**Activities Within the Accounting Cycle**

**During Accounting Period**

**Transaction**

Purchase made

Time card is punched

**Journal**

Record transactions

Chronological order

**Ledger**

Contains all journal entries

Summarizes all accounts

**After Accounting Period**

**Trial Balance**

Report generated from general ledger accounts

Verifies all debits equal credits

**Adjusting Entries**

Reconcile outstanding transactions

Adjust for accrual basis of accounting

Completed before financial monitor

**Financial Statements**

Prepare income statement, balance

sheet, statement of retained earnings

Prepare post-closing trial balance

**Closing Entries**

**Prepare closing journal entries to set temporary accounts for next accounting period**

**Prepare post-closing trial balance**