**North East School Division**

**Unpacking Outcomes**

Module 32: Promissory Notes (Optional)

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| **Unpacking the Outcome**  |
| Analyze --> entriesRecord --> entries   |
| **Outcome**(circle the verb and underline the qualifiers)  |
| Analyze and record entries related to promissory notes.  |
| **KNOW**  | **UNDERSTAND**  | **BE ABLE TO DO**  |
| Vocabulary:Note payableNote receivablePayeePrincipalInterestMaturity dateInterest incomeInterest expenseDishonored notePromissory note | That Promissory notes lead to both accrued revenue and accrued expenses. Which must be reported on our income statement.The accurate reporting of accrued revenues and expenses involves the Matching Principal. | 1. Define accounting terms and concepts such as note payable, note receivable, maker of a note, payee, principal, interest rate, maturity date, term, maturity value, interest income, interest expense and dishonored note related to promissory notes
2. Record the acceptance of a note as receivable or payable
3. Calculate the maturity date of promissory notes.
4. Calculate the interest or expense on promissory notes.
5. Account for the collection or payment of promissory notes.
6. Account for a dishonored promissory note receivable.
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| **ESSENTIAL QUESTIONS**  |
|  What is a promissory note and how does it affect our financial statements? |