

Accounting I**LAP 9 - Financial Statements for a Sole Proprietorship**

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 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 purpose of the income statement.
- ◆ Prepare an income statement.
- ◆ Explain the purpose of a statement of changes in owner's equity
- ◆ Prepare a statement of changes in owner's equity.
- ◆ Explain the purpose of the balance sheet.
- ◆ Explain and compute the return on sales percentage.
- ◆ Calculate liquidity ratios and explain their function.
- ◆ Prepare a balance sheet.
- ◆ Define the accounting terms introduced in this chapter.

Resource 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

In chapter 9, you will complete the seventh step in the accounting cycle. You will learn to prepare an income statement, a statement of changes in owner's equity, and a balance sheet in this chapter.

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 Transactions
- _____ Read, Financial Statements for a Sole Proprietorship, pp. 202-203
- _____ Read Section 1, The Income Statement, pp. 204-208
- _____ Complete the following exercises on p. 209: Thinking Critically, Communicating Accounting and Problem 9-1, using appropriate working papers
- _____ Read Section 2, The Statement of Changes in Owner's Equity, pp. 210-213

- _____ Complete the following exercises on p. 214: Thinking Critically, Analyzing Accounting and Problem 9-2, using the appropriate working papers
- _____ Read Accounting Careers in Focus, p. 215 and answer the Thinking Critically question
- _____ Read Section 3, The Balance Sheet, pp. 216-221
- _____ Complete the following exercises on p. 222: Thinking Critically, Communicating Accounting and Problem 9-3, using the appropriate working papers
- _____ Review the Chapter 9 Summary on p. 223
- _____ Complete Understanding Accounting Concepts and Procedures on p. 224
- _____ Complete Chapter 9 Review and Activities on p. 225 (see instructor)
- _____ Read Chapter 9 Computerized Accounting, p. 226
- _____ Complete End-of-Chapter problems on pp. 227-228 Problems 9-4, 9-5, 9-6 and 9-7 using appropriate working papers
- _____ Read Computerized Accounting Using Spreadsheets, pp 177-178 in The Working Papers
- _____ Complete the Spreadsheet Problem 9-8 on p. 228-229
- _____ Complete Chapter 9 Review on pp. 172-173 of the Working Papers
- _____ Complete Self-Test on pp. 189-190 of the Working Papers
- _____ Complete CD Rom (see instructor for directions)

- _____ **Take Chapter 9 Test**

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

- _____ Explain the purpose of the income statement.
- _____ Prepare an income statement.
- _____ Explain the purpose of a statement of changes in owners equity.
- _____ Prepare a statement of changes in owner's equity.
- _____ Explain the purpose of the balance sheet.
- _____ Explain and compute the return on sales percentage.
- _____ Calculate liquidity ratios and explain their function.
- _____ Prepare a balance sheet.
- _____ Define the accounting terms introduced in this chapter.