

# Accounting Basics

(Word Scramble)



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1. The financial statement that is described as a “snapshot” of a company’s financial position is the \_\_\_\_\_ sheet. **AELBCNA**
  
2. The \_\_\_\_\_ method (or basis) of accounting reports expenses when they are incurred (as opposed to when they are paid). **CUCLARA**
  
3. Land is an asset that is not \_\_\_\_\_. **ETDPDRCAEIE**
  
4. An asset’s book value is its cost minus its \_\_\_\_\_ depreciation. **UDTCAMALUCE**
  
5. The amount of prepaid insurance that has expired in the accounting period is reported as an \_\_\_\_\_. **SNEEEXPX**
  
6. A credit entry will cause the Cash account balance to \_\_\_\_\_. **EEESRADC**
  
7.  $\text{Assets} = \text{Liabilities} + \text{Stockholders' Equity}$  is known as the basic accounting \_\_\_\_\_. **UETOIANQ**
  
8. \_\_\_\_\_ will cause a corporation’s Stockholders’ Equity to increase. **EEERSUVN**
  
9. A listing of the general ledger accounts that does not include the account balances is the \_\_\_\_\_ of accounts. **TRCAH**
  
10. The general ledger accounts whose balances are closed at the end of the accounting year are the \_\_\_\_\_ statement accounts. **NMICEO**

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|--|---------------------|
| 11. The statement of cash flows reports amounts according to three activities: _____, financing, and investing.                  | <b>NOAEGTPIR</b>    |
| 12. The amount of prepaid insurance that has <u>not</u> expired as of the end of the accounting period is reported as an _____.  | <b>ESTAS</b>        |
| 13. Property is not reported at its current market value because of the cost _____.  | <b>RECIPLPN</b>     |
| 14. The _____-entry system means that each transaction will affect a minimum of two accounts and that debits must equal credits. | <b>UELDBO</b>       |
| 15. Unearned Revenues is reported on the balance sheet as a _____.   | <b>IIYBTALL</b>     |
| 16. Under the accrual method, the account that is debited at the time of a sale on credit is Accounts _____.                     | <b>EEEIBRALVC</b>   |
| 17. Under the accrual method, revenues are reported on the income statement when they are _____.                                 | <b>DRAEEN</b>       |
| 18. Under the accrual method, when a company purchases goods from a supplier on credit the company will credit Accounts _____.   | <b>YEPBAAL</b>      |
| 19. This is an allocation process (not a valuation process) associated with equipment and other plant assets.                    | <b>EIEIDAPCNRTO</b> |
| 20. The component of stockholders' equity that serves as a link to the corporation's income statement is retained _____.         | <b>GRSENANI</b>     |

# Answers

1. **BALANCE**
2. **ACCRUAL**
3. **DEPRECIATED**
4. **ACCUMULATED**
5. **EXPENSE**
6. **DECREASE**
7. **EQUATION**
8. **REVENUES**
9. **CHART**
10. **INCOME**
11. **OPERATING**
12. **ASSET**
13. **PRINCIPLE**
14. **DOUBLE**
15. **LIABILITY**
16. **RECEIVABLE**
17. **EARNED**
18. **PAYABLE**
19. **DEPRECIATION**
20. **EARNINGS**