

## **ACG 2021 Introduction to Financial Accounting: Accounting Cycle**

### Extra Practice Problems: Accounting Cycle

#### 1. How would you go about solving a problem involving the accounting cycle?

To solve a problem involving the accounting cycle, you would need to understand the steps of the accounting cycle and how they relate to each other. The accounting cycle consists of the following steps: (1) identify and analyze transactions, (2) record transactions in journals, (3) post journal entries to the ledger, (4) prepare an unadjusted trial balance, (5) adjust the accounts, (6) prepare an adjusted trial balance, (7) prepare financial statements, and (8) close the accounts. To solve a problem, you would need to identify which step of the accounting cycle is relevant to the problem and then use the appropriate accounting equation or journal entry to solve the problem.

#### 2. Calculate the total assets for a company with liabilities of \$50,000 and equity of \$30,000.

Total Assets = Liabilities + Equity

Total Assets = \$50,000 + \$30,000

Total Assets = \$80,000 [CORRECT]