

## Accounting II

### LAP 7 – Notes Payable, Accounts Payable, and Other Current Liabilities



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 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**

- ◆ Distinguish between current and long-term liabilities.
- ◆ Explain the difference between interest-bearing and non-interest-bearing notes payable.
- ◆ Record transactions for interest-bearing and non-interest-bearing notes payable.
- ◆ Record adjusting entries for accrued interest expense and prepaid interest expense.
- ◆ Record net invoices and other current liabilities.
- ◆ Define the accounting terms introduced 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 7 you learn about interest-bearing notes payable and non-interest bearing notes payable and how to record the issuance, payment, and renewal of them. In addition, you will learn about salaries payable and unearned revenue.

**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 Payable, Accounts Payable, and Other Current Liabilities, pp. 200-201
- \_\_\_\_\_ Read Section 1, Interest-Bearing Notes Payable pp. 202-208
- \_\_\_\_\_ Complete the following exercises on p. 209: Thinking Critically, Analyzing Accounting and Problem 7-1 using appropriate working papers
- \_\_\_\_\_ Read Section 2, Non-Interest-Bearing Notes Payable, pp. 210-215

- \_\_\_\_\_ Complete the following exercises on p. 216: Thinking Critically, Communicating Accounting and Problem 7-2 using appropriate working papers
- \_\_\_\_\_ Read Accounting Careers in Focus, p. 217 and answer the Thinking Critically question
- \_\_\_\_\_ Read Section 3, Accounts Payable and Other Current Liabilities, pp. 218-225
- \_\_\_\_\_ Complete the following exercises on p. 226: Thinking Critically, Computing in the Business World and Problem 7-3 using appropriate working papers
- \_\_\_\_\_ Review the Chapter 7 Summary on p. 227
- \_\_\_\_\_ Complete Understanding Accounting Concepts and Procedures on p. 228
- \_\_\_\_\_ Complete Chapter 7 Review and Activities on p. 229 (see instructor)
- \_\_\_\_\_ Read Chapter 7 Computerized Accounting, p. 230
- \_\_\_\_\_ Complete MANUALLY End-of-Chapter problems on pp. 331-233, Problems 7-4,7-5, 7-6, 7-7, 7-8 and 7-9 using appropriate working papers **OR:** ,
- \* \_\_\_\_\_ Read and complete ELECTRONICALLY in The Chapter Reviews and Working Papers pp. 223-228, Problems 7-4,7-5, 7-6, 7-7, 7-8 and 7-9
- \_\_\_\_\_ Complete Chapter 7 Review on pp. 218-219 of the Working Papers
- \_\_\_\_\_ Complete Self-Test on pp. 237-238 of the Working Papers
  
- \_\_\_\_\_ **Take Chapter 7 Test**

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

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- \_\_\_\_\_ Record adjusting entries for accrued interest expense and prepaid interest expense.
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