

Intermediate ACCT Cheat Sheet

by cmobe2 via cheatography.com/13569/cs/1466/

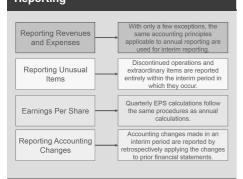
First Part of semester

| | Year 1 | Year 2 | Year 3 | Total |
|---------------------------------|-------------|-----------|-----------|-----------|
| Sales (on credit) | \$100,000 | \$100,000 | \$100,000 | \$300,000 |
| Net Operating Cash Flows | | | | |
| Cash receipts from customers | \$ 50,000 | \$125,000 | \$125,000 | \$300,000 |
| Cash disbursements: | | | | |
| Prepayment of three years' rent | (60,000) | -0- | -0- | (60,000) |
| Salaries to employees | (50,000) | (50,000) | (50,000) | (150,000) |
| Utilities | (5,000) | (15,000) | (10,000) | (30,000) |
| Net operating cash flow | \$ (65,000) | \$ 60,000 | \$ 65,000 | \$ 60,000 |

Trial Worksheet

| A | 8 | c | D | ε | F | 0 | н | - 1 | J | K | L | м |
|-----------------------|---------|---------|--------|----------|----------|-------|---------------|---------|-----------|--------|---------|---------|
| Worksheet, Dress Righ | | | e, Ju | ly 2013 | | | | | | | | |
| | Unadjus | | | | | | | | | | | |
| | Bala | | | Adjustin |) Dri | | Adjusted Trio | | Income St | | Belance | |
| Account Title | Dr. | Cr. | | Dr. | ш | Cr. | Dr. | Cr. | Dr. | Cr. | Dr. | Cr. |
| Cash | 68,500 | | | | ш | | 68,500 | | | | 68,500 | |
| Accounts receivable | 2,000 | | | | ш | | 2,000 | | | | 2,000 | |
| Supplies | 2,000 | | | | (1) | 800 | 1,200 | | | | 1,200 | |
| Prepaid rent | 24,000 | | | | (2) | 2,000 | 22,000 | | | | 22,000 | |
| Inventory | 38,000 | | | | П | | 38,000 | | | | 38,000 | |
| Furniture and fotures | 12,000 | | | | П | | 12,000 | | | | 12,000 | |
| Accumulated depr. | | | | | П | | | | | | | |
| furniture & fintures | | | | | (3) | 200 | | 200 | | | | 200 |
| Accounts payable | | 35,000 | | | т | | | 35,000 | | | | 35,000 |
| Note payable | | 40,000 | | | П | | | 40,000 | | | | 40,000 |
| Unearned rent revenue | | 1,000 | [4] | 250 | П | | | 750 | | | | 750 |
| Salaries payable | | | | | (73) | 5,500 | | 5,500 | | | | 5,500 |
| interest payable | | | | | (60) | 333 | | 333 | | | | 333 |
| Common stock | | 80,000 | | | т | | | 60,000 | | | | 60,000 |
| Retained earnings | 1,000 | | | | П | | 1,000 | | | | 1,000 | |
| Sales revenue | | 38,500 | П | | П | | | 38,500 | | 38,500 | | |
| Rent revenue | | - | | | (4) | 250 | | 250 | | 250 | | |
| Cost of goods sold | 22,000 | | \Box | | т | | 22,000 | | 22,000 | | | |
| Salates expense | 5,000 | | (5) | 5,500 | п | | 10,500 | | 10.500 | | | |
| Supplies expense | - | | (1) | 800 | | | 800 | | 800 | | | |
| Rent expense | - | | (2) | 2,000 | | | 2,000 | | 2,000 | | | |
| Depreciation expense | | | [2] | 200 | | | 200 | | 200 | | | |
| interest expense | | | 161 | 333 | | | 333 | | 333 | | | |
| Totals | 174,500 | 174,500 | | 9.083 | П | 9.083 | 180,633 | 160.533 | | | | |
| Net income | | | П | | П | | | | 2,917 | | | 2,917 |
| Totals | | | 1 | | \vdash | | | | 38.750 | 38.750 | 144 700 | 144,700 |

Reporting



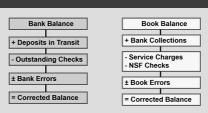
Interest Bearing

| November 1, 2014 | | |
|---|--------|--------|
| Notes receivable | 25,000 | |
| Cash | | 25,000 |
| December 31, 2014 | | |
| Interest receivable | 500 | |
| Interest revenue (\$25,000 x 12% x 2/12) | | 500 |
| November 1, 2015 | | |
| Cash | 28,000 | |
| Note receivable | | 25,000 |
| Interest receivable | | 500 |
| Interest revenue (\$25,000 x 12% x 10/12) | | 2,500 |

Gross Net

| Gross Meth | nod | | Net Metho | d | |
|---------------------|--------|--------|---------------------|--------|--------|
| October 5, 2013 | | | October 5, 2013 | | |
| Accounts receivable | 20,000 | | Accounts receivable | 19,600 | |
| Sales revenue | | 20,000 | Sales revenue | | 19,600 |
| October 14, 2013 | | | October 14, 2013 | | |
| Cash | 13,720 | | Cash | 13,720 | |
| Sales discounts | 280 | | Accounts receivable | | 13,720 |
| Accounts receivable | | 14,000 | | | |
| November 4, 2013 | | | November 4, 2013 | | |
| Cash | 6.000 | | Cash | 6,000 | |
| Accounts receivable | 0,000 | 6.000 | Accounts receivable | | 5,880 |
| | | 0,000 | Interest revenue | | 120 |

Bank Recon



Bad Debt

| | Current Period Credit Sales |
|---|-----------------------------|
| × | Estimated Bad Debt % |
| = | Estimated Bad Debt Expense |
| | |

Bad Debt Journal

| Bad debt expense | 2,400 | |
|--------------------------------------|-------|-------|
| Allowance for uncollectible accounts | | 2.400 |

Allowance For Uncollectable

| Uncol | nce for ectible ounts |
|-------|-----------------------------|
| | 200 |
| | 2,300 |
| | 2,500 |

weighted avg

| | icture This, LI | LC | |
|----------------------------------|-----------------|------------------|--------------|
| Inventor | of frame ru | mber 759 | |
| | Units | Cost per Unit | Total Cost |
| Beginning inventory | 2,000 | \$ 10.00 | \$ 20,000.00 |
| Purchase 9/3 | 1,000 | 10.75 | 10,750.00 |
| Purchase 9/21 | 1,000 | 10.95 | 10,950.00 |
| Units available for sale | 4,000 | | \$41,700.00 |
| | | | |
| Units sold in Septen | nber | | |
| Units sold in Septer Sale 9/7 | nber 500 | | |
| | | | |
| Sale 9/7 | 500 | \$10.425 | 20,850.00 |

Perp Inv Journal

| 2013 Inventory Accounts payable To record the purchase of merchandise inventory. | 600,000 | 600,000 |
|--|---------|---------|
| 2013 Accounts receivable Sales revenue To record sales on account. | 820,000 | 820,000 |
| Cost of goods sold Inventory To record cost of goods sold. | 540,000 | 540,000 |
| To record cost of groots sord. | | |

Perp COGS

| Beginning Inventory | |
|----------------------------------|--|
| | |
| Net Purchases | |
| Cost of Goods Available for Sale | |
| Ending Inventory | |
| Cost of Goods Sold | |

Perpetual

| | Acture This, L | | | | | |
|-------------------------------|----------------|----------|-------------|--|--|--|
| Inventory of frame number 759 | | | | | | |
| | Cost per | | | | | |
| | Units | Unit | Total Cost | | | |
| Beg. Inventory | 2,000 | \$ 10.00 | \$20,000.00 | | | |
| Purchase 9/3 | 1,000 | 10.75 | 10,750.00 | | | |
| Purchase 9/21 | 1,000 | 10.95 | 10,950.00 | | | |
| Units available for sale | 4,000 | | \$41,700.00 | | | |
| Units sold in Septer | nber | | | | | |
| Sale 9/7 | 500 | | | | | |
| Sale 9/29 | 1,500 | | | | | |
| Units sold in September | 2,000 | | | | | |
| Units in ending inventory | 2,000 | | | | | |

LIFO DVL

| December 31, | ventory at ase-year costs | Cost | Ending ventory |
|-----------------|---------------------------------|------|----------------|
| 2013 | \$ 150,000 | 100% | \$ 150,000 |
| 2014 | 160,000 | | |
| 2014 LIFO Layer | \$ 10,000 | 105% | 10,500 |
| Inventory | | | \$ 160,500 |

Indirect Cash

| ARLINGTON LAWN Statement of Cash F For the Year Ended Decem | lows | |
|---|------|------------------|
| | | (\$ in thousand: |
| Cash Flows from Operating Activities | | |
| Net income | | \$35 |
| Adjustments for noncesh effects: | | |
| Depreciation expense | \$ 8 | |
| Changes in operating assets and flabilities: | | |
| Increase in prepaid insurance | (4) | |
| Increase in accounts receivable | (12) | |
| Increase in accounts payable | 7 | |
| Increase in income taxes payable | 15 | 14 |
| Net cash flows from operating activities | | \$49 |

Ratio

| Liquidity | ement Analysis: List of Ratios |
|---------------------------------|--|
| Net Working Capital | Current Assets - Current Liabilities |
| Current Ratio | Current Assets Current Liabilities |
| Quick Ratio | Cash + Marketable Securities + Receivables Current Liabilities |
| Activity | Canton Emonnes |
| Accounts Receivable Turnover | Net Credit Sales Average Accounts Receivable |
| Average Collection Period | 365 Accounts Receivable Turnover |
| Inventory Turnover | Cost Of Goods Sold Average Inventory |
| Average Age of Inventory | 365 Inventory Turnover |
| Total Asset Turnover | Net Sales Average Total Assets |
| Leverage | Programme Description Control of the |
| Debt Ratio | Total Debt Total Assets |
| Debt/Equity Ratio | Total Liabilities Stockholders' Equity |
| Times Interest Earned | Earnings Before Interest & Taxes Interest Expense |
| Profitability | Interest Expense |
| Gross Profit Margin | Gross Profit Net Sales |
| Profit Margin | Net Income Net Sales |
| Return On Total Assets | Net Income Average Total Assets |
| Return On Common Equity | Net Income Common Equity |
| Market Value | |
| Earnings Per Share | Net Income – Preferred Dividends Common Stock Outstanding |
| Price/Earnings Ratio | Market Price Per Share Earnings Per Share |
| Book Value Per Share | Stockholders' Equity – Preferred Stock Common Stock Outstanding |
| Dividend Yield | Dividends Per Share Market Price Per Share |
| Dividend Payout | Dividends Per Share |

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Direct Cash

| ARLINGTON LAWN CARE Statement of Cash Flows For the Year Ended December 31, 2013 | |
|--|---------------------------|
| | (\$ in thousands) |
| Cash Flows from Operating Activities | |
| Cash received from customers* | \$78 |
| Cash paid for general and administrative expenses** | (29) |
| Net cash flows from operating activities | \$49 |
| *Service revenue of \$90 thousand, less increase of \$12 thousand in accounts receivable | e. |
| **General and administrative expenses of \$32 thousand, less increase of \$7 thousand increase of \$4 thousand in prepaid insurance. | in accounts payable, plus |

Adjusting Perp

We need the following adjusting entry to record cost of good sold.

need the following adjusting entry to record cost of got December 31, 2013
Cost of goods sold 540,000
Inventory (ending) 180,000
Purchases 600,000
To adjust inventory, dose the purchases account, and record cost of goods sold.

Non Bearing

| January 1, 2014 | | |
|------------------------------|--------|--------|
| Notes receivable | 25,000 | |
| Discount on notes receivable | | 3,000 |
| Sales revenue | | 22,000 |
| (\$25,000 * 12% = \$3,000) | | |
| December 31, 2014 | | |
| Cash | 25,000 | |
| Discount on notes receivable | 3,000 | |
| Notes receivable | | 25,000 |
| Interest revenue | | 3,000 |

With Recourse

| Cash (90% × \$600,000) | 540,000 | |
|--|---------|---------|
| Loss on sale of receivables (to balance) | 39,000 | |
| Receivable from factor (\$50,000 - 24,000 fee) | 26,000 | |
| Recourse liability | | 5,000 |
| Accounts receivable (book value sold) | | 600,000 |

Returns

| Actual Returns | | |
|-----------------------------|---------|---------|
| Sales returns | 130,000 | |
| Accounts receivable | | 130,000 |
| Inventory | 78,000 | |
| Cost of goods sold (60%) | | 78,000 |
| Adjusting Entries | | |
| Sales returns | 70,000 | |
| Allowance for sales returns | | 70,000 |
| Inventory-estimated returns | 42,000 | |
| Cost of goods sold (60%) | | 42,000 |

Installment method

| Make Installment Sale: November 1, 2013 Installment receivables 800,000 Inventory Deferred gross profit To record installment sale. 800,000 | 560,000 240,000 |
|---|--------------------|
| During 2013, Belmont Corporation collect \$200,000 on its installment sales. | ted |
| November 1, 2013 | |
| Cash 200,000 Installment receivables | 200,000 |
| Deferred gross profit 60,000 Realized gross profit 50,000 To recognize gross profit from installment sale. | 60,000 |
| This entry records the realized gross profit by adjusting the deferred gross profit account. | |

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Change

| Type of Accounting | |
|----------------------|-----------------------------------|
| Changes | Definition |
| Change in Accounting | Change from one GAAP method |
| Principle | to another GAAP method |
| Change in Accounting | Revision of an estimate |
| Estimate | because of new information or |
| | new experience |
| Change in Reporting | Preparation of financial |
| Entity | statements for an accounting |
| | entity other than the entity that |
| | existed in the previous period |

Percent Revenue

| Gross profit recognized this = period | total estimated gross profit | × | percentage completed to date | - | gross profit recognized in prior periods |
|---|---------------------------------|---|---------------------------------|---|--|
|---|---------------------------------|---|---------------------------------|---|--|

Dupont

| Return on equity | | Return on assets | x | Equity multiplier |
|----------------------|---|----------------------|---|----------------------|
| -49 | | | | |
| Net income | | Net income | | Avg. total assets |
| Avg. total equity | - | Avg. total assets | Х | Avg. total equity |
| | | | | |

Gross Left Discounts

| October 5, 2013 Purchases | 20,000 | | Purchases | 19,600 | |
|--|--------|---------------|--------------------------|--------|--------|
| Accounts payable | | 20,000 | Accounts payable | | 19,600 |
| October 14, 2013 | | | | | |
| Accounts payable Purchase discounts Cash | 14,000 | 280 13,720 | Accounts payable Cash | 13,720 | 13,720 |
| November 4, 2013 | | | | | |
| Accounts payable | 6,000 | | Accounts payable | 5,880 | |
| Cash | | 6,000 | Interest expense Cash | 120 | 6,000 |

POcompletion journal

| Construction in progress Cash, resterials, etc. To record construction costs. | 21 | 212 | 20 | 14 | 20 | 2015 | |
|---|-----------|-----------|-----------|-----------|-----------|-----------|--|
| | 1,500,000 | 1,500,000 | 1,000,000 | 1,000,000 | 1,600,000 | 1,600,000 | |
| Accounts receivable | | 1,200,000 | 2,000,000 | 2,000,000 | 1,800,000 | 1,800,000 | |
| Cash | 1,000,000 | 1,000,000 | 1,400,000 | 1,400,000 | 2,600,000 | 2,600,000 | |

POcompletion

| | 2013 | 2014 | 2015 |
|---|-------------|-------------|-------------|
| Construction costs incurred during the year | \$1,500,000 | \$1,000,000 | \$1,600,000 |
| Construction costs incurred in prior years | -0- | 1,500,000 | 2,500,000 |
| Cumulative construction costs | 1,500,000 | 2,500,000 | 4,100,000 |
| Estimated costs to complete at end of year | 2,250,000 | 1,500,000 | -0- |
| Total estimated and actual construction costs | \$3,750,000 | \$4,000,000 | \$4,100,000 |
| Billings made during the year | \$1,200,000 | \$2,000,000 | \$1,800,000 |
| Cash collections during year | 1,000,000 | 1,400,000 | 2,600,000 |

loss

| | (\$ in | millions |
|--|------------|----------|
| et income | | Scoo |
| ther comprehensive income: | | |
| Net unrealized holding gains (losses) on investments (net of tax)* | Six | |
| Gains [losses] from and amendments to postretirement benefit plans (net of | | |
| tas/ | (x) (x) | |
| Deferred gains (losses) from derivatives (net of tax) ^c | | |
| Gains (losses) from foreign currency translation (net of tax) ⁶ | _8 | _100 |
| imprehensive income | | Seco |

Cost Recovery

| Make Installment Sale: November 1, 2013 | | |
|---|---------|--------------------|
| Installment receivables. Investory. Defenred gross profit To record installment sale. | 800,000 | 560,000 240,000 |
| Collect Cash: | | |
| November 1, 2013, 2014, 2015, and 2016 Cash. Installment receivables To record cash collection from installment sale. | 200,000 | 200,000 |
| November 1, 2013 and 2014 No entry for gross profit. | | |
| November 1, 2015 Deferred gross poolt Realized gross profit To recognize gross profit To recognize gross profit frees installment sale. | 40,000 | 40,000 |
| November 1, 2016 | | |
| Deferred gross profit Realized gross profit To recognize gross profit from installment sale. | 200,000 | 200,000 |

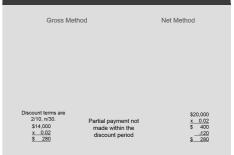
Adjust to Market

| I. | Record the loss as a separate iter income statement | n in the |
|----|--|-------------|
| | Loss on write-down of inventory Inventory | xx xx |
| 2. | Record the loss as part of cost of | goods sold. |
| | Cost of goods sold Inventory | xx xx |

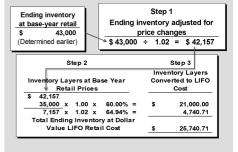
Conv Retail

| | Cost | Retail |
|--------------------------------------|-----------|-----------|
| Inventory, July 1 | \$ 21,000 | \$ 35,000 |
| Plus: Net purchases | 200,000 | 304,000 |
| Net markups | | 8,000 |
| Cost ratio: | 221,000 | 347,000 |
| (221,000 ÷ 347,000) = 63.69% | | |
| Less: Net markdowns | | (4,000) |
| Goods available for sale | 221,000 | 343,000 |
| Less: Sales for July | | (300,000) |
| Estimated ending inventory at retail | | \$ 43,000 |
| Estimated ending inventory at cost | \$ 27,387 | |

DISCOUNTS



DVL LIFO



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| Retail Avg Metho | d | | | |
|------------------|---|--|---|--|
| | Inventory, July 1 Plus: Net purchases Net markops Less: Net markdown Cost-ti-vetal percentage Less: Sele net Good 1 East-state percentage Less: Sales for July Eastmarkd ending inventory at retail Estimated ending inventory at rotal Estimated ending inventory at cost (\$43,000 × 64.43% = \$27.705) | Cost \$ 21,000 200,000 221,000 \$ 27,705 | Retail \$ 35,000 304,000 8,000 (4,000) 343,000 (300,000) \$ 43,000 | |

| Cost Retail | RetailMethod | | | | | | |
|--|----------------------------|--|----|---------|----|-----------|--|
| Net purchases for May | | | | Cost | | Retail | |
| Goods available for sale 207,000 345,000 Cost-to-retail percentage: (207,000 + 345,000) = 60% Sales for May (310,000) Ending inventory at retail \$ 35,000 | Inventory, May 1 | | \$ | 27,000 | \$ | 45,000 | |
| Cost-to-retail percentage: (207,000 ÷ 345,000) = 60% Sales for May (310,000) Ending inventory at retail \$ 35,000 | Net purchases for May | | | 180,000 | | 300,000 | |
| (207,000 ÷ 345,000) = 60% Sales for May (310,000) Ending inventory at retail \$ 35,000 | Goods available for sale | | | 207,000 | | 345,000 | |
| Ending inventory at retail \$ 35,000 | | | | | | | |
| | Sales for May | | | | | (310,000) | |
| Ending inventory at cost \$_\$21,000 | Ending inventory at retail | | | | \$ | 35,000 | |
| | Ending inventory at cost | | \$ | 21,000 | | | |
| | | | | | | | |



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