

Adjusting Entries

(Crossword Puzzle #2)

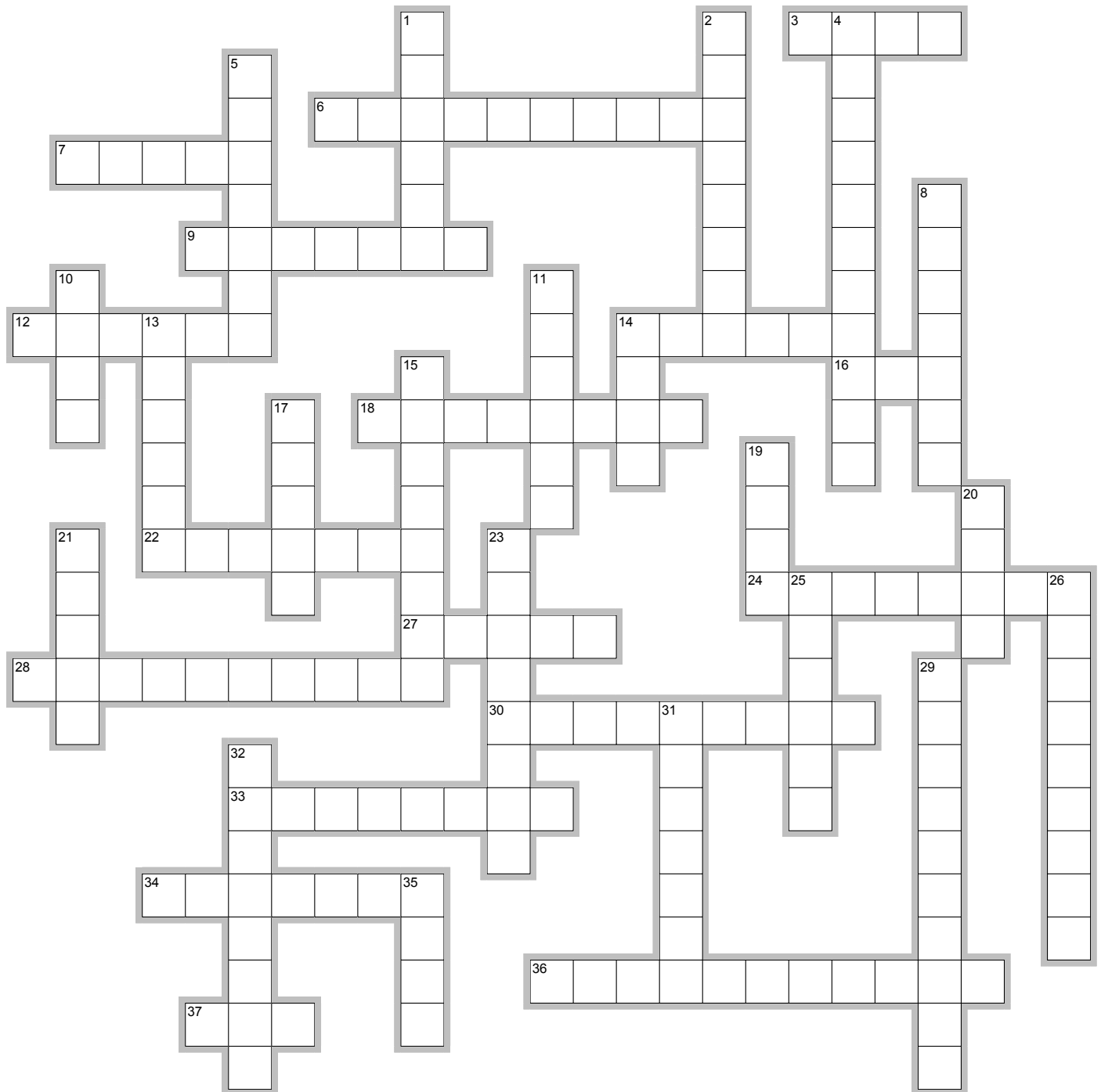


Harold Averkamp
CPA, MBA

Accounting
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Crossword Puzzle (Adjusting Entries #2)



ACROSS (Adjusting Entries #2)

3. This long-term asset used in a business does not get depreciated.
6. The income statement is also known as the statement of _____.
7. On October 1, 2023 Company XX lent one of its suppliers \$100,000 with interest at 12% per year. The interest is payable semiannually on March 31 and September 30 of each year. The amount for the adjusting entry dated December 31, 2023 is _____ thousand dollars.
9. The accrual of interest expense will include a credit to the account Interest _____.
12. The time _____ assumption justifies accountants preparing quarterly and monthly financial statements, which in turn will lead to adjusting entries.
14. Accumulated Depreciation, Allowance for Doubtful Accounts, Discount on Bonds Payable are examples of _____ accounts.
16. On November 30, 2023 Company JJ paid \$12,000 for its insurance covering the period of December 1, 2023 through May 31, 2024. The amount to be reported as Prepaid Insurance on December 31, 2023 is _____ thousand dollars.
18. If a company has a bank loan outstanding with monthly payments in the middle of the accounting period, it will need to accrue _____ expense at the end of each accounting period.
22. On December 20, 2023, a company paid \$12,000 for an insurance premium covering the period of January 1, 2024 through June 30, 2024. The transaction was recorded by a debit to Insurance Expense for \$12,000 and a credit to Cash for \$12,000. The adjusting entry on December 31, 2023 will include a credit to Insurance _____.
24. If a company pays an amount in advance and a portion of the amount should be expensed in a future accounting period, a prepayment or _____-type adjusting entry will likely be needed.
27. Paying next period's expense in the current accounting period requires that the expense be deferred and be reported on the current period's balance _____.
28. On October 1, 2023 Company XX lent one of its suppliers \$100,000 with interest at 12% per year. The interest is payable semiannually on March 31 and September 30 of each year. Company XX's adjusting entry on December 31, 2023 should include a debit to Interest _____.

Across (Adjusting Entries #2)

- 30. This type of entry occurs on the first day of the accounting period and is often the amount of an accrual-type adjusting entry made on the previous day.
- 33. The trial balance prepared after the adjusting entries have been recorded is referred to as the _____ trial balance.
- 34. An _____-type adjusting entry records a transaction that has occurred but has not been entered in the accounts.
- 36. Justification for a company that purchases and uses an insignificant amount of supplies to simply debit Supplies Expense and not make an adjusting entry at the end of the accounting period is the _____ guideline/principle/constraint.
- 37. Company Y had \$5,000 of supplies on hand at the start of the year and it purchased \$42,000 of supplies during the year. At the end of the year it had \$6,000 of supplies on hand. The amount of the Supplies Expense for the year is forty-_____ thousand dollars.

Down (Adjusting Entries #2)

1. For financial reporting, the adjusting entry for depreciation allocates the asset's cost to depreciation expense over the _____ life of the asset.
2. The balance sheet is also known as the statement of financial _____.
4. The adjusting entry for depreciation will include a credit to _____ Depreciation.
5. On December 20, 2023, a company paid \$12,000 for an insurance premium covering the period of January 1, 2024 through June 30, 2024. The transaction was recorded by a debit to Insurance Expense for \$12,000 and a credit to Cash for \$12,000. The adjusting entry on December 31, 2023 will include a debit to _____ Insurance.
8. A common characteristic of an adjusting entry is that it involves 1) at least one _____ sheet account, and 2) at least one income statement account.
10. Failure to accrue revenue will result in a company reporting current assets that are _____ (more, less) than the true amount.
11. Hourly paid employees are paid on the Thursday following the week worked. Prior to preparing its financial statements, a company must make an adjusting entry to _____ the wages expense and liability it has incurred but has not yet recorded.
13. Each adjusting entry will have an effect on the current period's net _____.
14. The _____ basis of accounting will have fewer adjusting entries than the accrual basis of accounting.
15. The adjusting entry that includes a debit entry to Unearned Revenues or Unearned Fees will likely _____ (decrease, increase) the company's reported revenues.
17. To postpone reporting an expense on the income statement is to _____ the expense.
19. The account Supplies Expense should report the amount of supplies that have been _____ during the accounting period.
20. Failing to adjust the amount of a previously deferred expense will result in the company reporting net income that is _____ (more, less) than the true amount.
21. The accrual of revenues will include a debit to a current _____ account.

Down (Adjusting Entries #2)

- 23. On December 20, 2023 a company received \$10,000 from a customer for work that is to begin in January 2024. The \$10,000 should be reported by the company as Customer Deposits, Deferred Revenues, or _____ Revenues.
- 25. An adjusting entry will include a debit to Unearned Revenues for the amount of those prepaid revenues which have been _____ during the current accounting period.
- 26. The entry to accrue an expense will include a credit to a _____ account.
- 29. The trial balance before adjusting entries is the _____ trial balance.
- 31. An adjusting entry that debits Accounts Receivable will likely include a credit for a previously unrecorded _____.
- 32. Accruing expenses is required in order to comply with the _____ principle.
- 35. Adjusting entries are usually dated as of the _____ day of the accounting period.

Solutions (Adjusting Entries #2)

