

Accounting I
LAP 26 – Notes Payable and Receivable
Mini Practice Set - Kite Loft, Inc.
Digital Express - Simulation



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
- ◆ **PT2b** Employ technology in the development of strategies for solving of problems in the real world.
- ◆ **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 how promissory notes are used by businesses.
- ◆ Determine the due date, interest expense, and maturity value of a promissory note.
- ◆ Explain the difference between interest-bearing and non-interest-bearing notes.
- ◆ Record journal entries for notes payable and notes receivable.
- ◆ Define the accounting terms introduced in this chapter.

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

Time Frame 8 hours **without** Digital Express Simulation – **with** Simulation - 15

Introduction

In chapter 25 you will learn to record notes payable and receivable. You will also learn the characteristics of notes and how to calculate interest on various types of notes.

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, Accounting All Around You
- _____ Read, Notes Payable and Receivable, pp. 700-701
- _____ Read Section 1, Promissory Notes, pp. 702-706

- _____ Complete the following exercises on p. 707: Thinking Critically, Computing in the Business World, and Problem 26-1 and 26-2 using appropriate working papers
- _____ Read Section 2, Notes Payable, pp. 708-714
- _____ Complete the following exercises on p. 715: Thinking Critically, Communicating Accounting and Problem 26-3 and 26-4 using appropriate working papers
- _____ Read Section 3, Notes Receivable, pp. 716-717
- _____ Complete the following exercises on p. 718: Thinking Critically, Analyzing Accounting and Problem 26-5 using appropriate working papers
- _____ Review the Chapter 26 Summary on p. 719
- _____ Complete Understanding Accounting Concepts and Procedures on p. 720
- _____ Complete Chapter 26 Review and Activities on p. 721 (see instructor)
- _____ Read Chapter 26 Computerized Accounting, p. 722
- _____ Complete End-of-Chapter problems on pp. 723-725, Problems 26-6, 26-7, 26-8, 26-9 and 26-10 using the appropriate working papers
- _____ Complete Chapter 26 Review on pp. 748-749 of the Working Papers
- _____ Complete Self-Test on pp. 765-766 of the Working Papers
- _____ Complete CD Rom (see instructor for directions)

- _____ **Take Chapter 26 Test**

- _____ **Take Unit Test 5**

- _____ Complete Mini Practice Set, Kite Loft, Inc., pp. 726-729 using the appropriate working papers

- _____ **Take Kit Loft, Inc. Audit Test, pp. 797-798 of The Working Papers**

**PLEASE SEE YOUR INSTRUCTOR FOR DIRECTIONS CONCERNING THE BUSINESS SIMULATION –
DIGITAL EXPRESS**

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

- _____ Explain how promissory notes are used by businesses.
- _____ Determine the due date, interest expense, and maturity value of a promissory note.
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- _____ Record journal entries for notes payable and notes receivable.
- _____ Define the accounting terms introduced in this chapter.