**North East School Division**

**Unpacking Outcomes**

Module 33: Accrued Revenue (Optional)

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| **Unpacking the Outcome**  |
| Examine --> entries (accrued and deferred)  |
| **Outcome**(circle the verb and underline the qualifiers)  |
| Examine entries related to accrued and deferred revenue and expenses.  |
| **KNOW**  | **UNDERSTAND**  | **BE ABLE TO DO**  |
| Vocabulary:Accrued revenueAccrued expensesUnearned revenuePrepaid/Deferred expensesReversing entries | That Notes receivable and payable lead to accrued revenue, accrued expenses and prepaid expenses.That an item such as supplies can be recorded as an asset or as an expense. The method used to make the initial entry will impact the method used to record the adjusting entryWhen an asset or liability increase in an adjustment a reversing entry is required.Adjustments related to accruals reflect the Matching Principal. Revenues and expenses need to be recorded in the correct fiscal period.That these adjustments can greatly impact the look of both your balance sheet and your income statement. | 1. Define accounting terms and concepts related to accruals such as accrual, deferral, reversing entry, accrued expense, accrued interest, expense, deferred revenue and deferred expense.
2. Calculate the accrued interest earned on a note receivable in the fiscal period, and record the adjusting entry for the accrued interest revenue.
3. Record entries for accrued revenue including reversing entry and receipt of payment on a note receivable with accrued interest.
4. Calculate the interest expense owed on a note payable for the fiscal period, and record the adjusting entry for the accrued expense.
5. Record the entries for accrued expense including reversing entry and payment on a note payable with accrued interest.
6. Record an entry to receive cash on deferred revenue.
7. Calculate the amounts and record the entry for deferred revenue when earned.
8. Record an entry to pay cash on a deferred expense.
9. Calculate the amount and record the entry for a deferred expense when incurred.
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| **ESSENTIAL QUESTIONS**  |
|  How to do you determine if an adjusting entry is required for accrued items?How do you determine if a reversing entry is required?Why are adjustments required for accrued revenue? |