ACCOUNTING WITH GRAPHIC ORGANIZERS

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Douglas County High School
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WHAT IS THE CONCEPT YOUR STUDENTS STRUGGLE WITH THE MOST?

▪ For mine it is . . .
  ▪ The order of the process
  ▪ And POSTING

▪ So over the years I have tried different methods to help students grasp the work flow in accounting
WHAT WORKS FOR ME

- Using graphics found in textbooks, online, or self made to teach:
  - Basic Accounting Cycle
  - Expanded Accounting Cycle
  - Basic Accounting Equation
  - Classifying Account Types
BASIC ACCOUNTING CYCLE

The Accounting Cycle
WALK THRU EACH STEP

1. Collect and verify source documents
2. Analyze each transaction
3. Journalize each transaction
4. Post to the ledger
5. Prepare a trial balance
6. Prepare a worksheet
7. Prepare financial statements
8. Journalize and post closing entries
9. Prepare a post-closing trial balance

The Accounting Cycle
1. Collect and verify source documents

The Accounting Cycle

2.

3.

4.

5.

6.

7.

8.

9.
The Accounting Cycle

1. Collect and verify source documents
2. Analyze each transaction
3.
4.
5.
6.
7.
8.
9.
Journalize each transaction

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2. Analyze each transaction

3. Journalize each transaction

The Accounting Cycle

4.

5.

6.

7.

8.

9.
Journalize each transaction 

Post to the ledger 

The Accounting Cycle 

1. Collect and verify source documents 

2. Analyze each transaction 

3. Journalize each transaction 

4. Post to the ledger
Journalize each transaction

Post to the ledger

Prepare a trial balance

The Accounting Cycle

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2. Analyze each transaction

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8. Journalize and Post Closing Entries

9. The Accounting Cycle
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9. Prepare a Post-Closing Trial Balance
NEXT CLASS OR SO

- Hand out blank copy
  - See how many they can fill in (like a pop quiz)
- I don’t take a grade on that one
  - Let them know that next class it will be for a grade
- Yes, it is memorizing
  - But that is where it starts
- Once they know the order they can begin to add meaning to it
NEXT WE EXPAND ON EACH STEP

- First we will look at expanding only the first two steps
  - Looking at source documents
  - Then verbalizing the transactions
  - Transitioning into analyzing the transaction into its debit/credit parts
EXPANDING EACH STEP

The Accounting Cycle

1. 1.
2. 2.
3. 3.
4. 4.

5. 1.
6. 2.
7. 3.
8. 4.
9. 5.

[only two required]
As you move thru the cycle . . .
- Expand each step
- Continue to pop quiz periodically
1. Collect and verify source documents

The Accounting Cycle

2.

3.

4.

5.

6.

7.

8.

9.
The Accounting Cycle

1. Collect and verify source documents
2. Analyze each transaction
3. 
4. 
5. 
6. 
7. 
8. 
9.
AS PART OF THAT 2\textsuperscript{ND} STEP

- DEBIT/CREDIT RULES
Basic Accounting Equation:

\[
\text{Assets} - \text{Liabilities} - \text{Owner's Equity}
\]

T Accounts:

<table>
<thead>
<tr>
<th>Account Name</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
</table>

Note: Every transaction affects at least two accounts!!!

Debit/Credit Rules:

***TOTAL DEBITS MUST EQUAL TOTAL CREDITS***

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>LIABILITIES</th>
<th>OWNER'S EQUITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debit</td>
<td>Credit -</td>
<td>Credit + Balance</td>
</tr>
<tr>
<td>Credit</td>
<td>Debit -</td>
<td>Debit + Balance</td>
</tr>
</tbody>
</table>
BACK SIDE OF THE CARD

<table>
<thead>
<tr>
<th>ASSET ACCOUNTS</th>
<th>LIABILITY ACCOUNTS</th>
<th>(TEMPORARY CAPITAL ACCOUNTS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash in Bank</td>
<td>Accounts Payable</td>
<td>WITHDRAWALS</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td></td>
<td>Debit</td>
</tr>
<tr>
<td>Office Furniture</td>
<td></td>
<td>Balance</td>
</tr>
<tr>
<td>Office Supplies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Computer Equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Delivery Equipment</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

EXPENSE

<table>
<thead>
<tr>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>Balance</td>
<td></td>
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</table>

OWNER'S CAPITAL ACCOUNTS:
- Stewart, Capital
- Stewart, Withdrawals
- Revenue/Fees (names vary)
- Advertising Expense
- Maintenance Expense
- Miscellaneous Expense
- Rent Expense
- Supplies Expense
- Utilities Expense
SPECIAL JOURNALS

- Another area of issue for students
  - Purchases
  - Sales
  - Cash Receipts
  - Cash Payments

- When to use the General Journal
<table>
<thead>
<tr>
<th>Purchases</th>
<th>Cash Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>Cash Receipts</td>
</tr>
<tr>
<td>General Journal</td>
<td></td>
</tr>
</tbody>
</table>
Purchases

Purchases of merchandise for resale in the business on account

Post to sub ledger regularly and independently

Post total to general ledger at end of month (Purchases debit **AND** Accounts Payable credit)
CASH PAYMENTS

ONLY payments of cash

Post regularly and individually the accounts to the sub ledger and any amounts in the general columns

Post column totals at end of cycle for Accts Payable, Purchases Discount, Cash
Sales

Sales of merchandise on account

Post regularly and individually the accounts to sub ledger

Post column totals at the end of cycle for Accounts Receivable debit, Sales credit, Sales Tax Payable credit
CASH RECEIPTS

ONLY cash receipts (when you receive cash)

Post regularly and individually the accounts to the sub ledger and any amounts in the general columns

Post column totals at end of cycle for Accts Receivable credit, Sales credit, Sales Tax Payable credit, Sales Discount debit, Cash debit
GENERAL JOURNAL

All other transactions including correcting, adjusting, and closing entries; purchase and sales returns and allowances
<table>
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<tr>
<th>Purchases</th>
<th>Cash Payments</th>
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</thead>
<tbody>
<tr>
<td>Purchases of merchandise for resale in the business on account</td>
<td>ONLY payments of cash</td>
</tr>
<tr>
<td>Post to sub ledger regularly and independently</td>
<td>Post regularly and individually the accounts to the sub ledger and any amounts in the general columns</td>
</tr>
<tr>
<td>Post total to general ledger at end of month</td>
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<tr>
<td>(Purchases debit AND Accounts Payable credit)</td>
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TEACHING THE SPECIAL JOURNALS

- Start with an introduction of why we separate the transactions out
  - Then to the Index Card
  - Students use it as we progress through the transactions for each journal
Now you have tools to help teach . . .
  - The accounting cycle
  - Debit / Credit Rules
  - Account Classification
  - Special Journals

I hope these will be helpful

I can send you the PowerPoints that go with each Graphic Organizer if you email me at dianna.Johnson@douglas.k12.ga.us

This presentation and the handouts will be on the conference web site.