

Chapter 6 Worksheet and Adjusting Entries for a Service Business

Vocabulary:

- Fiscal period
- Fiscal year
- Worksheet
- Trial balance
- Prepaid expense
- Accrual basis of accounting
- Cash basis of accounting
- Adjustments
- Balance sheet
- Income statement
- Net income
- Net loss
- Adjusting entries

Learning Objectives

After studying Chapter, in addition to defining key terms, you will be able to:

- ✓ LO1 Prepare the heading of a work sheet.
- ✓ LO2 Prepare the trial balance section of a work sheet.
- ✓ LO3 Analyze and explain the adjustments for supplies and prepaid insurance.
- ✓ LO4 Complete the Adjustments columns of a work sheet.
- ✓ LO5 Prepare the Balance Sheet and Income Statement columns of a work sheet.
- ✓ LO6 Total and rule the work sheet.
- ✓ LO7 Apply the steps for finding errors on a work sheet.
- ✓ LO8 Journalize and post the adjusting entries for supplies and prepaid insurance.

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“We back up our data on sticky notes because sticky notes never crash.”

Competencies:

6320: Accounting

- 10: Demonstrate critical-thinking and problem-solving skills.
- 18: Demonstrate proficiency with technologies common to a specific occupation.
- 43: Prepare a trial balance.
- 44: Plan end-of-period adjustments using a work sheet.
- 48: Analyze the differences between net income and net loss.
- 53: **Maintain financial records for a service business, using accounting software.**
- 54: Maintain financial records for a service business, using spreadsheet software.
- 65: Generate trial balance and end-of-period adjustments for a merchandising business using a work sheet