

# Debits and Credits

(Crossword Puzzle #3)

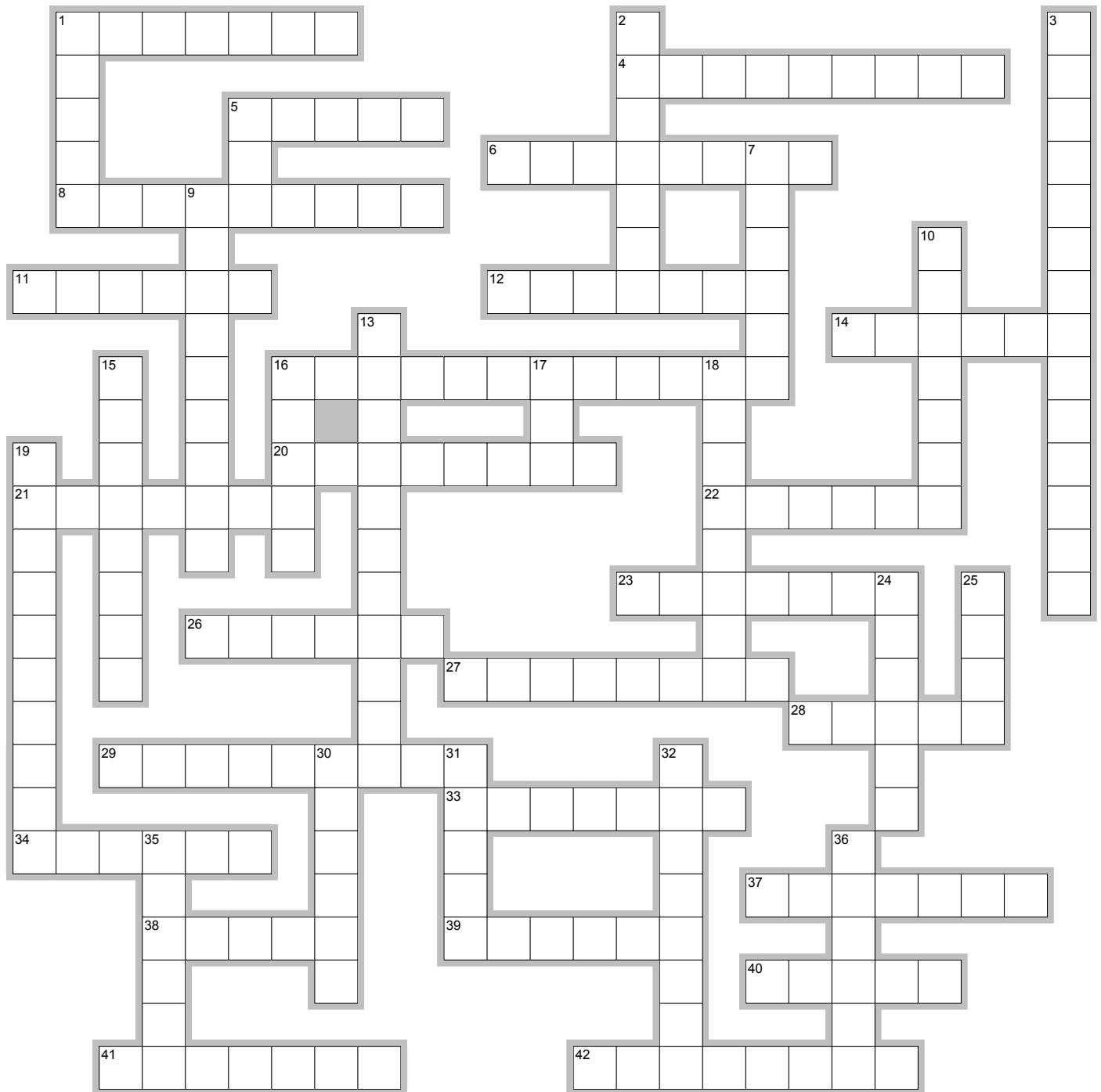


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# Crossword Puzzle (Debits and Credits #3)



## ACROSS (Debits and Credits #3)

1. Under the \_\_\_\_\_ basis of accounting, expenses should be reported when they are incurred, which may occur before they are paid.
4. These journal entries are made to accrue expenses and revenues and to adjust deferrals at the end of an accounting period.
5. A listing of accounts and their balances in order to verify that the accounting records have dollars of debits equal to dollars of credits is a \_\_\_\_\_ balance.
6. The accounting \_\_\_\_\_ is  $\text{assets} = \text{liabilities} + \text{owner's equity}$ .
8. Revenue and expense accounts are referred to as \_\_\_\_\_ accounts, because they are closed at the end of each accounting year.
11. An asset account that is expected to have a credit balance is a \_\_\_\_\_ account.
12. Earning \_\_\_\_\_ from providing a service will cause owner's equity to increase.
14. The owner's capital account is increased by entering a \_\_\_\_\_ amount in the account.
16. A corporation's "owner's" equity is referred to as \_\_\_\_\_' equity.
20. These income statement accounts report costs that have expired or were used up in order to earn revenues. These accounts usually have debit balances.
21. A cost that has expired or has been used up, and causes owner's equity to decrease.
22. The accrual-basis of accounting requires that revenues be reported when they are \_\_\_\_\_, which often occurs before the money is received.
23. This book of "original entry" lists transactions in order by date.
26. Resources that have future economic value that can be measured.
27. A credit will \_\_\_\_\_ (decrease, increase) an asset account.
28. A credit is entered on the \_\_\_\_\_ side of a general ledger account.
29. \_\_\_\_\_ are to a corporation what draws are to a sole proprietorship.

## **ACROSS** (Debits and Credits #3)

- 33. Every accounting entry includes at least one \_\_\_\_\_ that will be credited.
- 34. The accounting assumption that a sole proprietorship's transactions can be reported separately from those of the owner is the economic \_\_\_\_\_ assumption.
- 37. These journal entries are made at the end of the accounting year to set all the balances in the revenue and expense accounts to zero.
- 38. A listing of the account names and account numbers (but not account balances) available for recording transactions is a \_\_\_\_\_ of accounts.
- 39. Journal entries with only one debit and only one credit are referred to as \_\_\_\_\_ entries.
- 40. To decrease a liability you would \_\_\_\_\_ the liability account.
- 41. The nonspecial journal requiring that the account names be written for each account to be debited and each account to be credited.
- 42. The account, \_\_\_\_\_ Revenue, is a liability account with a credit balance. The account is necessary because the money received needs to be deferred to a later accounting period.

## Down (Debits and Credits #3)

1. Prepaid Insurance is reported in the \_\_\_\_\_ section of the balance sheet.
2. The account, Accounts \_\_\_\_\_, is an account that is expected to have a credit balance and involves purchases on credit.
3. A form of business structure owned by one person (but not a corporation) is a sole \_\_\_\_\_.
5. The minimum number of accounts involved in every accounting entry.
7. The owner's drawing (or withdrawal) account is a contra account to the \_\_\_\_\_ Capital account.
9. Assets and liabilities are said to be real or \_\_\_\_\_ accounts, because they are not closed at the end of the accounting year.
10. The name of the asset account which reports the unexpired cost of an insurance premium that had been paid earlier is \_\_\_\_\_ Insurance.
13. The Retained Earnings account is associated with this form of business structure.
15. Journal entries with more than one debit and/or more than one credit are known as \_\_\_\_\_ journal entries.
16. The financial statement that reports assets, liabilities, and owner's equity at a specified point or moment in time is the balance \_\_\_\_\_.
17. The minimum number of accounts debited in each accounting entry.
18. Fees earned or sales of merchandise are examples of \_\_\_\_\_ that are reported on the income statement in accounts normally having credit balances.
19. The account, Accounts \_\_\_\_\_, is an account that is expected to have a debit balance and involves sales on credit.
24. Accounts are contained in the general \_\_\_\_\_.
25. A debit is entered on the \_\_\_\_\_ side of a general ledger account.

## Down (Debits and Credits #3)

- 30. Assets minus liabilities equals owner's \_\_\_\_\_.
- 31. A department store's major revenue category is \_\_\_\_\_ (of merchandise).
- 32. A debit will \_\_\_\_\_ (decrease, increase) an asset account.
- 35. The financial statement that reports revenues, gains, expenses, and losses for a specified period of time is an \_\_\_\_\_ statement.
- 36. The \_\_\_\_\_-entry system of accounting requires that a debit and a credit be entered for each business transaction.

# Solutions (Debits and Credits #3)

