Contents

Preface		CHAPTER 3	
		Journal Entries and T-Accounts	49
CHAPTER 1		The Accounting Cycle	50
Evaluating Transactions	1	Debits and Credits	50
The Accounting Cycle	2	Evaluating a Transaction—Enhanced!	51
Accounting and Bookkeeping Defined	3	T-Accounts	54
The Accounting Equation	3	General and Special Journals	59
Account Names and Descriptions	5	General and Subsidiary Ledgers	61
Evaluating Transactions	8	Self-Assessment	64
Recording Transactions	10	Putting It Together	66
Self-Assessment	14	Practice Set A	71
Putting It Together	16	Practice Set B	74
Practice Set A	19		
Practice Set B	23	CHAPTER 4	
		Adjusting Entries	77
CHAPTER 2		The Accounting Cycle	78
The Accounting Cycle	27	Trial Balances	79
Step 1: Analyze Business Transactions	28	Adjusting and Reversing Entries	81
Step 2: Record Journal Entries	30	Deferred Expenses	81
Generally Accepted Accounting Principles	31	Deferred Revenues	82
Step 3: Post Journal Entries	32	Accrued Expenses	83
Step 4: Unadjusted Trial Balance	34	Accrued Revenues	83
Step 5: Adjusting Entries and Adjusted Trial Balance	35	Reversing Entries	84
Step 6: Financial Statements	37	Depreciation	87
Step 7: Closing Entries and the Post-Closing		Straight-Line Depreciation	87
Trial Balance	39	Double-Declining Balance Depreciation	88
Self-Assessment	41	Recording the Depreciation Adjusting Entry	89
Putting It Together	43	Adjusted Trial Balance	91
Practice Set A	44	Self-Assessment	93
Practice Set B	46	Putting It Together	95
		Practice Set A	98
		Practice Set B	103

CHAPTER 5		CHAPTER 7	
Financial Statements and Closing	400	Financial Statement Analysis	159
Entries	109	Completing a Horizontal Analysis	160
The Accounting Cycle	110	Completing a Vertical Analysis	162
Income Statement	111	Common-Size Financial Statements	163
Statement of Owner's Equity	112	Liquidity Ratios	166
Balance Sheet	114	Current Ratio	166
Statement of Cash Flows	116	Quick Ratio	166
Closing Entries	117	Solvency Ratios	168
Post-Closing Trial Balance	120	Profitability Ratios	169
Self-Assessment	122	Self-Assessment	172
Putting It Together	124	Putting It Together	174
Practice Set A	128	Practice Set A	179
Practice Set B	130	Practice Set B	181
CHAPTER 6		CHAPTER 8	
Computerized Systems, Cash, and		Comprehensive Project	183
Payroll	133	One-Month Project	185
Safeguarding Cash	134	,	
Using Internal Controls	134	CHAPTER 9	
Petty Cash	136	Merchandise Inventory	187
Account Reconciliations	137		
Preparing a Bank Reconciliation	138	The Merchandise Inventory Account	188 191
How to Evaluate a Reconciling Item	138	Determining the Value of Merchandise Inventory	
Bank Reconciliation Journal Entries	140	FIFO Method (First In, First Out)	192
Payroll Calculations and Journal Entries	141	LIFO Method (Last In, First Out)	193
Employee Withholdings	141	Average Cost Method	194
Employer Payroll Taxes	142	Adjusting Merchandise Inventory	196
Payroll Tax Forms	144	Analyzing Cost of Goods Sold and Gross Profit	198
Form W-4	144	Self-Assessment	200
Form W-2	145	Putting It Together	202
Form W-9	145	Practice Set A	206
Form 1099-NEC	146	Practice Set B	208
Computerized Accounting Systems	147		
Implementation	147	APPENDIX A	
Self-Assessment	150	The Intuit Certified Bookkeeping	
Putting It Together	152	Professional Exam and This Text	211
Practice Set A	154	Exam Objectives	212
Practice Set B	156		
Flactice Set D	200	Answer Keys	217
		Glossary	225
		Index	231