

Unit 3 - Completing the Accounting Cycle/Balance Sheets

Content Area: **Business Education**
Course(s): **Accounting 1**
Time Period: **November**
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Enduring Understandings

[Samples](#)

Preparing the work sheet and recording closing entries may seem like technical accounting topics without much function, but in fact they can help to save money and prevent mistakes.

All companies prepare financial statements annually, but interim reports prepared quarterly or even monthly give management an ongoing view of a company's financial performance.

Essential Questions

[Samples](#)

Why prepare and enhance financial statements?

Content

Accounting conventions

Classified Financial Statements

Confirmative value

Cross footing

Contributed Capital

Cost-benefit

Cost constraint

Current assets

Current liabilities

Faithful representation
Free from material error
Full disclosure
Goodwill
Intangible assets
Long-term liabilities
Neutral information
Normal operating cycle
Property plant and equipment
Qualitative characteristics
Retained earnings
Stockholder's equity
Transparency
Understandability
Verifiability
Working papers

Skills

[Bloom's Taxonomy](#)

Describe the role of closing entries in the preparation of financial statements.

Prepare closing entries.

Prepare reversing entries.

Prepare a work sheet.

Explain the importance of the work sheet and closing entries when managing a business.

Describe the objective of financial reporting, and identifying the conceptual framework underlying accounting information.

Identify and define the basic components of financial reporting, and prepare a classified balance sheet.

Use classified financial statements to evaluate liquidity and profitability.

Resources

Standards

NJ: 2014 CCCS: 21st Century Life and Careers

NJ: Grade 12

9.1 Personal Financial Literacy

Strand D: Planning, Saving, And Investing

9.1.12.D.4 Assess factors that influence financial planning.

Strand F: Civic Financial Responsibility

9.1.12.F.1 Relate a country's economic system of production and consumption to building personal wealth and achieving societal responsibilities.