

## Accounting II

### LAP 3 - Cash, Short-Term Investments, and Accounts Receivable.



Name \_\_\_\_\_

Period \_\_\_\_\_

Date Started \_\_\_\_\_

Date Completed \_\_\_\_\_

**DoDEA Standards**

- ◆ **PT1b** Use accounting procedures for planning, organizing, and allocating resources
- ◆ **PT1f** Be proficient in the use of technology
- ◆ **PT1h** Apply trouble shooting techniques and processes
- ◆ **PT3d** Use technology tools and resources for managing and communicating personal/professional information, e.g., finances, schedules, addresses, purchases, and correspondence
- ◆ **PT4** Use information-gathering techniques, analyze and evaluate information, and use information technology to assist in collecting, analyzing, organizing, and presenting information

**Objectives**

- ◆ Account for cash and short-term investments.
- ◆ Explain the difference between the direct write-off method and the allowance method of accounting for uncollectible accounts.
- ◆ Record the adjusting entry for estimated uncollectible accounts.
- ◆ Journalize the entries to write off uncollectible accounts receivable using both the direct write-off and allowance methods.
- ◆ Journalize the reinstatement of an account receivable that was previously written off.
- ◆ Calculate the adjustment for uncollectible accounts expense using the percentage of net sales and the aging of accounts receivable methods..
- ◆ Define the accounting terms reviewed in this chapter.

**Resources** Accounting-Real World Applications & Connections – Advanced Course  
 Chapter Reviews and Working Papers (Accounting Workbook)  
 CD ROM – Electronic Learning Center Student Package

**Time Frame** 7 hours

#### Introduction

In chapter 3 you will study the recording of transactions for short term transactions such as U.S. Treasury Bills. In addition, the chapter discusses uncollectible accounts receivable using the direct write off method, presented first, followed by the allowance method.

#### Assignments

Where appropriate and possible, written answers must be in complete sentences and keyed. Turn in completed activities as directed by instructor. Problems marked with an asterisk (\*) can be completed in three different ways: manually, Peachtree for Windows (CD ROM), or Glencoe Integrated Accounting. Ask your instructor for directions. If you are going to complete the problems electronically, you must read the pages titled Computerized Accounting Using Peachtree in every chapter of the Working Papers.

\_\_\_\_\_ Read Accounting for Assets, Liabilities, and Equity and Cash, Short-Term Investments, and Accounts Receivable, pp. 76-79

\_\_\_\_\_ Read Section 1, Accounting for Cash and Short-Term Investments, pp. 80-88

- \_\_\_\_\_ Complete the following exercises on p. 89: Thinking Critically, Analyzing Accounting and Problem 3-1 using appropriate working papers
  - \_\_\_\_\_ Read Section 2, Accounting for Accounts Receivable, pp. 90-104
  - \_\_\_\_\_ Complete the following exercises on p. 105: Thinking Critically, Communicating Accounting and Problems 3-2 and 3-3 using appropriate working papers
  - \_\_\_\_\_ Read Accounting Careers in Focus, p. 106 and answer the Thinking Critically question
  - \_\_\_\_\_ Review the Chapter 3 Summary on p. 107
  - \_\_\_\_\_ Complete Understanding Accounting Concepts and Procedures on p. 108
  - \_\_\_\_\_ Complete Chapter 3 Review and Activities on p. 109 (see instructor)
  - \_\_\_\_\_ Read Chapter 3 Computerized Accounting, p. 110
  - \_\_\_\_\_ Complete MANUALLY End-of-Chapter problems on pp. 111-113, Problems 3-4, 3-5, 3-6, and 3-7, using appropriate working papers **OR**:
  - \* \_\_\_\_\_ Read and complete ELECTRONICALLY in The Chapter Reviews and Working Papers pp. 141-146, Problems 3-4, 3-5, 3-6, and 3-7
  - \* \_\_\_\_\_ Complete Spreadsheet Problem 3-8 on p. 113 using appropriate working papers
  - \_\_\_\_\_ Complete Chapter 3 Review on pp. 138-139 of the Working Papers
  - \_\_\_\_\_ Complete Self-Test on pp. 155-156 of the Working Papers
- \_\_\_\_\_ **Take Chapter 3 Test**

**Self Assessment - "I/I can . . . "**

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- \_\_\_\_\_ Define the accounting terms reviewed in this chapter.