

Adjusting Entries

accrual: 费用的发生早于实际的支付/收款

deferral: 实际的支付/收款早于费用的发生

Converting Assets to Expenses: deferral

Cash - Shop Supplies - Supplies Expense;

Cash - Unexpired Insurances - Insurance expense;

Cash - (Depreciation Expense) Building - Accumulated Depreciation:

Building

xxx Adjustment / Depreciation adjustment on xxx

Converting Liabilities to Revenue: deferral

Cash - Unearned Revenue - xx Revenue earned

xxx adjustment

Accruing unpaid Expense: accrual

Wages Expenses - Wage Payable - Cash

Interest Expenses - Interest Payable - Cash

Income taxes Expenses - Income Tax Payable - Cash

adjustment to accrue xxx payable

Accruing uncollected revenue

Revenue - Account Receivable - Cash

adjustment to accrue revenue

Closing Entries

Closing revenue accounts and transferring their balances to the Income Summary account

Sales D, Income summary C;

Closing expense accounts and transferring their balances to the Income Summary account

Income Summary D, Expenses C;

Closing Income Summary account and transferring its balance to the Retained Earning account

Income Summary, Retained Earning

Closing the Dividends account and transferring its balance to the Retained Earning account

Retained Earning D, Dividend C

Merchandising Activities

Common

Buy on credit: (Inventory; AP)

Sell on credit: (AC; Sale) (COGS; Inventory)

Payments

Collections

Fluctuation: (COGS; Inventory);

Discount, Buy

2/10, n30

first way: (Inventory; AP) | (**Purchase discount lost**, AP; Cash)

second way: (Inventory; AP) | (AP; Cash, **Purchase discount taken**)

Allowance: (AP; Inventory)

Discount & Allowance, Sell

Allowance: (**Sales return and allowance**, AR) (Inventory, COGS)

Discount: (AC, Sale) (Cash, **Sales Discount**; AR)

Net Sales = Sales – Sales return and Allowance – Sale Discount

Financial Asset

Cash

cash, short-term investment, receivable cash: cash equivalents, restricted cash (Investment and Restricted Funds), lines of credit

Short term investment

purchase of marketable securities: (Marketable securities; Cash)

recognition of investment revenue: (Cash; Dividend revenue)

sale of investment (gain, loss):

(Cash; **Gain on sale of investment**, MS)

(Cash; **Loss on sale of investment**; MS)

unrealized holding loss on investment (gain):

(**unrealized holding loss on investment**; MS)

Accounts Receivable

uncollectible accounts expenses, allowance:

(**Uncollectible account expenses**; **Allowance for doubtful accounts**)

writing off: (AfDA; AR);

New estimate: (UAE; AfDA)

Balance Sheet approach & Income Statement Approach

Recovery of written off: (AR; AfDA), (Cash, AR)

Without Allowance: (UAE, AR)

The flow of Inventory Costs

Average, FIFO, LIFO

Record Shrinkage Losses

LCM

Plant and Intangible Assets

Depreciation

table: Year, Computation, DepExp, AcDep, BV
Straight line Method
The Declining Balance Method (2, 1.5)
Impairment loss
Disposal of Plant and Equipment
Fully Depreciated: (Accumulated Depreciation, Equipment)
Above Book Value: (Cash, AD; **Gain on Disposal of Plant**, Equipment)
Below Book Value: (Cash, AD, **Loss on Disposal of Plant**; Equipment)

Amortization

Goodwill, Patent, Trademarks and Trade Names, Franchises, Copyright, Other

Natural Resources

depletion: (Inventory; AD)

Liabilities

Bond Payable

Common

Issue: (Cash; BP)
Interest payment: (Interest Expenses, Interest Payable; Cash)
Interest Adjustment in Dec: (Interest Expenses; Interest Payable)
Mature: (BP; Cash)

Discount

Issue: (Cash, **Discount on Bonds Payable**; BP)
Interest Payment: (IE, IP; DoBP, Cash)
Interest Adjustment in Dec: (IE; DoBP, Bonds Interest Payable)

Premium

Issue: (Cash; BP, **Premium on Bonds Payable**)
Interest Payment: (IE, IP, PoBP; Cash)
Interest adjustment in Dec: (IE, PobP; Bonds Interest Payable)

Paid-In Capital

Issuance of Stock: (Cash; Capital Stock, Additional Paid-in Capital)
*Discount on Capital Stock
Calculation of Book value per share; Market value
Stock Split
Treasury stock (Treasury stock; Cash); Reissue;

Income and Changes in Retained Earnings

EPS: common stock / preferred stock(cumulative / non-cumulative)
declaration date: (Dividends; Dividends Payable)
payment date: (Dividends Payable; Cash)
liquidating dividends
stock dividends:
 declaration: (RE; Stock Dividend to be Distributed, Add..)
 distribution: (SDtbD; Common Stock)
Prior period adjustment

Cash Flow

Operating Activities

Cash Received from customers: net sale + decrease in AR
Interest and Dividends received: Interest Revenue + decrease in IR
Cash payment for purchases of merchandise:

COGS + Increase in Inventory + Decrease in AP

Cash payment for Expenses:

Expenses
- depreciation and other non-cash expenses
 + Increase in related Prepayments
 + Decrease in Related Accrued Liabilities

Cash Payments to Suppliers and Employees

Cash Payments for interest and taxes:

Interest Expenses + decrease in IP (tax is similar)

cash Received from customers:

Interest and dividends received:

* Cash provided by operating activities:

Cash Paid to suppliers and employees:

Interest Paid:

Income taxes paid:

* Cash disbursed for operating activities:

net cash flow from operating activities:

Investing activities

Purchases and Sales of Securities
Loans Made and Collected]
Cash Paid to Acquired Plant asset
Proceeds from Sales of Planet Assets

Purchases of marketable securities:
Proceeds from sales of marketable securities:
Loans made to borrowers:
Collections on loans:
Purchases of plant asset:
Proceeds from sales of planet assets:
net cash flow from investing activities:

Cash Flows from Financing Activities

Proceeds from short-term borrowing:
Payments to settle short-term debts:
Proceeds from issuing bonds-payable:
Proceeds from issuing capital stock:
Dividends paid:
net cash flow from financing activities: