**North East School Division**

**Unpacking Outcomes**
 **Module 19: Steps 4-8 of Accounting Cycle for Merchandising Business (Core)**

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| **Unpacking the Outcome**  |
| Implement --> steps 4-8 (accounting cycle)  |
| **Outcome**(circle the verb and underline the qualifiers)  |
| Implement steps 4-8 of the accounting cycle for a merchandising business.  |
| **KNOW**  | **UNDERSTAND**  | **BE ABLE TO DO**  |
| Vocabulary:(the following are all vocab learned in grade 10)Proving a ledgerWorksheetAdjustmentsBalance sheetIncome StatementClosing EntriesFiscal Period | That The steps to proving the ledger and finding errors are the same as grade 10.The worksheet is the same format as grade 10 but with an added adjustment for Inventory.A Worksheet is an informal/temporary paper used by students. Everything on the worksheet gets transferred somewhere else.There are two methods for handling the adjustment for Inventory.The balance sheet is essentially the same with the addition of InventoryThe income statement needs a new section added for COGS. This is critical information for a merchandising business.Closing entries are still four steps but more accounts are included. These steps allow for the closing of the beginning inventory and the addition of the ending inventory. | 1. Prove the accuracy of the general ledger for a merchandising business by preparing a trial balance.
2. Complete a worksheet by organizing and planning adjustments and sorting account balances into the correct financial statement columns to calculate the net income/loss.
3. Prepare a balance sheet, income statement and statement of owners' equity for a merchandising business.
4. Examine and discuss who reads financial statements and why they do.
5. Prepare the journal entries for adjusting and closing entries for the end of the accounting period in the general or synoptic/combination journal.
6. Post the adjusting and closing entries by transferring them from the journals to the general ledger to close the temporary accounts and prepare the business books for the next accounting period.
7. Prepare a post-closing trial balance to check the equality of the general ledger upon completion of the accounting cycle in a merchandising business.
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| **ESSENTIAL QUESTIONS**  |
|  Are we making a profit or are a loss? Identify which form has specified information, such as Revenue, assets, inventory?What steps need to be done to get ready for the next fiscal period? |