightedaverage inventory costing methods.
5. Estimate the cost of merchandise inventory using the gross profit method of estimating inventory.

- **first-in, first-out inventory costing method:**
- **gross profit method of estimating inventory:**
- **inventory record:**
- **last-in, first-out inventory costing method:**
- **periodic inventory:**
- **perpetual inventory:**
- **stock ledger:**
- **stock record:**
- **weighted-average inventory costing method:**

Chapter 20

Accounting for Notes and Interest

After studying Chapter 20, you will be able to:

1. Define accounting terms related to notes and interest.
2. Identify accounting concepts and practices related to notes and interest.
3. Calculate interest and maturity dates for notes.
4. Analyze and record transactions for notes payable.
5. Analyze and record transactions for notes receivable.

creditor:

current liabilities:

date of a note:

dishonored note:

interest:

interest expense:

interest income:

interest rate of a note:

maker of a note:

maturity date of a note:

maturity value:

notes payable:

notes receivable:

number of a note:

payee of a note:

principal of a note:

promissory note:

time of a note:

Chapter 21

Accounting for Accrued Revenue and Expenses

After studying Chapter 21, you will be able to:

1. Define accounting terms related to accrued revenue and accrued expenses.
2. Identify accounting concepts and practices related to accrued revenue and accrued expenses.
3. Record adjusting, closing, and reversing entries for accrued revenue.
4. Record adjusting, closing, and reversing entries for accrued expenses.

accrued expenses:

accrued interest expense:

accrued interest income:

accrued revenue:

reversing entry:

Chapter 22

End-Of-Fiscal-Period Work for a Corporation

After studying Chapter 22, you will be able to:

1. Define accounting terms related to financial statements for a merchandising business organized as a corporation.
2. Identify accounting concepts and practices related to financial statements and end-of-fiscal-period entries for a merchandising business organized as a corporation.
3. Plan end-of-fiscal-period adjustments for a merchandising business organized as a corporation.
4. Calculate federal income tax, plan an adjustment for federal income tax expense, and complete a work sheet.
5. Prepare and analyze an income statement for a merchandising business organized as a corporation.
6. Prepare a statement of stockholders' equity for a merchandising business organized as a corporation.
7. Prepare and analyze a balance sheet for a merchandising business organized as a corporation.
8. Record adjusting, closing, and reversing entries for a merchandising business organized as a corporation.

current ratio:

long-term liabilities:

working capital:

Chapter 23

Accounting for Partnerships

After studying Chapter 23, you will be able to:

1. Define accounting terms related to forming, dissolving, and distributing the earnings of a partnership.
2. Identify accounting concepts and practices related to forming, dissolving, and distributing the earnings of a partnership.
3. Journalize entries related to forming, dissolving, and distributing the earnings of a partnership.
4. Calculate the distribution of partnership earnings.
5. Prepare a distribution of net income statement for a business organized as a partnership.
6. Prepare an owners' equity statement for a business organized as a partnership.

distribution of net income statement:

limited liability partnership (LLP):

liquidation of a partnership:

owners' equity statement:

partner:

partnership:

partnership agreement:

realization:

owners' equity statement:

partner:

partnership:

partnership agreement:

realization: