

Accounting II

LAP 4 - Notes 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
- ◆ **PT2b** Employ technology in the development of strategies for solving problems in the real world.
- ◆ **PT3d** Use technology tools and resources for managing and computing 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 why a business uses negotiable instruments.
- ◆ Determine the maturity date of a promissory note.
- ◆ Calculate the interest and maturity value of a promissory note.
- ◆ Determine the bank discount on a discounted note.
- ◆ Record journal entries for notes receivable.
- ◆ 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 4 you will learn about notes receivable and determine maturity date, and maturity value and record notes receivable in a business’s accounting system. You will also learn how to handle dishonored and discounted notes and how to account for accrued interest income.

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, Notes Receivable, pp. 114-115
- _____ Read Section 1, Negotiable Instruments, pp. 116-119
- _____ Complete the following exercises on p. 120: Thinking Critically, Analyzing Accounting and Problem 4-1 using appropriate working papers
- _____ Read Section 2, Notes Receivable, pp. 121-124

- _____ Complete the following exercises on p. 125: Thinking Critically, Communicating Accounting and Problems 4-2 and 4-3 using appropriate working papers
- _____ Read Section 3, Discounting Notes Receivable, pp. 126-133
- _____ Complete the following exercises on p. 134: Thinking Critically, Computing in the Business World and Problem 4-4 using appropriate working papers
- _____ Review the Chapter 4 Summary on p. 135
- _____ Complete Understanding Accounting Concepts and Procedures on p. 136
- _____ Complete Chapter 4 Review and Activities on p. 137 (see instructor)
- _____ Read Chapter 4 Computerized Accounting, p. 138
- _____ Complete MANUALLY End-of-Chapter problems on pp. 139-141, Problems 4-6, 4-7, 4-8 and 4-9 using appropriate working papers **OR**:
- * _____ Read and complete ELECTRONICALLY in The Chapter Reviews and Working Papers pp. 163-166, Problems 4-6, 4-7, 4-8 and 4-9
- * _____ Complete Spreadsheet Problem 4-5 on p. 139 using appropriate working papers
- _____ Complete Chapter 4 Review on pp. 158-159 of the Working Papers
- _____ Complete Self-Test on pp. 175-176 of the Working Papers

- _____ **Take Chapter 4 Test**

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

- _____ Explain why a business uses negotiable instruments.
- _____ Determine the maturity date of a promissory note.
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- _____ Record journal entries for notes receivable.
- _____ Define the accounting terms reviewed in this chapter.