

Income Statement

(Crossword Puzzle #3)

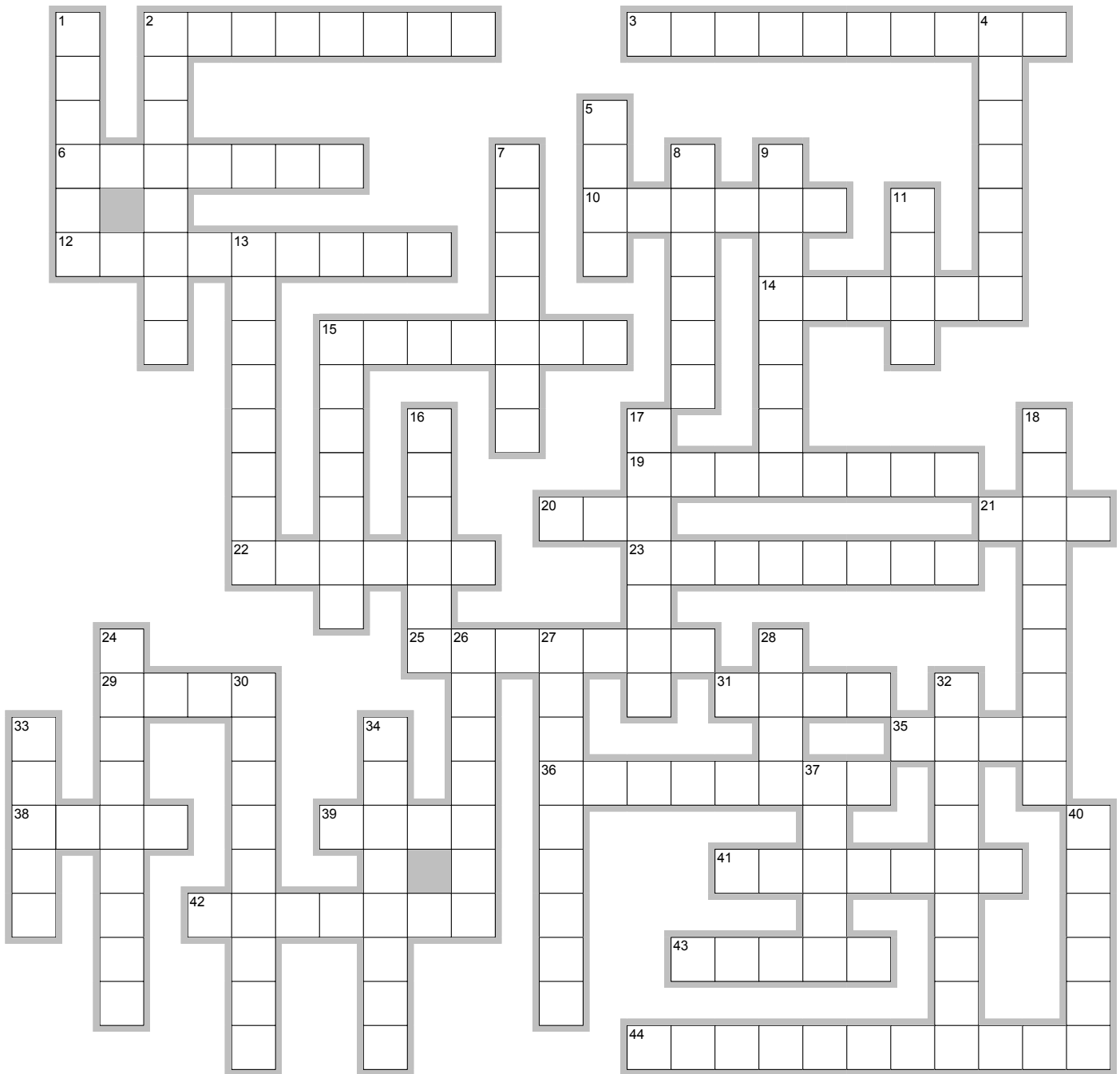


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Crossword Puzzle (Income Statement #3)



ACROSS (Income Statement #3)

2. An income statement reports the expenses that pertain to the revenues appearing on the income statement as a result of the _____ principle.
3. Auditors report that a company's financial statements have been prepared in accordance with generally accepted accounting _____.
6. Income statements issued between the full accounting year income statements are part of the _____ financial statements.
10. A company's accounting period that is not a calendar year is known as a _____ year.
12. _____ Expense is similar to Depreciation Expense except that it involves natural resources.
14. The bottom line of the income statement reports a company's net _____.
15. The balances in the income statement accounts are sometimes closed to the Income _____ account—also a temporary account.
19. When a company's accounting year ends on December 31, its accounting year is referred to as a _____ year.
20. The federal government agency that regulates the financial reporting by corporations whose stock is publicly-traded (acronym).
21. Sales minus Sales Discounts and Sales Returns and Allowances results in the amount reported as _____ Sales.
22. The income statement format where there is one subtraction of the total expenses and losses from the total of revenues and gains is the _____ -step format.
23. Sales and service fees earned are referred to as _____.
25. A large expenditure to purchase or improve a long-term asset is known as a _____ expenditure.
29. Bad _____ Expense is the income statement account associated with the balance sheet account Allowance for Doubtful Accounts.
31. The acronym for the organization setting today's accounting standards.

ACROSS (Income Statement #3)

- 35. An asset's depreciation expense is dependent on the estimated useful _____ that was assumed in the calculation.
- 36. If a corporation's stock is publicly traded, the _____ per share must appear on the income statement.
- 38. If a long-term asset that was used in a business is sold for less than its book value, a _____ should be reported.
- 39. The depreciation expense reported on the income statement is based on the _____ of the asset being depreciated, its useful life, and its salvage value.
- 41. At the end of the accounting year, _____ entries are made in order for the income statement accounts to begin the next accounting year with zero balances.
- 42. The amount paid for insurance that has not yet expired should be deferred to the asset account _____ Insurance.
- 43. Net sales minus the cost of goods sold equals _____ profit.
- 44. This accounting convention, guideline or principle allows large companies to report amounts rounded to the nearest thousand dollars.

Down (Income Statement #3)

1. The heading informs the reader of the _____ of time that is covered by the income statement.
2. The income statement format which shows at least one subtotal before reporting net income is the _____-step format.
4. Supplies used during an accounting period will appear in a company's financial statements as Supplies _____.
5. This inventory cost flow assumption will result in lower profits than other cost flow assumptions during periods of inflation.
7. A corporation's earnings per share is computed by dividing the earnings available for common stock by the weighted-_____ number of shares of common stock outstanding during the period.
8. A long-term asset (other than land) used in a business is depreciated over the asset's _____ life.
9. If a company pays a 5% commission on all of its sales, the behavior of Commission Expense is said to be _____.
11. FIFO and LIFO are examples of cost _____ assumptions.
13. Costs that are used up or expire during an accounting period are reported on the income statement as _____.
15. SG&A refers to _____, general and administrative.
16. The "P" in CPA.
17. An income statement prepared under the _____ basis of accounting will better reflect a company's profitability than the cash-basis of accounting.
18. If a corporation has cumulative _____ stock outstanding, the dividend requirement for this class of stock must be deducted from net income when computing the corporation's earnings per share.
24. The type of journal entry made at the end of an accounting period and often involving accounts such as Prepaid Insurance, Wages Payable, Supplies, etc.

Down (Income Statement #3)

- 26. Corporations whose stock is publicly traded must have their financial statements _____.
- 27. The cost of goods sold will be less than the cost of goods purchased when the balance in this asset account increases.
- 28. If a long term asset that was used in a business is sold for more than its book value, a _____ should be reported.
- 30. Because the income statement accounts are closed at the end of each accounting year, they are referred to as _____ or nominal accounts.
- 32. The word represented by "F" in FASB.
- 33. The main revenue for a retailer.
- 34. A contingent loss is reported on the income statement if the loss is _____ and the amount can be estimated.
- 37. A retailer's cost of _____ sold involves the cost of merchandise purchased and the change in the cost of its ending inventory.
- 40. In a sole proprietorship, the end of year balances from the income statement accounts will end up in the Owner's Capital account, which is part of Owner's _____.

Solutions (Income Statement #3)

