**North East School Division**

**Unpacking Outcomes**

Module 31B: Bad Debts (Optional)

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| **Unpacking the Outcome** | | |
| Examine --> bad debts (expense) | | |
| **Outcome**(circle the verb and underline the qualifiers) | | |
| Examine bad debts expense using the allowance method. | | |
| **KNOW** | **UNDERSTAND** | **BE ABLE TO DO** |
| Vocabulary:  Direct Write off method of bad debts  Allowance method for bad debits  Book Value of Accounts Receivable | That  Which method you use is dependent on the size of your businesses and the number of on account sales you have. | 1. Define write-off using the allowance method and direct write-off. 2. Differentiate between a write-off and a direct write-off. 3. Explain the purpose of the allowance method for recording losses from uncollectible accounts. 4. Compute the amount of estimated bad debt for a business and prepare adjusting entries using the aging and percentage of net sales methods. 5. Perform the entries for writing off an uncollectible accounts receivable, using the write-off from an allowance account method. 6. Account for the collection of an account receivable that was written off. |
| **ESSENTIAL QUESTIONS** | | |
| Which method of handling bad debts allows for the most accurate representation of a businesses Net income? | | |