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NEW APPENDIX:

21st Century Communication Skills for Accountants



Gilbertson • Lehman • Gentene

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General Journal

New Appendix: 21st Century Communication Skills for Accountants

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Part 1

Accounting for a Service Business Organized as a Proprietorship

CHAPTER 1 Starting a Proprietorship: Changes That Affect the Accounting Equation 4

- 1-1 Accounting in Action 6
- 1-2 How Business Activities Change the Accounting Equation 10
- 1-3 How Transactions Change Owner's Equity in an Accounting Equation 18

CHAPTER 2 Analyzing Transactions into Debit and Credit Parts 30

- 2-1 Using T Accounts 32
- 2-2 Analyzing How Transactions Affect Accounts 36
- 2-3 Analyzing How Transactions Affect Owner's Equity Accounts 43

CHAPTER 3 Journalizing Transactions 56

- 3-1 Recording Transactions and the General Journal 58
- 3-2 Transactions Affecting Prepaid Insurance and Supplies 65
- 3-3 Transactions Affecting Owner's Equity and Asset Accounts 70
- 3-4 Starting a New Journal Page 76

CHAPTER 4 Posting to a General Ledger 90

- 4-1 Using Accounts and Preparing and Maintaining a Chart of Accounts 92
- 4-2 Posting from a General Journal to a General Ledger and Proving Cash 98
- 4-3 Journalizing Correcting Entries and Correcting Posting Errors 109

CHAPTER 5 Cash Control Systems 120

- 5-1 Checking Accounts 122
- 5-2 Bank Reconciliation 129
- 5-3 Dishonored Checks and Electronic Banking 135
- 5-4 Petty Cash 140

Reinforcement Activity 1—Part A

An Accounting Cycle for a Proprietorship: Journalizing and Posting Transactions 153

CHAPTER 6 Work Sheet and Adjusting Entries for a Service Business 156

- 6-1 Creating a Work Sheet 158
- 6-2 Planning Adjusting Entries on a Work Sheet 163

- 6-3 Completing the Work Sheet and Finding Errors on a Work Sheet 169
- 6-4 Journalizing and Posting Adjusting Entries 176

CHAPTER 7

Financial Statements for a Proprietorship 188

- 7-1 Preparing an Income Statement 190
- 7-2 Preparing a Balance Sheet 199

CHAPTER 8

Recording Closing Entries and Preparing a Post-Closing Trial Balance for a Service Business 212

- 8-1 Recording Closing Entries 214
- 8-2 Preparing a Post-Closing Trial Balance 223

Reinforcement Activity 1—Part B

An Accounting Cycle for a Proprietorship: End-of-Fiscal-Period Work 238

Part 2

Accounting

for a Merchandising Business Organized as a Corporation

CHAPTER 9

Accounting for Purchases and Cash Payments 242

- 9-1 Subsidiary Ledgers and Controlling Accounts 244
- 9-2 Accounting for Merchandise Purchases 249
- 9-3 Posting from a Purchases Journal 255
- 9-4 Accounting for Cash Payments 260
- 9-5 Posting from a Cash Payments Journal 267

CHAPTER 10

Accounting for Sales and Cash Receipts 282

- 10-1 Accounting for Sales on Account 284
- 10-2 Posting from a Sales Journal 290
- 10-3 Accounting for Cash and Credit Card Sales 294
- 10-4 Posting from a Cash Receipts Journal 302

CHAPTER 11

Accounting for Transactions Using a General Journal 318

- 11-1 Accounting for Purchases Transactions Using a General Journal 320
- 11-2 Recording Sales Transactions Using a General Journal 327
- 11-3 Accounting for the Declaration and Payment of a Dividend 332

CHAPTER 12

Preparing Payroll Records 344

- 12-1 Calculating Employee Earnings 346
- 12-2 Determining Payroll Tax Withholding 351
- 12-3 Preparing Payroll Records 358
- 12-4 Preparing Payroll Checks 364

CHAPTER 13

Accounting for Payroll and Payroll Taxes 376

- 13-1 Recording a Payroll 378
- 13-2 Recording Employer Payroll Taxes 382
- 13-3 Reporting Withholding and Payroll Taxes 387
- 13-4 Paying Withholding and Payroll Taxes 392

Reinforcement Activity 2—Part A

An Accounting Cycle for a Corporation: Journalizing and Posting Transactions 406

CHAPTER **14** **Accounting for Uncollectible Accounts Receivable 410**

- 14-1 Uncollectible Accounts Receivable 412
- 14-2 Writing Off and Collecting Uncollectible Accounts Receivable 418
- 14-3 Promissory Notes 425

CHAPTER **15** **Preparing Adjusting Entries and a Trial Balance 438**

- 15-1 Planning Adjusting Entries 440
- 15-2 Adjusting Merchandise Inventory and Interest Receivable 446
- 15-3 Adjusting Accumulated Depreciation 450
- 15-4 Calculating Federal Income Tax 455

CHAPTER **16** **Financial Statements and Closing Entries for a Corporation 470**

- 16-1 Preparing an Income Statement 472
- 16-2 Preparing a Statement of Stockholders' Equity 482

- 16-3 Preparing a Balance Sheet 486
- 16-4 Recording Closing Entries for Income Statement Accounts 494
- 16-5 Preparing a Post-Closing Trial Balance 502

CHAPTER **17** **Financial Statement Analysis 514**

- 17-1 Vertical Analysis of an Income Statement 516
- 17-2 Vertical Analysis of a Balance Sheet 522
- 17-3 Horizontal Analysis 528
- 17-4 Analyzing Financial Statements Using Financial Ratios 533

Reinforcement Activity 2—Part B

An Accounting Cycle for a Corporation: End-of-Fiscal-Period Work 545

Part **3**

Accounting for a Merchandising Business Organized as a Corporation—Adjustments and Valuation

CHAPTER **18** **Acquiring Capital for Growth and Development 550**

- 18-1 Short-Term Debt Financing 552
- 18-2 Long-Term Debt Financing 558
- 18-3 Capital Stock 565
- 18-4 Acquiring Additional Capital 569

CHAPTER **19** **Accounting for Plant Assets, Depreciation, and Intangible Assets 582**

- 19-1 Buying Plant Assets and Paying Property Taxes 584
- 19-2 Calculating Depreciation Expense 589
- 19-3 Journalizing Depreciation Expense 594
- 19-4 Disposing of Plant Assets 598
- 19-5 Declining-Balance Method of Depreciation 603
- 19-6 Buying Intangible Assets and Calculating Amortization Expense 607

CHAPTER 20

Accounting for Inventory 618

- 20-1 Determining the Quantity of Merchandise Inventory 620
- 20-2 Determining the Cost of Merchandise Inventory 626
- 20-3 Estimating Inventory 633

Reinforcement Activity 3—Part A

An Accounting Cycle for a Corporation: Journalizing and Posting Transactions 643

CHAPTER 21

Accounting for Accruals, Deferrals, and Reversing Entries 646

- 21-1 Accruals 648
- 21-2 Deferrals 658

CHAPTER 22

End-of-Fiscal-Period Work for a Corporation 672

- 22-1 Preparing Adjusting Entries 674
- 22-2 Preparing an Income Statement, Statement of Stockholders' Equity, and Balance Sheet 685
- 22-3 Preparing a Statement of Cash Flows 691
- 22-4 Preparing Closing and Reversing Entries 700

Reinforcement Activity 3—Part B

An Accounting Cycle for a Corporation: End-of-Fiscal-Period Work 715

Part 4

Additional Accounting Procedures

CHAPTER 23

Accounting for Partnerships 720

- 23-1 Forming a Partnership 722
- 23-2 Distribution of Net Income and Owners' Equity Statements 728
- 23-3 Dissolving a Partnership 735

- APPENDIX A: Accounting Concepts A-1
- APPENDIX B: NIKE, Inc. Fiscal 2015 10-K Report (Selected Pages) B-1
- APPENDIX C: 21st Century Communication Skills for Accountants C-1
- APPENDIX D: Recycling Problems D-1
- APPENDIX E: Answers to Audit Your Understanding E-1

CHAPTER 24

Recording International and Internet Sales 750

- 24-1 Recording International Sales 752
- 24-2 Recording Internet Sales 761

- ENGLISH GLOSSARY G-1
- SPANISH GLOSSARY G-11
- INDEX I-1
- FEATURES INDEX FI-1

Transform Your High School Accounting Course with Century 21 Accounting, from the leader in high school accounting education for 100+ years.

Input from educators, accounting professionals, content experts, and high school accounting students has shaped the 10th Edition of Century 21 Accounting. New critical-thinking activities, real-world applications, and enhanced online learning solutions—including Online Working Papers and Automated Accounting Online computerized accounting software—help you transform your accounting course.

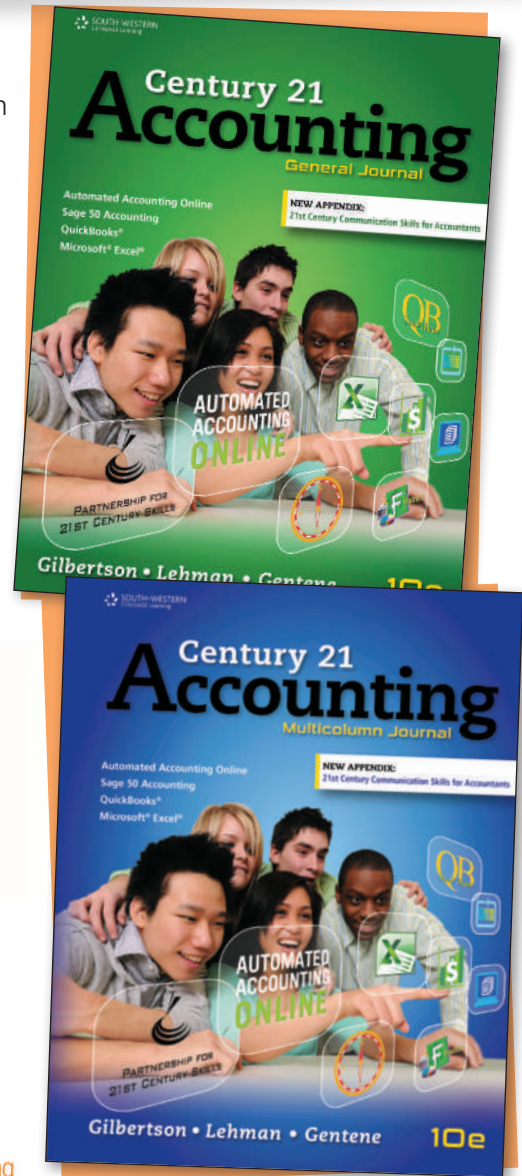
- ▶ **Proven pedagogy** using a **renowned instructional design** supports teaching the mechanics of accounting and measuring learning outcomes in the 10th Edition.
- ▶ **Greater emphasis on conceptual understanding and financial statement analysis** encourages students to apply accounting concepts to real-world situations and develop higher-level thinking skills to make informed business decisions.
- ▶ **Critical thinking and technology use**, as defined by the Partnership for 21st Century Skills, have been expanded throughout with these new features to give students real-world practice and help them master valuable skills:
 - Forensic Accounting* *Think Like an Accountant*
 - Financial Literacy* *Why Accounting?*
- ▶ **Commercial technology** is integrated throughout the text to equip students to work with Microsoft Excel®, Sage 50 Accounting, QuickBooks®, and Automated Accounting Online. Students are given step-by-step instructions and the flexibility to use a variety of popular commercial software.



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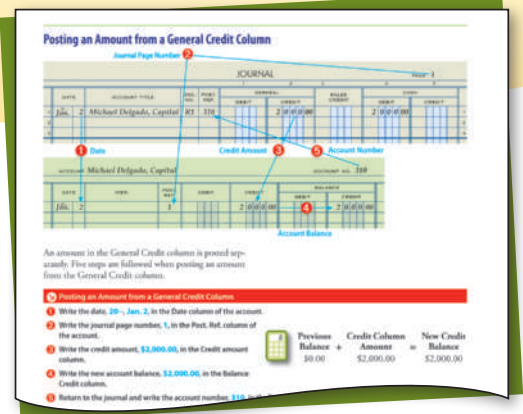
Transform Your Course with

The Century 21 Accounting program provides students with a complete learning system designed to keep students on track and helps you measure outcomes.

The **organization** ensures clear student understanding. Students start with a service business organized as a proprietorship and merchandising businesses organized as corporations before concluding with special topics, partnerships, and the recording of international sales and electronic transactions.

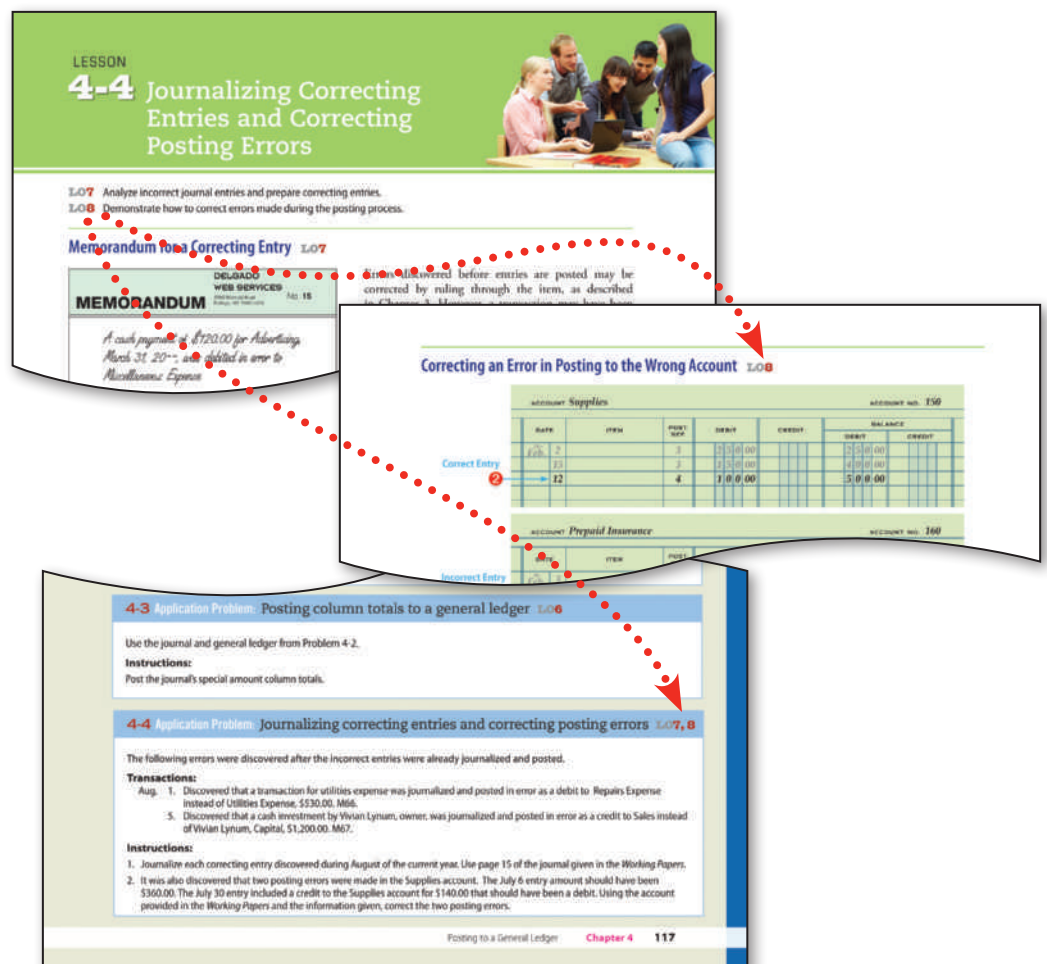
The **step-by-step instructional approach** clearly reinforces text concepts, while the consistent use of T accounts increases student comprehension of journalizing transactions.

NEW! **Learning Objectives** connect the chapter coverage from beginning to end. Learning objectives are identified at point of introduction and in the end-of-chapter problems, making it easier for students to stay on track. By paying attention to the Learning Objectives, students can focus on what is important and you can better measure outcomes.



“The tagging of the Learning Objectives is such an easy and effective way for students to look back at a particular objective when they are working problems instead of having to flip through pages randomly until they find what they are looking for.”

Rosemary Hemsell,
Grapevine High School,
Grapevine, TX



Measurable Outcomes

The **lesson structure** consists of three to five lessons per chapter and corresponding assessment activities. Each end-of-lesson section includes a **Work Together** problem and an **On Your Own** assignment. The Work Together problem allows you to demonstrate the new accounting concept to your class. Students can then check their understanding by completing the On Your Own assignment.

The **end-of-chapter material** includes short application problems to ensure students' understanding before they tackle the longer mastery and challenge problems.

"I like how the problems address objectives separately, then together in the Mastery problem, and at another level with the Challenge problem."

Rosemary Hemsell,
Grapevine High School,
Grapevine, TX

End of Lesson Review

LO4 Describe accounting procedures used in ordering merchandise.

LO5 Discuss the purpose of a special journal.

LO6 Journalize purchases of merchandise on account using a purchases journal.

Terms Review

inventory
merchandise inventory
perpetual inventory
periodic inventory
physical inventory
cost of merchandise
requisition
purchase order
special journal
purchase on account
purchases journal
special amount column
purchase invoice
terms of sale
due date

Audit your understanding

1. What is the difference between a periodic inventory system and a perpetual inventory system?
2. When the perpetual inventory system is used, in what account are purchases recorded? In what account are purchases recorded when the periodic inventory system is used?
3. Identify the four special journals typically used by a business.
4. How are special amount columns used in a journal?
5. Why are there two account titles in the amount column of the purchases journal?
6. What is the advantage of having special amount columns in a journal?
7. What information is contained on a purchase invoice?

Work together 9-2

Journalizing purchases using a purchases journal

The purchases journal for Golden Fabrics is given in the *Working Papers*. Your instructor will guide you through the following examples. Save your work to complete Work Together 9-3.

Using October of the current year, journalize these transactions on page 10 of the purchases journal. Purchase invoices are abbreviated as P.

Transactions:

Oct. 2. Purchased merchandise on account from Pacific Supply, \$3,252.00. P162.

7. Purchased merchandise on account from Coastal Company, \$532.00. P163.

11. Purchased merchandise on account from Yeatman Designs, \$866.00. P164.

On your own 9-2

Journalizing purchases using a purchases journal

The purchases journal for Copperland Company is given in the *Working Papers*. Work this problem independently. Save your work to complete On Your Own 9-3.

Using November of the current year, journalize these transactions on page 11 of the purchases journal. Purchase invoices are abbreviated as P.

Transactions:

Nov. 5. Purchased merchandise on account from McKell Supply, Inc., \$2,548.25. P244.

10. Purchased merchandise on account from Tresler Corporation, \$1,525.00. P245.

17. Purchased merchandise on account from Lawes Imports, \$2,643.50. P246.

254 Chapter 9 Accounting for Purchases and Cash Payments

Problem Solving Creativity

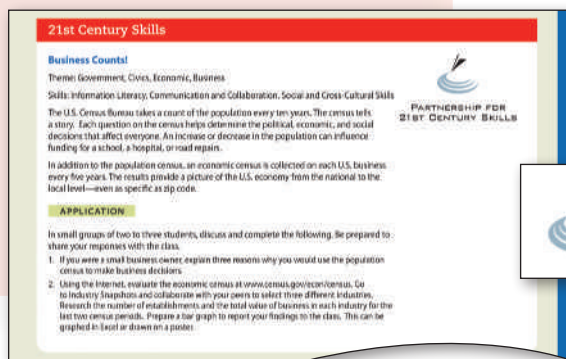
Greater emphasis on conceptual understanding and financial statement analysis

has been incorporated into the 10th Edition, making it easier to balance coverage of accounting mechanics with how accounting information is used to make business decisions.

NEW!

21ST CENTURY SKILLS

included in the end-of-chapter material, provides activities that cultivate mastery of essential skills such as problem solving, communication, and technology use as defined by the Partnership for 21st Century Learning. Acquisition of the knowledge and skills taught in this feature will prepare students to compete in a workplace that demands creativity and innovation.



CRITICAL THINKING ACTIVITIES

are infused throughout the text to provide more opportunities for higher-level thinking and analysis, preparing students for college and career readiness.

CRITICAL THINKING



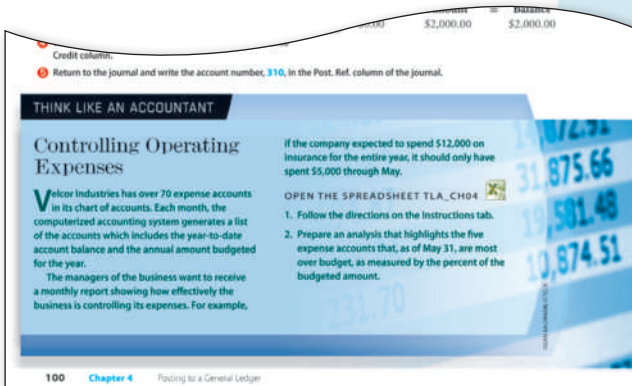
**PARTNERSHIP FOR
21ST CENTURY SKILLS**

NEW!

THINK LIKE AN ACCOUNTANT

presents challenging problems that correspond to higher-level thinking skills based on the criteria established in Bloom's Taxonomy.

Excel templates are provided for students to use as an analysis tool to compare and contrast employer benefit plans and analyze how their decisions affect the company's bottom line.



Communication Information Literacy

NEW!

FINANCIAL LITERACY

guides students in the exploration of both business finance issues and critical personal finance topics through engaging activities that provide opportunities for students to apply valued skills such as problem solving, critical thinking, and technology use as defined by the Partnership for 21st Century Skills.

NEW!

GLOBAL AWARENESS



presents the role of accounting in a global environment and the cultural implications that occur as a result of the trans-migratory nature of the marketplace. It reflects current trends, concerns, and issues in global business, and cultural diversity in the workplace. Cultural topics will address both international and domestic issues.

workplace. Cultural topics will address both international and domestic issues.

“The use of Excel in this feature is an extremely important skill. Many of my high school students who come back to visit while they are in college have said they wish they would have used Excel more in class, because it is something they are doing a lot of in college business courses.”

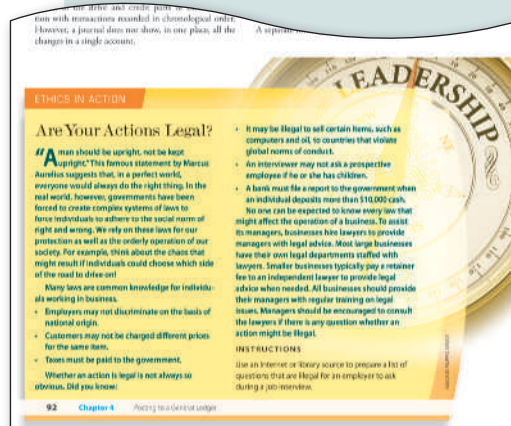
Kevin Willson, York Suburban School District, York, PA



NEW!

ETHICS IN ACTION

responds to the increasing importance of ethics and personal character in accounting today. These ethical dilemmas assist students with decision-making and critical-thinking skills and challenge students' personal character development.



Transform Your Course by **Bringing**

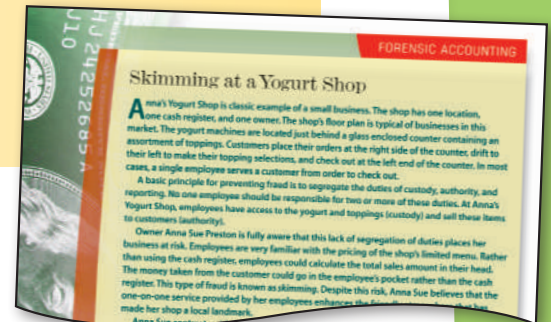
Forensic Accounting presents criminal investigations involving fraud, providing students the opportunity to apply what they're learning in class to a real-world scenario. Students will examine the fraud scenarios using Excel® to analyze the data and continue the investigation.



Why Accounting?

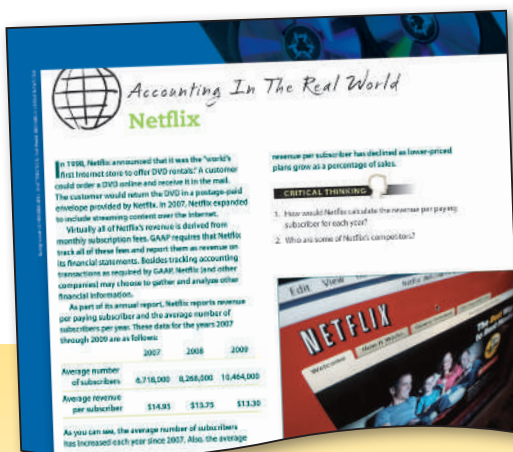
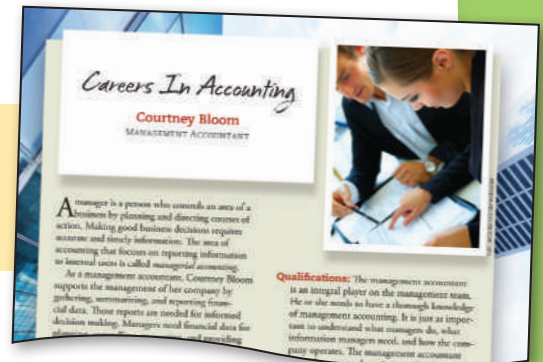
provides examples of how accounting skills are applicable in a variety of business situations.

Tied to the National Career Clusters, this feature illustrates how accounting knowledge transfers into the workplace and validates accounting's importance in the marketplace.



Careers in Accounting

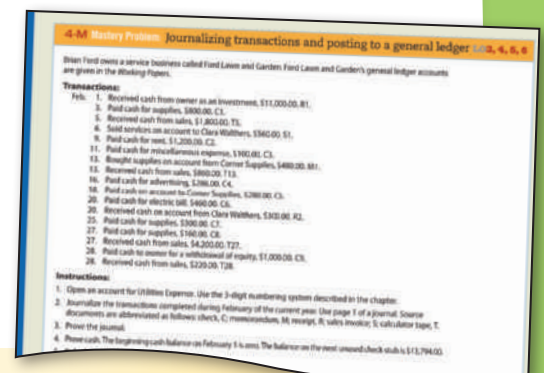
designed to encourage students to think about their future in accounting, features a broad range of careers in the accounting field and promotes accounting as a profession through one-on-one interviews with various accounting professionals.



Sage 50 Accounting



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Accounting in the Real World: Fascinating chapter openers spotlight actual businesses that interest students, such as TOMs Shoes, iTunes, McDonald's, and Google, with intriguing questions that connect chapter topics to what's driving business decisions in today's organizations.

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🔍 First Year

Simulation 1: Red Carpet Events

Students encounter accounting principles and practical applications as they experience the challenges of operating an event-planning service business organized as a proprietorship. Students complete the simulation after Chapter 8. *Completion time 4-8 hours.*

Simulation 2: Authentic Threads

Students bring fashion trends into the world of accounting while they practice accounting applications in this dynamic merchandising business organized as a corporation. Students complete the simulation after Chapter 17. *Completion time 10-17 hours.*

Simulation 3: Digital Diversions

Students go digital in this engaging simulation with the latest retail software, cell phones, video cameras, music, and more in this merchandising business organized as a corporation. Students complete the simulation after Chapter 22. *Completion time 10-15 hours.*

🔍 Advanced

Simulation 1: Organic Aisles

Students sell organic produce and grocery items in Organic Aisles, a departmentalized grocery store organized as a corporation. Students complete the simulation after Chapter 4. *Completion time 10-20 hours.*

Simulation 2: Adventure Gear

Adventure rules as students bring adventure sport gear and accessories into the world of accounting within this merchandising business organized as a corporation. Students complete the simulation after Chapter 14. *Completion time 10-20 hours.*



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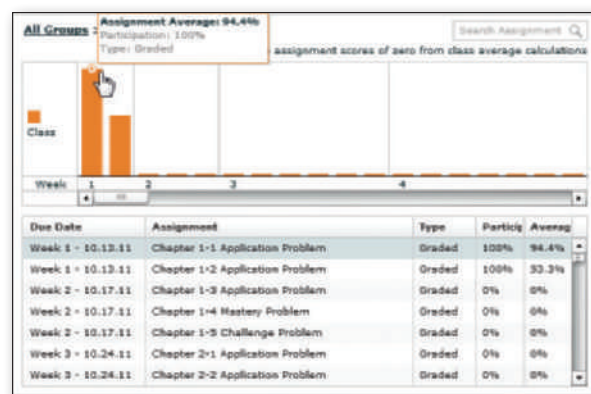
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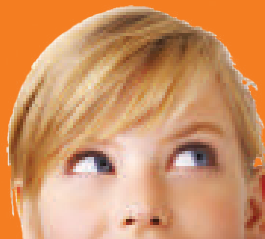
Date	Account Title	Doc. No.	Post. Ref.	Debit	Credit
12	Accounts Receivable-Thomas Hofski	M54		95 00	
	Cash				95 00
13	Accounts Payable-Affonso Company	M55		243 00	
	Cash				243 00
14	Supplies	M56		6 500 00	
	Supplies Expense				



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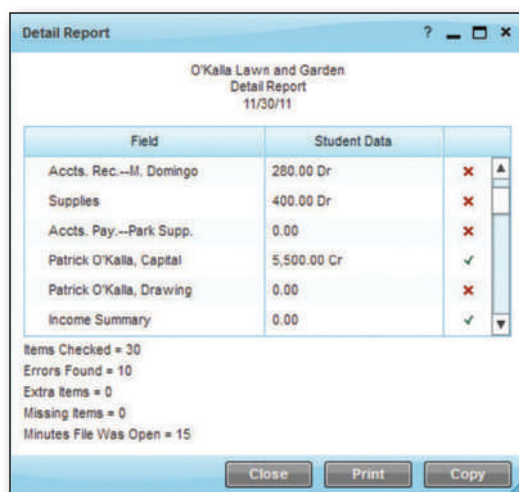
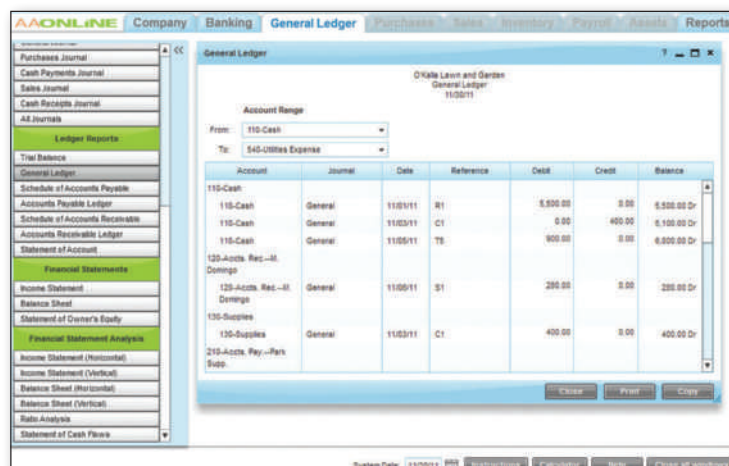
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- ▶ Tips for differentiated instruction
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- ▶ Check figures

Written *by*
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accounting teachers,
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Instructor's Resource Kit includes comprehensive teaching resources all in one place, including:

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Instructor's Resource CD places all key instructor resources at your fingertips in this all-in-one convenient tool that includes:



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- ▶ Transparency masters (Solutions, Ruling, Full Color Illustrations)
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- ▶ Block scheduling correlation with Century 21 Accounting

Instructor Companion Site offers password-protected teacher resources including solutions, lesson plans, PowerPoint presentations, and simulation keys.

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- ▶ **ExamView® computerized test bank** allows you to easily create custom tests within minutes. Simply edit, add, delete, or rearrange questions with this easy-to-use software.



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Part 1

Accounting for a Service Business Organized as a Proprietorship

Accounting

- Chapter 1** Starting a Proprietorship: Changes That Affect the Accounting Equation
- Chapter 2** Analyzing Transactions into Debit and Credit Parts
- Chapter 3** Journalizing Transactions
- Chapter 4** Posting to a General Ledger
- Chapter 5** Cash Control Systems
- Chapter 6** Work Sheet and Adjusting Entries for a Service Business
- Chapter 7** Financial Statements for a Proprietorship
- Chapter 8** Recording Closing Entries and Preparing a Post-Closing Trial Balance for a Service Business



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THE BUSINESS—

DELGADO WEB SERVICES

Delgado Web Services is the business used in the chapters in Part 1 to illustrate the accounting concepts and procedures for a service business organized as a proprietorship. Delgado Web Services is owned by Michael Delgado. Mr. Delgado designs, maintains, and hosts websites for small businesses.

Chart of Accounts

DELGADO WEB SERVICES

GENERAL LEDGER

Balance Sheet Accounts

(100) ASSETS

- 110 Cash
- 120 Petty Cash
- 130 Accounts Receivable—
Main Street Services
- 140 Accounts Receivable—
Valley Landscaping
- 150 Supplies
- 160 Prepaid Insurance
- (200) LIABILITIES
- 210 Accounts Payable—Canyon
Office Supplies
- 220 Accounts Payable—
Mountain Graphic Arts

(300) OWNER'S EQUITY

- 310 Michael Delgado, Capital
- 320 Michael Delgado, Drawing
- 330 Income Summary

Income Statement Accounts

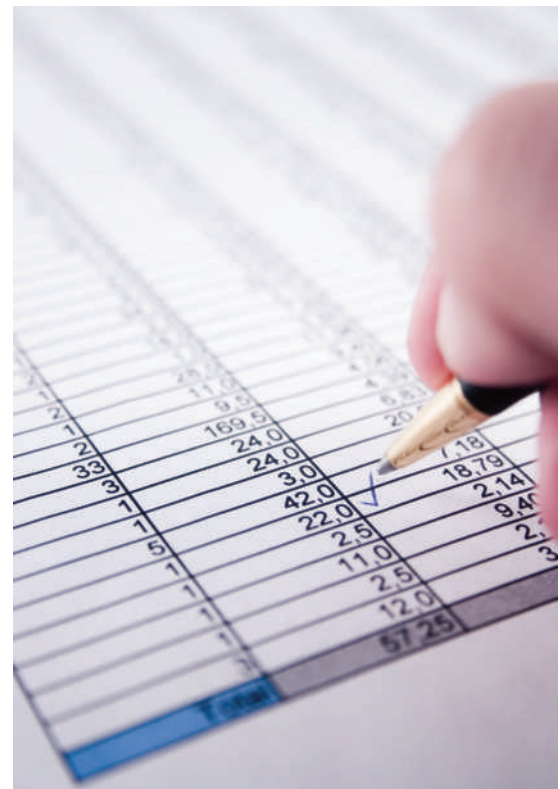
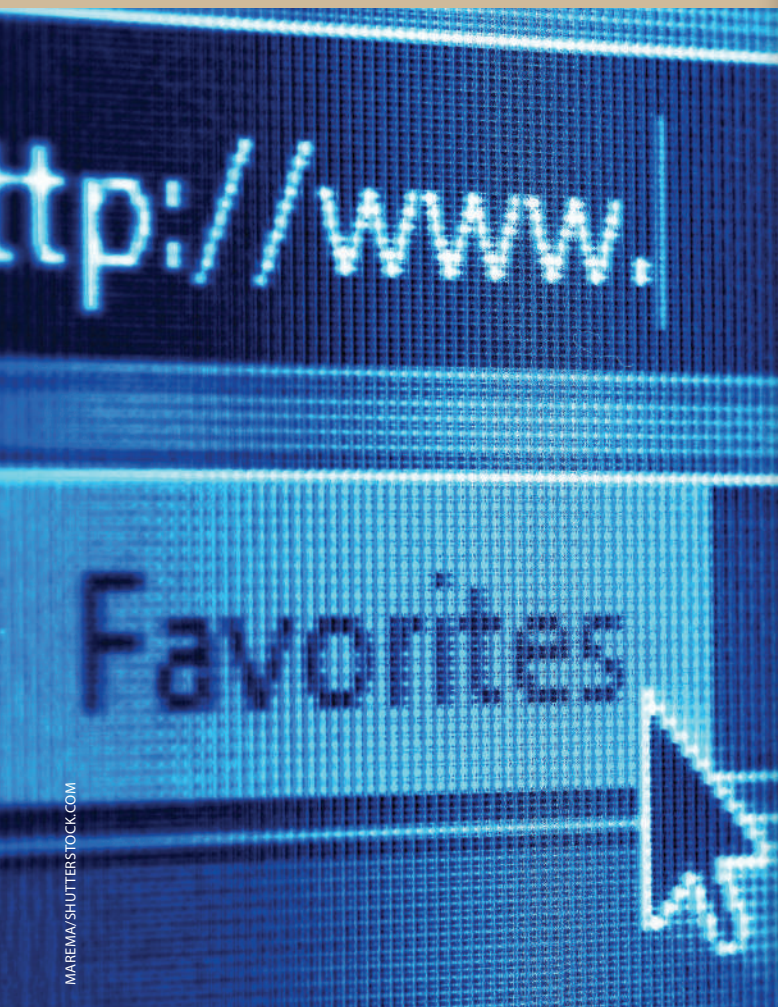
(400) REVENUE

- 410 Sales

(500) EXPENSES

- 510 Advertising Expense
- 520 Cash Short and Over
- 530 Communications
Expense
- 540 Equipment Rental
Expense
- 550 Insurance Expense
- 560 Miscellaneous Expense
- 570 Supplies Expense

The chart of accounts for Delgado Web Services is illustrated here for easy reference as you study the accounting cycle for a proprietorship in this textbook.



Chapter 1

Starting a Proprietorship: Changes That Affect the Accounting Equation

LEARNING OBJECTIVES

After studying Chapter 1, in addition to defining key terms, you will be able to:

- L01** Describe the different users of accounting information.
- L02** Prepare a net worth statement and explain its purpose.
- L03** Classify accounts as assets, liabilities, or owner's equity and demonstrate their relationship in the accounting equation.
- L04** Analyze the effects of transactions on the accounting equation.
- L05** Distinguish between cash and on account transactions.
- L06** Compare and contrast the types of transactions that increase and decrease owner's equity.
- L07** Explain the difference between expenses and liabilities.





Accounting In The Real World

TOMS Shoes

Have you ever thought about owning your own business? Someone who owns, operates, and takes the risk of a business venture is called an **entrepreneur**. America was built on the hard work of entrepreneurs as many men and women pursued their dream of business ownership by developing new ideas and turning them into business opportunities.

The goal of a business entrepreneur is to seek economic benefit. In recent years, a new type of entrepreneur has emerged. These new entrepreneurs are driven by the same innovation and productivity, yet they seek social value rather than profits. These entrepreneurs are also agents of change. They direct their entrepreneurial energy toward seeking solutions for society's problems.

Blake Mycoskie is one of today's leading social entrepreneurs. Blake sold his driver's education business to fund a social entrepreneurial idea. While visiting Argentina, Blake noticed the number of children who had no shoes. Being shoeless limited the children's ability to attend school. Even worse, being shoeless increased the risk of developing a disabling foot disease called *podoconiosis*. So Blake Mycoskie started a business called TOMS Shoes. The company name comes from the word "tomorrow" because Mycoskie wants to create a better future for impoverished children. Mycoskie's mission statement is: *"I'm going to start a shoe company. For every pair of shoes that we sell, I will give a pair to someone who needs them."*

Within a short period, TOMS Shoes has given over 45 million pairs of shoes to children on 5 continents.

CRITICAL THINKING



1. How is social entrepreneurship different from nonprofit organizations?
2. Identify a problem in your local community and create a solution for it by identifying a social entrepreneurship.



TOMS



Key Terms

- accounting
- accounting system
- financial statements
- net worth statement
- asset
- liability
- personal net worth
- equity
- ethics
- business ethics
- service business
- proprietorship
- business plan
- GAAP
- equities
- owner's equity
- accounting equation
- transaction
- account
- account title
- account balance
- capital account
- creditor
- revenue
- sale on account
- expense
- withdrawals

LESSON

1-1 Accounting in Action

LO1 Describe the different users of accounting information.

LO2 Prepare a net worth statement and explain its purpose.

The Role of Accounting **LO1**

Every day, numerous business activities take place. For example, you may stop at a convenience store on the way to school to buy juice or school supplies. Have you ever wondered how many bottles of juice are sold each day? Or how much the store owner pays for rent or utilities? Or how much the store's employees are paid? Or how much the store owes to suppliers? Or would this business be a good investment?

Perhaps you have thought about starting a business by forming a local band. Do you know how to price your tickets to make a profit? Do you know the cost of

renting a venue? Do you know how many tickets you will need to sell to make a profit?

All of these questions involve numbers. However, numbers alone cannot be used to make all business decisions. For instance, knowing how many bottles of orange juice were sold is important, but the data do not tell whether the store is making a profit. Data must be recorded and reported in accounting reports. Then, the information can be provided to business owners, managers, investors, and others to make business decisions and measure performance.

What Is Accounting?

Whether you are going to invest in a business, work for a multimillion-dollar company, or start your own business, you will always use financial information. Accounting provides financial information to users for making decisions. The information is communicated to everyone who needs it to make good business decisions. Therefore, accounting is often referred to as *the language of business*. Just like any language, it has its own terminology and rules that must be learned and practiced. Understanding this language is essential for using data to communicate effectively, making good financial decisions, and successfully operating a business. Inaccurate accounting records can make a business fail. A failure to understand accounting information can result in poor business decisions both personally and professionally.

Accounting is the process of planning, recording, analyzing, and interpreting financial information. The accounting process includes recording financial activities, but accounting is not the same as bookkeeping

or recordkeeping. Bookkeeping is only the recording part of the accounting process. Accounting goes much further than just keeping records. Accounting involves analyzing and interpreting a business's operations to determine its financial well-being and plan its future success.

An **accounting system** is a planned process designed to compile financial data and summarize the results in accounting records and reports. Financial reports that summarize the financial condition and operations of a business are called **financial statements**. Business owners and managers use financial statements to make business decisions.

For many years, all accounting information was recorded using paper and ink. In today's business world, accounting software programs are widely used to record and process financial data. However, accounting software only processes data. Skill and knowledge in accounting are essential in order to effectively use the technology and correctly interpret results.