

Accounts Receivable and Bad Debts Expense

(Crossword Puzzle)

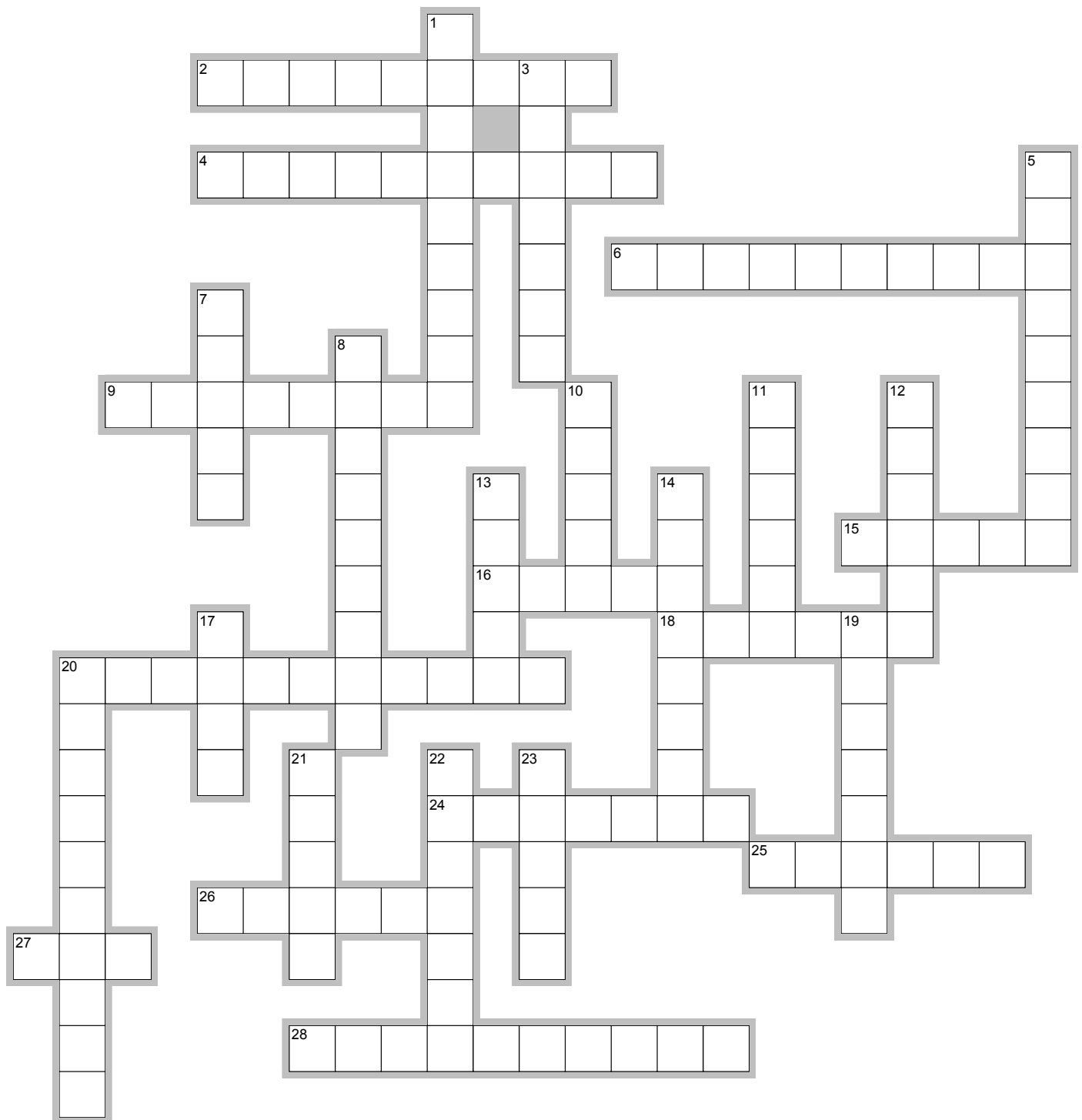


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Crossword Puzzle (Accounts Receivable and Bad Debts Expense)



ACROSS (Accounts Receivable and Bad Debts Expense)

2. The _____ method for recording bad debts expense is the preferred method to be used on a company's financial statements.
4. A company might borrow money by using its accounts receivable as _____ for the loan.
6. To remind customers of the amount it owes, a company will mail _____ to these customers. This document will show the open or unpaid invoices.
9. When goods are shipped FOB _____ point, the sale and accounts receivable will occur at the seller's dock.
15. "2/10, net 30" is an example of credit _____.
16. Under the allowance method, the write-off of a bad account will involve two current _____ accounts.
18. Usually the Allowance for Doubtful Accounts will have a _____ balance.
20. The aging of accounts receivable is associated with the percentage of _____ method for determining the amount of Bad Debts Expense.
24. The calculation of the accounts receivable turnover ratio is net credit sales divided by the _____ balance of accounts receivable.
25. A company that is in the business of purchasing accounts receivable.
26. The allowance account associated with accounts receivable is a _____-asset account.
27. The direct write-off method is required for federal income _____ purposes.
28. When an uncollectible account is written off, the account to be credited is Accounts _____.

Down (Accounts Receivable and Bad Debts Expense)

1. The sale of accounts receivable.
3. Accounts receivable is classified on the balance sheet as a _____ asset.
5. Sales _____ allow customers to deduct a small percentage of the amount owed if the customer pays the amount owed within a specified period of time.
7. A trade discount is often expressed as a percentage that a customer can deduct from a list _____ appearing in a catalog.
8. While the control account for Accounts Receivable can be updated only when _____ statements are prepared, the subsidiary ledger for accounts receivable should be updated as often as possible.
10. Under the allowance method, the percentage of _____ approach focuses on the income statement rather than the balance sheet.
11. Under the allowance method, the journal entry to write-off a bad account will not cause a change in the amount of a company's net _____.
12. There is no allowance account when using the _____ write-off method of recognizing bad debts expense.
13. Accounts Receivable that arise from the regular sales of merchandise are also referred to as _____ receivables.
14. A company with millions of credit transactions will find that the allowance method does a better job of _____ bad debts expense with revenues than the direct write-off method.
17. Bad _____ Expense is also referred to as an Uncollectible Account Expense.
19. The document sent to the customer when merchandise is shipped is a sales _____.
20. Accounts receivable minus the allowance for uncollectible accounts is the calculation to determine the net _____ (or cash) value of the accounts receivable.
21. Sorting the accounts receivable into current, 1-30 days past due, 31-60 days past due, and so on, is known as the _____ of accounts receivable.

Down (Accounts Receivable and Bad Debts Expense)

22. When using the percentage of receivables under the allowance method, the focus is on obtaining the appropriate_____ in the allowance account.
23. If a company using the allowance method writes off more than the balance available in its allowance account, the account will have a _____ balance.

Solutions (Accounts Receivable and Bad Debts Expense)

