Accounting Basics

(Word Scramble)
1. The financial statement that is described as a “snapshot” of a company’s financial position is the ________________ sheet.  

2. The ________________ method (or basis) of accounting reports expenses when they are incurred (as opposed to when they are paid).  

3. Land is an asset that is not ________________.  

4. An asset’s book value is its cost minus its ________________ depreciation.  

5. The amount of prepaid insurance that has expired in the accounting period is reported as an ________________.  

6. A credit entry will cause the Cash account balance to ________________.  

7. Assets = Liabilities + Stockholders’ Equity is known as the basic accounting ________________.  

8. ________________ will cause a corporation’s Stockholders’ Equity to increase.  

9. A listing of the general ledger accounts that does not include the account balances is the ________________ of accounts.  

10. The general ledger accounts whose balances are closed at the end of the accounting year are the ________________ statement accounts.
11. The statement of cash flows reports amounts according to three activities: ____________, financing, and investing.

12. The amount of prepaid insurance that has not expired as of the end of the accounting period is reported as an ____________.

13. Property is not reported at its current market value because of the cost ____________.

14. The ____________-entry system means that each transaction will affect a minimum of two accounts and that debits must equal credits.

15. Unearned Revenues is reported on the balance sheet as a ____________.

16. Under the accrual method, the account that is debited at the time of a sale on credit is Accounts ____________.

17. Under the accrual method, revenues are reported on the income statement when they are ____________.

18. Under the accrual method, when a company purchases goods from a supplier on credit the company will credit Accounts ____________.

19. This is an allocation process (not a valuation process) associated with equipment and other plant assets.

20. The component of stockholders’ equity that serves as a link to the corporation’s income statement is retained ____________.
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