**North East School Division**

**Unpacking Outcomes** - Module 9: Adjusting and Closing Entries (Core)

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| **Unpacking the Outcome**  |
| Generate --> entries (adjusting and closing)  |
| **Outcome**(circle the verb and underline the qualifiers)  |
| Generate adjusting and closing entries in relation to the appropriate accounting period.  |
| **KNOW**  | **UNDERSTAND**  | **BE ABLE TO DO**  |
| Vocabulary: Adjusting EntriesClosing EntriesPermanent AccountsTemporary AccountsIncome SummaryJournalizing Examples of Pre-Paid Expenses: * supplies, insurance, advertising (\*1)

Examples of Closing Entries: * update accounts, transferring net income/loss to owners’ equity account (\*2)
 | That* Temporary accounts begin and end each fiscal period with a balance of zero
* The closing process updates the balance of the owner’s equity account
* The closing entries return the temporary accounts to zero
* Adjustments help to make your financial statements more accurate
 | 1. Describe how the matching principle justifies the need for adjusting and closing entries.
2. Record adjusting entries in the general or combination journal for all prepaid expenses (\*1)
3. Transfer the adjusting entries from the general or combination journal to the ledger by posting them to appropriate ledger account
4. Distinguish between permanent and temporary accounts.
5. Identify the new account income summary as a temporary account.
6. Define and discuss the purpose of closing entries (\*2).
7. Calculate and prepare closing entries by journalizing each entry and posting them to the ledger to bring temporary accounts to zero.
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| **ESSENTIAL QUESTIONS**  |
|  How does the Net Income/Loss get into the Capital Account?How do we prepare for the next fiscal period?Why do we have fiscal periods? |