Accounting I

LAP 24 - Uncollectible 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

- Explain the direct write-off method and the allowance method of accounting for uncollectible accounts.
- Journalize the entry to record the direct write-off of an uncollectible accounts receivable.
- Journalize the adjusting entry for estimated uncollectible accounts.
- Journalize the entry to write off an uncollectible account using the allowance method.
- Journalize the entry to record the collection of an account that was previously written off.
- Describe two methods that can be used to estimate uncollectible accounts expense.

Resources Accounting-Real World Applications & Connections – First-Year Course
Chapter Reviews and Working Papers (Accounting Workbook)
CD ROM
Electronic Field Trip

Time Frame 5 hours

Introduction

Although businesses check to make sure that customers buying on account are good credit risks, sometimes those customers do not pay. In Chapter 24 you will learn how businesses allow for uncollectible accounts receivable and how they adjust the accounting records to reflect unpaid customer balances.

Assignments

Where appropriate and possible, written answers must be in complete sentences and keyed. Turn in completed activities as directed by instructor.

_____ View Electronic Field Trip, Business Ethics
_____ Read, Uncollectible Accounts Receivable, pp. 650-651
_____ Read Section 1, The Direct Write-Off Method, pp. 652-656
_____ Complete the following exercises on p. 657: Thinking Critically, Communicating Accounting and Problem 24-1 using appropriate working papers
_____ Read Section 2, The Allowance Method, pp. 658-665

_____ Complete the following exercises on p. 666: Thinking Critically, Analyzing Accounting and Problem 24-2 using appropriate working papers
_____ Read Section 3, Estimating Uncollectible Accounts Receivable, pp. 667-669
_____ Complete the following exercises on p. 670: Thinking Critically, Computing in the Business World and Problem 24-3 using appropriate working papers
_____ Review the Chapter 24 Summary on p. 671
_____ Complete Understanding Accounting Concepts and Procedures on p. 672
_____ Complete Chapter 24 Review and Activities on p. 673 (see instructor)
_____ Read Chapter 24 Computerized Accounting, p. 674
_____ Complete End-of-Chapter problems on pp. 675-677, Problems 24-4, 24-5, 24-6, 24-7, 24-8 and 24-9 using the appropriate working papers
_____ Complete Chapter 24 Review on pp. 688-689 of the Working Papers
_____ Complete Self-Test on pp. 727-728 of the Working Papers
_____ Complete CD Rom (see instructor for directions)

_____ **Take Chapter 24 Test**

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

_____ Explain the direct write-off method and the allowance method of accounting for uncollectible accounts.
_____ Journalize the entry to record the direct write-off of an uncollectible accounts receivable.
_____ Journalize the adjusting entry for estimated uncollectible accounts.
_____ Journalize the entry to write off an uncollectible account using the allowance method.
_____ Journalize the entry to record the collection of an account that was previously written off.
_____ Describe two methods that can be used to estimate uncollectible accounts expense.