Unit 3 - Completing the Accounting Cycle/Balance Sheets

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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.