UNIVERSIDAD DE COSTA RICA

ESCUELA DE ADMINISTRACIÓN DE NEGOCIOS
UNIVERSIDAD DE COSTA RICA

PROGRAMA DEL CURSO

SINAES CARRERA ACREDITADA COSTA RICA

PC-0200 CONTABILIDAD BÁSICA

La Escuela de Administración de Negocios

Fundada en 1943, es una de las Escuelas con mayor trayectoria en Costa Rica y Centroamérica en la formación de profesionales de alto nivel en las carreras de Dirección de Empresas y Contaduría Pública. Cuenta con un equipo docente altamente capacitado, así como un currículum actualizado según las necesidades y cambios actuales del mercado. Actualmente ambas carreras se encuentran acreditadas por el SINAES en la Sede Rodrigo Facio.

Misión

Promover la formación humanista y profesional en el área de los negocios, con ética y responsabilidad social, excelencia académica y capacidad de gestión global, mediante la docencia, la investigación y la acción social, para generar los líderes y los cambios que demanda el desarrollo del país.

Visión

Ser líderes universitarios en la formación humanista y el desarrollo profesional en la gestión integral de los negocios, para obtener las transformaciones que la sociedad globalizada necesita para el logro del bien común.

Valores Humanistas

Ética Tolerancia Solidaridad
Perseverancia Alegría

Valores Empresariales

Innovación Liderazgo Excelencia
Trabajo en equipo Emprendedurismo
Responsabilidad Social

Una larga trayectoria de excelencia...

2511-9180 / 2511-9188 www.ean.ucr.ac.cr negocios@ucr.ac.cr /eanucr

PROGRAMA DEL CURSO

PC-0200
CÁTEDRA DE CONTABILIDAD BÁSICA
I CICLO 2019

DATOS DEL CURSO					
Carrera (s):	**CONTADURÍA PÚBLICA Y DIRECCIÓN DE EMPRESAS**				
Curso del II y III ciclo del Plan de Estudios.					
Requisitos:	DN 0101 o PC0170				
Correquisitos	No tiene				
Créditos	04				
Horas de teoría:	02 horas	**Horas de laboratorio:**	00 horas	**Horas de práctica:**	02 horas

PROFESORES DEL CURSO				
SEDE RODRIGO FACIO				
GR	**Docente**	**Horario**	**Aula**	**Horario de Atención***
01	Villalobos González Osvaldo	L: 07 a 10:50	118 CE	L: 11:00 a 13:00
02	Sosa Mora Eduardo	L: 07 a 10:50	111 CE	L: 11:00 a 13:00
03	Badilla Quesada Susana	L: 13 a 16:50	117 CE	K: 19:00 a 21:00
04	Madrigal Mena Jorge	L: 13 a 16:50	111 CE	K: 17:00 a 19:00
05	Granados Araya Jorge	L: 13 a 16:50	115 CE	L: 17:00 a 19:00
06	López Acuña Pamela	L: 17 a 20:50	117 CE	K: 16:00 a 18:00
07	Vargas Vargas Carlos *	M: 17 a 20:50	118 CE	M:16 a 17:00 y 21 a 22:00
RECINTO GUAPILES				
31	Cerdas González Rosa Julia	J: 08 a 11:50	---	J: 13:00 a 15:00
SEDE CARIBE				
01	Montoya Jiménez Jorge	J: 09 a 12:50	---	S: 10:00 a 12:00
02	González Bordas Ruth	M: 17 a 20:50	---	M: 15:00 a 17:00
SEDE ATLANTICO				
01	Cedeño Jiménez Patricia	L:08 a 11:50	---	M: 10:00 a 12:00

***A solicitud del estudiante, el profesor podrá atender consultas según la hora, lugar y día acordado para cada caso particular, dentro del marco de la normativa de la Universidad de Costa Rica.**

I. DESCRIPCIÓN DEL CURSO

El curso pretende proporcionar al estudiante de la Escuela de Administración de Negocios un conocimiento amplio en lo referente a las técnicas de registro, valuación y presentación de la información financiera contable, aplicando la normativa vigente (NIC, NIIF), en una empresa de servicios y en una empresa comercial, además de las técnicas para el análisis, registro, valuación y presentación de las cuentas de efectivo, instrumentos financieros de corto plazo, cuentas y documentos por cobrar.
Se busca que la persona profesional de Contaduría Pública y Dirección de Empresas sea además de una persona preparada en las áreas técnicas de este curso, alguien emprendedor, con sentido de la ética y la responsabilidad social, que se desempeñe y tome decisiones tomando en cuenta valores como la solidaridad, la tolerancia y la perseverancia, y destrezas tales como la comunicación asertiva y el trabajo en equipo. La población estudiantil debe dirigir su actuar durante el curso acorde con dichos valores y competencias, y aplicarlos en su desarrollo del curso.

II. OBJETIVO GENERAL

Contribuir con la formación profesional del estudiante de Contaduría Pública y Dirección de Empresas, con la enseñanza de las bases técnicas contables relacionadas con el ciclo contable de una empresa de servicios o comercial, la preparación del estado del resultado integral, el estado de situación financiera y el estado de cambios en el patrimonio del conjunto de Estados Financieros, así como la adecuada contabilización, valuación y presentación del efectivo, las inversiones temporales, cuentas y documentos por cobrar.

III. OBJETIVOS ESPECÍFICOS

1. Integrar la ética y la responsabilidad social en el análisis del contenido programático del curso, y profundizar en el diálogo y la reflexión sobre los valores de solidaridad, tolerancia y perseverancia, así como sobre la importancia de desarrollar y aplicar las competencias de comunicación asertiva y trabajo en equipo.
2. Comprender el contexto de los negocios y la importancia de la contabilidad como sistema de información para la toma de decisiones y herramienta administrativa.
3. Registrar correctamente transacciones comerciales según las Normas Internacionales de Información Financiera para una empresa de servicios o comercial.
4. Elaborar correctamente los estados financieros para una empresa de servicios o comercial.
5. Analizar transacciones relacionadas con el efectivo, instrumentos financieros de corto plazo, cuentas y documentos por cobrar, según la normativa contable vigente.

IV. CONTENIDO PROGRAMÁTICO

TEMA 1. INTRODUCCIÓN A LA CONTABILIDAD
El comercio, la actividad comercial, diferentes tipos de comerciantes (personas físicas y jurídicas), la empresa, tipos de empresas, los documentos comerciales, concepto e importancia de la contabilidad, función del contador (privado y público), propósitos fundamentales de la contabilidad, nuevas tendencias (los libros contables digitales y factura digital). Diferentes tipos de contabilidad: financiera, administrativa y fiscal. Sistemas de contabilidad (partida simple y doble). La ecuación contable básica, definición y reconocimiento de los principales conceptos contables; la cuenta, partes de una cuenta y su saldo normal. Marco Conceptual de la contabilidad.

TEMA 2. EL PROCESO CONTABLE EN UNA EMPRESA DE SERVICIOS
Las cuentas y su clasificación (activo, pasivo, capital, ingresos, gastos, etc.). El ciclo contable de una empresa de servicios: El asiento de diario, tipos de asientos (simple y compuesto), partes de un asiento. Los libros contables, sus características y ventajas; relación entre el diario y el mayor (control cruzado). Libro de inventarios y balances, su función. El catálogo de cuentas. El ciclo de la contabilidad en forma general, registro de operaciones para una empresa de servicios que incluya el ciclo contable. Uso de signos, ceros, guiones y rayas en los asientos y estados financieros. Asientos de ajuste (ingresos diferidos, gastos diferidos, ingresos acumulados, gastos acumulados, depreciación, entre otros). Culminación del ciclo contable de una empresa de servicios: Estados financieros para una empresa de servicios clasificados (Estado del Resultado Integral, Estado de Capital para las EIRL y Estado de Utilidades Retenidas para las sociedades, incluyendo los asientos de cierre y balance posterior al cierre, presentación de los Estados Financieros según la norma NIC-1 y Localización de errores.

TEMA 3. CONTABILIDAD PARA UNA EMPRESA COMERCIAL
Diferencias entre la empresa de servicios y una comercial. Registro de los ingresos (ventas) y las compras (método bruto) para una empresa comercial. Registro de los descuentos comerciales (único o en serie) y por pronto pago. El impuesto de ventas en compras y ventas. Uso del sistema de inventario físico o periódico. Uso del sistema de inventario perpetuo o permanente. Asientos de ajuste más complejos para una empresa comercial (costo de ventas con registro periódico). Registro de operaciones para una empresa comercial que incluya todo el ciclo contable. Las cuentas de control y su aplicación en contabilidad. Estados financieros en una empresa comercial, impuesto de renta. Estado de Situación Financiera clasificado, Estado del Resultado Integral. Mayores auxiliares de cuentas por cobrar y pagar, Información financiera intermedia NIC-34, Hechos ocurridos

después de la fecha del balance NIC-10, Ingresos NIIF 15.

TEMA 4. EL EFECTIVO
Análisis del concepto de efectivo y equivalentes de efectivo. Administración del efectivo. Asientos contables del fondo de caja chica. Conciliaciones bancarias, causas de sus diferencias y formas de preparar los 3 tipos de conciliación: de bancos a libros, libros a bancos, y por saldos ajustados. Otros aspectos del efectivo: transferencia electrónica de fondos.

TEMA 5. ACTIVOS FINANCIEROS DE CORTO PLAZO
Concepto, clasificación de las inversiones: inversiones en títulos al valor razonable y al costo amortizado. Registro contable de los títulos negociables al valor razonable, presentación y registro de las pérdidas y ganancias no realizadas, tasa bruta y tasa neta en los intereses de los títulos de inversión para Costa Rica (impuesto de renta de los intereses (8%) de los títulos de inversión y de los dividendos (15% de retención a los dividendos por pagar), presentación en los estados financieros para títulos al valor razonable. Diferentes títulos que representan inversiones en títulos al valor razonable de corto plazo (certificados de inversión, depósitos a plazo, acciones, bonos, entre otros). NIIF 9.

TEMA 6. CUENTAS Y DOCUMENTOS POR COBRAR
Concepto de cuenta y documento por cobrar, registro de las cuentas por cobrar (método bruto y neto). Registro de incobrables: método directo y método de la estimación. Métodos de cálculo de los incobrables: enfoque del estado de resultados y enfoque del balance, registro del castigo o baja en libros de las cuentas por cobrar, recuperación de cuentas incobrables por el método de cancelación directa y por el método de la estimación. Presentación en los estados financieros del gasto por incobrables y la Estimación para incobrables. Pignoración de cuentas por cobrar. Cesión de cuentas por cobrar. Factoraje (venta) de las cuentas por cobrar. Ventas con tarjetas de crédito. Registro de documentos por cobrar sin intereses; con intereses (incluidos o por cobrar al vencimiento). Descuento de documentos mediante una tasa de descuento (descuento bancario). Registro de los documentos por cobrar descontados con responsabilidad (con recurso), por el método nominal o al vencimiento. Presentación detallada de las cuentas y documentos por cobrar en el Estado de situación financiera.

A través de los siguientes componentes de la evaluación, en lo que resulte pertinente en cada uno de los temas, se integrarán aspectos sobre ética, responsabilidad social y emprendedurismo. También se tomará en consideración la aplicación de los valores y competencias referidos en la descripción del curso.

V. SISTEMA DE EVALUACIÓN

Rubro	Contenido	Porcentaje	Fecha
I Parcial	Temas 1 y 2	20%	S: 13/04/2019 8:00 a.m.
II Parcial	Temas 3 y 4	25%	S: 01/06/2019 8:00 a.m.
III Parcial	Temas 5 y 6	25%	S: 06/07/2019 8:00 a.m.
Tareas prácticas, resúmenes, trabajo en clase, asistencia a charlas, entre otras.		10%	VER CRONOGRAMA
Pruebas cortas (Mínimo 6 más una de la NIC 1)		15%	VER CRONOGRAMA
Actividad de responsabilidad social		5%	VER CRONOGRAMA
NOTA		**100%**	

Exámenes parciales
Los exámenes incluyen tanto teoría como práctica. Además, serán acumulativos, es decir, se evalúan los contenidos anteriores, pero enfocando los conceptos nuevos. ***Ver documento Anexo 1 sobre pautas de evaluación y aplicación de exámenes.***
No se repetirán exámenes a excepción de casos totalmente justificados según el Art. 24 del Reglamento Académico. Los documentos deberán presentarse en esos plazos ***al Profesor y al Coordinador (indicando el grupo y el profesor).***

Tareas prácticas, resúmenes, trabajo en clase y similares (Mínimo 12)
Serán programadas por cada profesor, deben entregarse completas y en la fecha acordada, de lo contrario no se

reciben. Debe incluirse una relacionada a la NIC 1 y el marco conceptual. Se le asignará a los estudiantes, una lectura en idioma inglés titulada: Accounting Basics, la cual deben leer y presentar de tarea las preguntas de comprensión de lectura complementarias a la lectura, debe ser entregada como parte de la Tarea # 3 en la semana 5, del 02 al 12 de abril.

Las tareas Prácticas se entregan a mano, ***individual o en grupos*** (una por estudiante, en un folder que contiene las 4 o 5 tareas y una portada con los nombres y la participación de cada estudiante). Se evalúan de la siguiente manera: 25% presentación (que este completa y orden) y 75% contenido (ya sea por preguntas orales, pasando a la pizarra a los estudiantes, revisión de la tarea por parte de los asistentes, u otra que el profesor considere apropiada) De preferencia deben utilizarse los ejercicios sugeridos en el ***Anexo 3***.

Con respecto a las tareas, aquel estudiante o grupo de trabajo que incurra en alguna falta grave tal como, copia, plagio, utilización de material no autorizado o comunicación o actuación ilícita en cualquiera de las pruebas o parte de ellas, tendrá una calificación de 0%, con las consecuencias posteriores que establece la Universidad de Costa Rica.

Quices, comprobaciones, asistencia a charlas o conferencias (Mínimo 7)
Se realizarán como mínimo 6 evaluaciones cortas y 1 de la NIC 1, serán programadas por cada profesor y no es necesario que se avise previamente al estudiante.
Si el sonido de un celular o la conversación entre estudiantes interrumpe la clase, el profesor podrá aplicar un quiz teórico de 4 preguntas.
Los exámenes cortos **no se reponen**, de tomar la decisión de eliminar un quiz que sirva de reposición, deberán realizarse mínimo 8 pruebas cortas.

Actividad de responsabilidad social
Se deberán formar equipos de trabajo de 4 o 5 integrantes cada uno. Cada equipo deberá elegir alguna actividad en la que brinden una contribución a grupos vulnerables de la sociedad, invirtiendo al menos 5 horas.
Esta actividad de proyección social deberá ser documentada en cualquier medio elegido por los estudiantes, por ejemplo: videos, fotos o cualquier otra forma elegida por los estudiantes. Es necesario que el equipo de trabajo tenga la evidencia de la actividad realizada, de preferencia una carta de la institución beneficiada en donde se indique los nombres de los estudiantes, carné, las actividades realizadas y horas invertidas.
Como ideas de esta actividad pueden considerar visitas a: asilos de ancianos, hospicios de huérfanos, hospitales, comedores públicos, centros de ayuda social, escuelas públicas, entre otras instituciones. Cada grupo de estudiantes es el responsable de buscar y gestionar los permisos ante la institución donde realizarán la proyección social, con apoyo del profesor en caso de necesitar alguna carta de parte de la Escuela de Administración Negocios. ***Los resultados de esta actividad de responsabilidad social, deberán exponerse entre la semana 11 a la 13, según lo coordine el profesor con cada equipo de trabajo.***

VI. CRONOGRAMA

SEMANA	FECHA	TEMA
Semana 01	Del 11 al 15 de marzo	Discusión del programa del curso. Tema 1
Semana 02	Del 18 al 22 de marzo	Tema 1
Semana 03	Del 25 al 29 de marzo	Tema 2. Entrega Tarea 1*
Semana 04	Del 01 al 05 de abril	Tema 2. Entrega Tarea 2*
Semana 05	Del 08 al 12 de abril **(feriado para los que imparten día jueves)**	Repaso y práctica: Temas 1 y 2. Entrega Tarea 3*
	Sábado 13 de abril	**Primer Examen Parcial. 8:00 a.m.**
	Del 15 al 19 de abril	**SEMANA SANTA**
Semana 06	Del 22 al 26 de abril **(Semana U)**	Introducción del tema 3. Entrega tarea 4*
Semana 07	Del 29 de abril al 03 de mayo **(feriado para los que imparten día miércoles)**	Tema 3.
Semana 08	Del 06 al 10 de mayo	Tema 3. Entrega tarea 5*
Semana 09	Del 13 al 17 de mayo	Tema 4. Entrega tarea 6*
Semana 10	Del 20 al 24 de mayo	Tema 4. Entrega tarea 7*

2511-9180 / 2511-9188 www.ean.ucr.ac.cr negocios@ucr.ac.cr /eanucr

SEMANA	FECHA	TEMA
Semana 11	Del 27 al 31 de mayo	Repaso y práctica: Temas 3 y 4. Entrega tarea 8*
	Sábado 01 de junio	**Segundo Examen Parcial. 8:00 a.m.**
Semana 12	Del 03 al 07 de junio	Tema 5
Semana 13	Del 10 al 14 de junio	Tema 5. Entrega tarea 9*
Semana 14	Del 17 al 21 de junio	Tema 6. Entrega tarea 10*
Semana 15	Del 24 al 28 de junio	Tema 6. Entrega tarea 11*
Semana 16	Del 01 al 05 de julio	Repaso y práctica: Temas 5 y 6. Entrega tarea 12*
	Sábado 06 de julio	**Tercer Examen Parcial. 8:00 a.m.**
Semana 17	**Miércoles 10 de julio 5:00 pm**	**Entrega de promedios y exámenes de reposición.**
Semana 18	**Miércoles 17 de julio 5:00 pm**	**Examen de ampliación: evaluará todo el contenido del curso.**

Ver listado de tareas en el Anexo 3.

VII. ASPECTOS METODOLÓGICOS

a. El personal docente y la población estudiantil desarrollarán las clases dentro de un ambiente de tolerancia, respeto y comunicación asertiva. El profesorado promoverá el trabajo en equipo, en un plano de igualdad de oportunidades y sin discriminación de ninguna especie de forma tal que se garantice un ambiente de diálogo y libre expresión de las ideas y opiniones.
b. Formar equipos de trabajo (máximo cinco estudiantes)
c. Los estudiantes deben leer la materia antes de la clase y la normativa correspondiente.
d. Resolución de prácticas relacionadas con la teoría analizada. Conviene que cada grupo resuelva una práctica diferente, y luego lo haga en la pizarra para revisión y corrección del gran grupo. Se puede en ocasiones hacer una práctica general (una sola para todos los equipos de trabajo) y se escoge un equipo al azar para que la resuelva en la pizarra.
e. Trabajo práctico realizado por el estudiante fuera del aula, mínimo el doble del horario de clase, sean 8 horas **(Ver anexo 2).**
f. El profesor podrá utilizar las plataformas ***"EcoAula"*** o ***"Mediación virtual",*** entre otras herramientas tecnológicas para poner a disposición del estudiante el material pertinente, solicitar tareas, resúmenes, entre otras asignaciones.
g. Consulta por parte del profesor según horario a convenir entre profesor y estudiantes. Adicionalmente, se pueden atender consultas en otros horarios o por medio de aprendiendo en línea o mediación virtual, mutuo acuerdo entre el estudiante y el profesor.
h. Realización de tareas. Las tareas se pueden desarrollar en los equipos de trabajo. Las tareas deben ser calificadas y revisadas por el profesor en clase.
i. En la aplicación de quices se hará **uno** como máximo en parejas.
j. Discusión sobre temas de valores o ética.
k. Participación de los estudiantes en charlas, conferencias.

Objetivos de los aspectos metodológicos
a. Fomentar el aprendizaje colaborativo
b. Fortalecer el trabajo en equipo
c. Potenciar la clarificación y comprensión conceptual.
d. Promover la expresión oral y escrita.
e. Fortalecer la capacidad para aplicar los conceptos en la práctica

Objetivos de las competencias Éticas
a. Fomentar el respeto entre los compañeros, en la relación profesor-estudiante y demás miembros de la comunidad universitaria.
b. Fortalecer la responsabilidad en el cumplimiento de tareas y compromisos.
c. Reforzar la honradez a la hora de repartir los puntajes de las actividades evaluativas en las que participa.

d. Fortalecer la honestidad al reconocer los errores y procurar enmendarlos/corregirlos.
e. Fomentar la solidaridad mediante la ayuda que pueda ofrecer a los compañeros que muestran cierta dificultad para comprender la materia.

VIII. BIBLIOGRAFÍA

Bibliografía principal:

- **Artavia Barboza, R., & Badilla Quesada, S. (2016). *Contabilidad y su aplicación: un nuevo enfoque* (Primera ed.). Cartago, Costa Rica: Condor Editores.**

Bibliografía complementaria:

- Loren A. Nikolai y John D. Bazley. *Contabilidad Intermedia*. Editorial Thomson Editores, México. 2000.
- Warren, Reeve, Duchac. Contabilidad Financiera. México: Editorial Thomson. Décimo Primera Edición. 2010.
- Hongren Charles. *Contabilidad Financiera, Introducción*. Editorial Prentice Hall. Séptima edición 2000.
- Guajardo. *Contabilidad Financiera*. México: Editorial Mc Graw Hill. Sexta edición. 2013.
- Escoto, Roxana. *El Ciclo Contable*. San José: Editorial UNED
- IASB (*International Accounting Standards Board*). Normas Internacionales de Información Financiera. 2016

IX. INFORMACIÓN DE CONTACTO DE LOS PROFESORES

SEDE RODRIGO FACIO		
GR	**Docente**	**Correo**
01	Villalobos González Osvaldo	ojvillalobosg@gmail.com
02	Sosa Mora Eduardo	eduardo.sosamora@ucr.ac.cr
03	Badilla Quesada Susana	susabadi@gmail.com
04	Madrigal Mena Jorge	jmadrigalm@gmail.com
05	Granados Araya Jorge	jgranados@jgconsultorescr.com
06	López Acuña Pamela	pamelopezacuna@gmail.com
07	Vargas Vargas Carlos *	carlosvargasucrnegocios@gmail.com
RECINTOS Y SEDES REGIONALES		
1	Montoya Jiménez Jorge	jmontoyaji@gmail.com
2	González Bordas Ruth	Ruty_gb83@hotmail.com
1	Cedeño Jiménez Patricia	patricia.cedeno@ucr.ac.cr
31	Cerdas González Rosa Julia	jrcerdas@hotmail.com; rosa.cerdas@ucr.ac.cr

X. ANEXOS

1. PAUTAS DE EVALUACIÓN Y APLICACIÓN DE EXÁMENES

El presente documento establece una serie de lineamientos que se aplican por todos los profesores a partir del II CICLO 2017 y en adelante con el fin de estandarizar la forma de calificar y aplicar las evaluaciones a los estudiantes de los cursos de contabilidad:

Reglas de calificación:

1. Los asientos se califican por línea, es decir, para obtener el puntaje el estudiante debe tener toda la línea correcta, sea la cuenta completa (escrita de la manera correcta y sin abreviaciones) y el monto correcto. Por ejemplo:

Documento por cobrar	452.000,00	1

Descuento no aprovechado sobre ventas	13.560,00	1
Cuenta por cobrar	438.440,00	1

Si el estudiante escribe "Cuenta por pagar" en lugar de Cuenta por cobrar, pierde la calificación de toda la línea, en este caso 1 punto.
Si el estudiante en la línea de Documento por cobrar coloca 462.000 en lugar de 452.000, aunque puso bien la cuenta, pierde la calificación de toda la línea, en este caso 1 punto.
2. En los títulos de los Estados Financieros, si el estudiante falla en cualquiera de las líneas del mismo, sea en el nombre de la empresa, nombre del estado o la forma correcta de la fecha, pierde la totalidad del puntaje del título.
3. En los estados financieros, igualmente se califica por línea, debe tener cuenta y monto correctos para obtener el puntaje correspondiente, la cuenta debe estar ubicada dentro de la clasificación correspondiente.
4. Arrastre de errores en asientos relacionados: De primera mano se califica incorrecto y pierde el puntaje. Si el estudiante demuestra que cometió un error al inicio, por ejemplo, al calcular una cuenta por pagar y que por consiguiente tuvo malos el abono a la cuenta por pagar y posteriormente la cancelación, pierde los puntos del primer asiento y si con el monto usado los siguientes asientos están bien calculados, se le pueden dar los puntos correspondientes.
5. No se permite cambiar la puntuación establecida desde la coordinación para el examen, ni dejar tareas, quices o trabajos adicionales que sustituyen puntaje de los exámenes. No se hacen "curvas", ni se modifican las notas obtenidas por los estudiantes a menos que se detecte un error en la calificación, y se tome una decisión conjunta.

Reglas en la aplicación de exámenes:

1. Se concederá únicamente media hora de consultas relacionadas con la redacción y entendimiento de la prueba durante el examen, la misma puede aplicarse al inicio, o bien posteriormente, según se acuerde con los estudiantes. Se recomienda al estudiante leer el examen antes de empezar a realizar los ejercicios, para lo cual contarán de con 10 minutos antes de que corra el tiempo propuesto.
2. Los asistentes no pueden resolver dudas. Solamente los profesores de los cursos deben hacerlo.
3. No se permiten hojas sueltas sobre el escritorio. Use cuaderno de examen debidamente engrapado.
4. Todos los celulares deben estar apagados y guardados en el bolso o salveque, nunca en el bolsillo del estudiante.
5. Se recomienda que los estudiantes utilicen el sanitario durante el primer tercio después de iniciada la prueba. Después de pasado ese tiempo no hay permisos para el sanitario y de ninguna manera si ya existen estudiantes que hayan concluido la prueba (al menos que el estudiante tenga una constancia médica, que lo respalde).
6. La prueba se desarrollará durante el tiempo indicado en el encabezado de la prueba, ningún profesor podrá dar más tiempo sin aprobación de la coordinación de cátedra.

2. PRÁCTICAS SUGERIDAS POR TEMA

Para tener una base sólida de estudio y aprobar el curso, el estudiante deberá realizar **como mínimo** los siguientes ejercicios, ya sea durante la clase, asignados como tarea o como parte de su estudio individual:

TEMA 1	Libro de texto	Cuestionario
	Prácticas I Parcial*	Ejercicios 1.A al 1.G
TEMA 2	Libro de texto	Prácticas 1, 2, 6, 7, 9, 13, 14 e Integradora 1
	Prácticas I Parcial*	Ejercicios 7, 15, 19, 8, 14, 20, 6, 3, 18, 21, 17 y 12
TEMA 3	Libro de texto	Prácticas 3, 4, 6, 7, Integradora 1 y 2
	Prácticas II Parcial*	Ejercicios 10, 11, 16, 18, 20, 21 y 23
TEMA 4	Libro de texto	Prácticas 2, 4, 5, 6, 9 y 11
	Prácticas II Parcial*	Ejercicios 5, 7, 8, 14, 22 y 24
	Enfocados a Temas 3 y 4	De las Prácticas II Parcial: 1.A al 1.G, 6, 12 y 17.
TEMA 5	Libro de texto	Prácticas 4, 5, 6, 7, 8 y 10

2511-9180 / 2511-9188 www.ean.ucr.ac.cr negocios@ucr.ac.cr /eanucr

	Prácticas III Parcial*	Ejercicios 5, 9, 12, 17 y 25
TEMA 6	Libro de texto	Prácticas 2, 3, 4 (con IV), 6 (con IV)
	Prácticas III Parcial*	Ejercicios 4, 6, 10, 15, 16, 19, 20, 23, 24 y 26
	Enfocados a Temas 5 y 6	De las Prácticas III Parcial: 1.A al 1.I, 14, 21 y 27

*Las Prácticas del I, II y III parcial consisten en un conglomerado de enunciados de ejercicios aplicados en exámenes de años anteriores que su profesor le facilitará por medio del Moodle, Mediación Virtual o bien correo electrónico.

3. TAREAS SUGERIDAS

Tarea	
1 **(Obligatoria para la cátedra)**	Cuestionario capítulo 1 y un Resumen: Marco Conceptual
2	Del libro de texto: ejercicios 1 y 2 (hasta balance de comprobación). De las Prácticas I Parcial: ejercicio 7
3	Del libro de texto: culminar Prácticas 1 y 2, ejercicios 13 y 14 y lectura inglés.
4	Del libro de texto: Integradora 1 De las Prácticas I Parcial: 6, 20 y 21 Reporte sobre la charla de NIC 1, o resumen en su defecto.
5	Del libro de texto: ejercicios 3 y 4
6	De las Prácticas II Parcial: 16, 21 y 23
7	Del libro de texto: ejercicios 4, 5, 6 y 11
8	De las Prácticas II Parcial: 10, 15, 18 y 24
9	Del libro de texto: ejercicios 4, 5 y 8
10	Del libro de texto: ejercicio 10 De las Prácticas III Parcial: 17 y 25
11	Del libro de texto: ejercicios 4 (con IV) y 6 (con IV) De las Prácticas III Parcial: 4 y 10
12	De las Prácticas III Parcial: 6, 12, 21 y 27

Accounting Basics

(Explanation)

AccountingCoach

Introduction to Accounting Basics

This explanation of accounting basics will introduce you to some basic accounting principles, accounting concepts, and accounting terminology. Once you become familiar with some of these terms and concepts, you will feel comfortable navigating through the explanations, quizzes, puzzles, and other features of AccountingCoach.com. In AccountingCoach PRO you will also find videos, visual tutorials, exam questions and forms to assist you.

Some of the basic accounting terms that you will learn include revenues, expenses, assets, liabilities, income statement, balance sheet, and statement of cash flows. You will become familiar with accounting debits and credits as we show you how to record transactions. You will also see why two basic accounting principles, the revenue recognition principle and the matching principle, assure that a company's income statement reports a company's profitability.

In this explanation of accounting basics, and throughout all of the free materials and the PRO materials, we will often omit some accounting details and complexities in order to present clear and concise explanations. This means that you should always seek professional advice for your specific circumstances.

A Story for Relating to Accounting Basics

We will present the basics of accounting through a story of a person starting a new business. The person is Joe Perez—a savvy man who sees the need for a parcel delivery service in his community. Joe has researched his idea and has prepared a business plan that documents the viability of his new business.

Joe has also met with an attorney to discuss the form of business he should use. Given his specific situation, they concluded that a corporation will be best. Joe decides that the name for his corporation will be Direct Delivery, Inc. The attorney also advises Joe on the various permits and government identification numbers that will be needed for the new corporation.

Joe is a hard worker and a smart man, but admits he is not comfortable with matters of accounting. He assumes he will use some accounting software, but wants to meet with a professional accountant before making his selection. He asks his banker to recommend a professional accountant who is also skilled in explaining accounting to someone without an accounting background. Joe wants to understand the financial statements and wants to keep on top of his new business. His banker recommends Marilyn, an accountant who has helped many of the bank's small business customers.

At his first meeting with Marilyn, Joe asks her for an overview of accounting, financial statements, and the need for accounting software. Based on Joe's business plan, Marilyn sees that there will likely be thousands of transactions each year. She states that accounting software will allow for the electronic recording, storing, and retrieval of those many transactions. Accounting software will permit Joe to generate the financial statements and other reports that he will need for running his business.

Joe seems puzzled by the term transaction, so Marilyn gives him five examples of transactions that Direct Delivery, Inc. will need to record:

1. Joe will no doubt start his business by putting some of his own personal money into it. In effect, he is buying shares of Direct Delivery's common stock.
2. Direct Delivery will need to buy a sturdy, dependable delivery vehicle.
3. The business will begin earning fees and billing clients for delivering their parcels.
4. The business will be collecting the fees that were earned.
5. The business will incur expenses in operating the business, such as a salary for Joe, expenses associated with the delivery vehicle, advertising, etc.

With thousands of such transactions in a given year, Joe is smart to start using accounting software right from the beginning. Accounting software will generate sales invoices and accounting entries simultaneously, prepare statements for customers with no additional work, write checks, automatically update accounting records, etc.

By getting into the habit of entering all of the day's business transactions into his computer, Joe will be rewarded with fast and easy access to the specific information he will need to make sound business decisions. Marilyn tells Joe that accounting's "transaction approach" is useful, reliable, and informative. She has worked with other small business owners who think it is enough to simply "know" their company made $30,000 during the year (based only on the fact that it owns $30,000 more than it did on January 1). Those are the people who start off on the wrong foot and end up in Marilyn's office looking for financial advice.

If Joe enters all of Direct Delivery's transactions into his computer, good accounting software will allow Joe to print out his financial statements with a click of a button. In the rest of this explanation Marilyn will explain the content and purpose of the three main financial statements:

1. Income Statement
2. Balance Sheet
3. Statement of Cash Flows

Income Statement

Marilyn points out that an income statement will show how *profitable* Direct Delivery has been during the time interval shown in the statement's heading. This period of time might be a week, a month, three months, five weeks, or a year—Joe can choose whatever time period he deems most useful.

The reporting of profitability involves two things: the amount that was earned (revenues) and the expenses necessary to earn the revenues. As you will see next, the term *revenues* is not the same as receipts, and the term *expenses* involves more than just writing a check to pay a bill.

A. Revenues

The main revenues for Direct Delivery are the fees it earns for delivering parcels. Under the accrual basis of accounting (as opposed to the less-preferred cash method of accounting), revenues are recorded when they are *earned*, not when the company *receives* the money. Recording revenues when they are earned is the result of one of the basic accounting principles known as the revenue recognition principle.

For example, if Joe delivers 1,000 parcels in December for $4 per delivery, he has technically *earned* fees totaling $4,000 for that month. He sends invoices to his clients for these fees and his terms require that his clients must pay by January 10. Even though his clients won't be paying Direct Delivery until January 10, the accrual basis of accounting requires that the $4,000 be recorded as *December* revenues, since that is when the delivery work actually took place. After expenses are matched with these revenues, the income statement for December will show just how *profitable* the company was in delivering parcels in December.

When Joe receives the $4,000 worth of payment checks from his customers on January 10, he will make an accounting entry to show the money was received. This $4,000 of receipts will not be considered to be January revenues, since the *revenues* were already reported as revenues in December when they were earned. This $4,000 of receipts will be recorded in January as a reduction in Accounts Receivable. (In December Joe had made an entry to Accounts Receivable and to Sales.)

B. Expenses

Now Marilyn turns to the second part of the income statement—expenses. The December income statement should show expenses *incurred* during December regardless of when the company actually *paid* for the expenses. For example, if Joe hires someone to help him with December deliveries and Joe agrees to pay him $500 on January 3, that $500 expense needs to be shown on the *December* income statement. The actual date that the $500 is paid out doesn't matter. What matters is when the work was done—when the expense was *incurred*—and in this case, the work was done in December. The $500 expense is counted as a December expense even though the money will not be paid out until January 3. The recording of expenses with the related revenues is associated with another basic accounting principle known as the matching principle.

Marilyn explains to Joe that showing the $500 of wages expense on the December income statement will result in a *matching* of the cost of the labor used to deliver the December parcels with the revenues from delivering the December parcels. This matching principle is very important in measuring just how profitable a company was during a given time period.

Marilyn is delighted to see that Joe already has an intuitive grasp of this basic accounting principle. In order to earn revenues in December, the company had to incur some business expenses in December, even if the expenses won't be *paid* until January. Other expenses to be matched with December's revenues would be such things as gas for the delivery van and advertising spots on the radio.

Joe asks Marilyn to provide another example of a cost that wouldn't be paid in December, but would have to be shown/matched as an expense on December's income statement. Marilyn uses the Interest Expense on borrowed money as an example. She asks Joe to assume that on December 1 Direct Delivery borrows $20,000 from Joe's aunt and the company agrees to pay his aunt 6% per year in interest, or $1,200 per year. This interest is to be paid in a lump sum each on December 1 of each year.

Now even though the interest is being paid out to his aunt only once per year as a lump sum, Joe can see that in reality, a little bit of that interest expense is *incurred* each and every day he's in business. If Joe is preparing *monthly* income statements, Joe should report one month of Interest Expense on each month's income statement. The amount that Direct Delivery will incur as Interest Expense will be $100 per month all year long ($20,000 x 6% ÷ 12). In other words, Joe needs to match $100 of interest expense with each month's revenues. The interest expense is considered a cost that is necessary to earn the revenues shown on the income statements.

Marilyn explains to Joe that the income statement is a bit more complicated than what she just explained, but for now she just wants Joe to learn some basic accounting concepts and some of the accounting terminology. Marilyn does make sure, however, that Joe understands one simple yet important point: an *income* statement, does *not* report the *cash* coming in—rather, its purpose is to (1) report the *revenues earned* by the company's efforts during the period, and (2) report the *expenses incurred* by the company during the same period. The purpose of the income statement is to show a company's *profitability* during a specific period of time. The difference (or "net") between the revenues and expenses for Direct Delivery is often referred to as the **bottom line** and it is labeled as either Net Income or Net Loss.

Balance Sheet – Assets

Marilyn moves on to explain the balance sheet, a financial statement that reports the amount of a company's **(A)** assets, **(B)** liabilities, and **(C)** stockholders' (or owner's) equity at a specific *point in time*. Because the balance sheet reflects a specific *point in time* rather than a *period of time*, Marilyn likes to refer to the balance sheet as a "snapshot" of a company's financial position at a given moment. For example, if a balance sheet is dated December 31, the amounts shown on the balance sheet are the balances in the accounts after all transactions pertaining to December 31 have been recorded.

(A) Assets

Assets are things that a company owns and are sometimes referred to as the resources of the company. Joe readily understands this—off the top of his head he names things such as the company's vehicle, its cash in the bank, all of the supplies he has on hand, and the dolly he uses to help move the heavier parcels. Marilyn nods and shows Joe how these are reported in accounts called Vehicles, Cash, Supplies, and Equipment. She mentions one asset Joe hadn't considered—Accounts Receivable. If Joe delivers parcels, but isn't paid immediately for the delivery, the amount owed to Direct Delivery is an asset known as Accounts Receivable.

Prepaids

Marilyn brings up another less obvious asset—the unexpired portion of prepaid expenses. Suppose Direct Delivery pays $1,200 on December 1 for a six-month insurance premium on its delivery vehicle. That divides out to be $200 per month ($1,200 ÷ 6 months). Between December 1 and December 31, $200 worth of insurance premium is "used up" or "expires". The *expired* amount will be reported as Insurance Expense on December's income statement. Joe asks Marilyn where the remaining $1,000 of unexpired insurance premium would be reported. On the December 31 balance sheet, Marilyn tells him, in an asset account called Prepaid Insurance.

Other examples of things that might be paid for before they are used include supplies and annual dues to a trade association. The portion that expires in the current accounting period is listed as an expense on the income statement; the part that has not yet expired is listed as an asset on the balance sheet.

Marilyn assures Joe that he will soon see a significant link between the income statement and balance sheet, but for now she continues with her explanation of assets.

Cost Principle and Conservatism

Joe learns that each of his company's assets was recorded at its *original cost*, and even if the fair market value of an item increases, an accountant will not increase the recorded amount of that asset on the balance sheet. This is the result of another basic accounting principle known as the cost principle.

Although accountants generally do not increase the value of an asset, they might *decrease* its value as a result of a concept known as conservatism. For example, after a few months in business, Joe may decide that he can help out some customers—as well as earn additional revenues—by carrying an inventory of packing boxes to sell. Let's say that Direct Delivery purchased 100 boxes wholesale for $1.00 each. Since the time when Joe bought them, however, the wholesale price of boxes has been cut by 40% and at today's price he could purchase them for $0.60 each. If the net realizable value of his inventory is less than the *original recorded* cost, the principle of conservatism directs the accountant to report the lower amount as the asset's value on the balance sheet.

In short, the cost principle generally prevents assets from being reported at more than cost, while conservatism might require assets to be reported at less than their cost.

Depreciation

Joe also needs to know that the reported amounts on his balance sheet for assets such as equipment, vehicles, and buildings are routinely reduced by depreciation. Depreciation is required by the basic accounting principle known as the matching principle. Depreciation is used for assets whose life is not indefinite—equipment wears out, vehicles become too old and costly to maintain, buildings age, and some assets (like computers) become obsolete. Depreciation is the allocation of the cost of the asset to Depreciation Expense on the income statement over its useful life.

As an example, assume that Direct Delivery's van has a useful life of five years and was purchased at a cost of $20,000. The accountant might match $4,000 ($20,000 ÷ 5 years) of Depreciation Expense with each year's revenues for five years. Each year the carrying amount of the van will be reduced by $4,000. (The carrying amount—or "book value"—is reported on the balance sheet and it is the cost of the van minus the total depreciation since the van was acquired.) This means that after one year the balance sheet will report the carrying amount of the delivery van as $16,000, after two years the carrying amount will be $12,000, etc. After five years—the end of the van's expected useful life—its carrying amount is zero.

Joe wants to be certain that he understands what Marilyn is telling him regarding the assets on the balance sheet, so he asks Marilyn if the balance sheet is, in effect, showing what the company's assets are worth. He is surprised to hear Marilyn say that the assets are *not* reported on the balance sheet at their worth (fair market value). Long-term assets (such as buildings, equipment, and furnishings) are reported at their cost *minus* the amounts already sent to the income statement as Depreciation Expense. The result is that a building's market value may actually have increased since it was acquired, but the amount on the balance sheet has been *consistently reduced* as the accountant moved some of its cost to Depreciation Expense on the income statement in order to achieve the matching principle.

Another asset, Office Equipment, may have a fair market value that is much smaller than the carrying amount reported on the balance sheet. (Accountants view depreciation as an *allocation* process—allocating the cost to expense in order to match the costs with the revenues generated by the asset. Accountants do *not* consider depreciation to be a *valuation* process.) The asset Land is not depreciated, so it will appear at its original cost even if the land is now worth one hundred times more than its cost.

Short-term (current) asset amounts are likely to be close to their market values, since they tend to "turn over" in relatively short periods of time.

Marilyn cautions Joe that the balance sheet reports only the assets acquired and only at the cost reported in the transaction. This means that a company's reputation—as excellent as it might be—will not be listed as an asset. It also means that Jeff Bezos will not appear as an asset on Amazon.com's balance sheet; Nike's logo will not appear as an asset on its balance sheet; etc. Joe is surprised to hear this, since in his opinion these items are perhaps the most valuable things those companies have. Marilyn tells Joe that he has just learned an important lesson that he should remember when reading a balance sheet.

Balance Sheet – Liabilities and Stockholders' Equity

(B) Liabilities

The balance sheet reports Direct Delivery's liabilities as of the date noted in the heading of the balance sheet. Liabilities are obligations of the company; they are amounts owed to others as of the balance sheet date. Marilyn gives Joe some examples of liabilities: the loan he received from his aunt (Notes Payable or Loan Payable), the interest on the loan he owes to his aunt (Interest Payable), the amount he owes to the supply store for items purchased on credit (Accounts Payable), the wages he owes an employee but hasn't yet paid to him (Wages Payable).

Another liability is money received in advance of actually *earning* the money. For example, suppose that Direct Delivery enters into an agreement with one of its customers stipulating that the customer prepays $600 in return for the delivery of 30 parcels every month for 6 months. Assume Direct Delivery receives that $600 payment on December 1 for deliveries to be made between December 1 and May 31. Direct Delivery has a cash *receipt* of $600 on December 1, but it does *not* have revenues of $600 at this point. It will have revenues only when it *earns* them by delivering the parcels. On December 1, Direct Delivery will show that its asset Cash increased by $600, but it will also have to show that it has a *liability* of $600. (It has the liability to deliver $600 of parcels within 6 months, or return the money.)

The liability account involved in the $600 received on December 1 is Unearned Revenue (or Deferred Revenues, Customer Deposits, etc.). Each month, as the 30 parcels are delivered, Direct Delivery will be earning $100, and as a result, each month $100 moves from the account Unearned Revenue to Service Revenues. Each month Direct Delivery's liability decreases by $100 as it fulfills the agreement by delivering parcels and each month its revenues on the income statement increase by $100.

(C) Stockholders' Equity

If the company is a corporation, the third section of a corporation's balance sheet is Stockholders' Equity. (If the company is a sole proprietorship, it is referred to as Owner's Equity.) The amount of Stockholders' Equity is exactly the difference between the asset amounts and the liability amounts. As a result accountants often refer to Stockholders' Equity as the difference (or residual) of assets minus liabilities. Stockholders' Equity is also the "book value" of the corporation.

Since the corporation's assets are shown at cost or lower (and not at their market values) it is important that you do **not** associate the reported amount of Stockholders' Equity with the market value of the corporation. (Hence, it is a poor choice of words to refer to Stockholders' Equity as the corporation's "net worth".) To find the market value of a corporation, you should obtain the services of a professional familiar with valuing businesses.

Within the Stockholders' Equity section you may see accounts such as Common Stock, Paid-in Capital in Excess of Par Value-Common Stock, Preferred Stock, Retained Earnings, Accumulated Other Comprehensive Income, Treasury Stock, and Current Year's Net Income.

The account Common Stock will be increased when the corporation issues shares of stock in exchange for cash (or some other asset). Another account Retained Earnings will increase when the corporation earns a profit. There will be a decrease when the corporation has a net loss. This means that revenues will automatically cause an *increase* in Stockholders' Equity and expenses will automatically cause a *decrease* in Stockholders' Equity. This illustrates a link between a company's balance sheet and income statement.

Statement of Cash Flows

The third financial statement that Joe needs to understand is the Statement of Cash Flows. This statement shows how Direct Delivery's cash amount has changed during the time interval shown in the heading of the statement. Joe will be able to see at a glance the cash generated and used by his company's operating activities, its investing activities, and its financing activities. Much of the information on this financial statement will come from Direct Delivery's balance sheets and income statements.

The three financial reports that Marilyn introduced to Joe—the income statement, the balance sheet, and the statement of cash flows—represent one segment of the valuable output that good accounting software can generate for business owners.

Marilyn now explains to Joe the basics of getting started with recording his transactions.

Double Entry System

The field of accounting—both the older manual systems and today's basic accounting software—is based on the 500-year-old accounting procedure known as **double entry**. Double entry is a simple yet powerful concept: each and every one of a company's transactions will result in an amount recorded into at *least two* of the accounts in the accounting system.

The Chart of Accounts
To begin the process of setting up Joe's accounting system, he will need to make a detailed listing of all the names of the accounts that Direct Delivery, Inc. might find useful for reporting transactions. This detailed listing is referred to as a chart of accounts. (Accounting software often provides sample charts of accounts for various types of businesses.)

As he enters his transactions, Joe will find that the chart of accounts will help him select the two (or more) accounts that are involved. Once Joe's business begins, he may find that he needs to add more account names to the chart of accounts, or delete account names that are never used. Joe can tailor his chart of accounts so that it best sorts and reports the transactions of his business.

Because of the double entry system all of Direct Delivery's transactions will involve a combination of two or more accounts from the balance sheet and/or the income statement. Marilyn lists out some sample accounts that Joe will probably need to include on his chart of accounts:

Balance Sheet accounts:
- Asset accounts (Examples: Cash, Accounts Receivable, Supplies, Equipment)
- Liability accounts (Examples: Notes Payable, Accounts Payable, Wages Payable)
- Stockholders' Equity accounts (Examples: Common Stock, Retained Earnings)

Income Statement accounts:

- Revenue accounts (Examples: Service Revenues, Investment Revenues)
- Expense accounts (Examples: Wages Expense, Rent Expense, Depreciation Expense)

To help Joe really understand how this works, Marilyn illustrates the double entry with some sample transactions that Joe will likely encounter.

Sample Transaction #1

On December 1, 2018 Joe starts his business Direct Delivery, Inc. The first transaction that Joe will record for his company is his personal investment of $20,000 in exchange for 5,000 shares of Direct Delivery's common stock. Direct Delivery's accounting system will show an increase in its account Cash from zero to $20,000, and an increase in its stockholders' equity account Common Stock by $20,000. Both of these accounts are balance sheet accounts. There are no revenues because no delivery fees were earned by the company, and there were no expenses.

After Joe enters this transaction, Direct Delivery's balance sheet will look like this:

Direct Delivery, Inc.
Balance Sheet
December 1, 2018

ASSETS		LIABILITIES & STOCKHOLDERS' EQUITY	
Cash	$20,000	Liabilities	
		Stockholders' equity	
		Common stock	$20,000
Total assets	$20,000	Total liabilities & stockholders' equity	$20,000

Marilyn asks Joe if he can see that the balance sheet is just that—*in balance*. Joe looks at the total of $20,000 on the asset side, and looks at the $20,000 on the right side, and says yes, of course, he can see that it is indeed in balance.

Marilyn shows Joe something called the *basic accounting equation*, which, she explains, is really the same concept as the balance sheet, it's just presented in an equation format:

Assets	=	Liabilites	+	Stockholders' (or Owner's) Equity
$20,000	=	$0	+	$20,000

The accounting equation (and the balance sheet) should always be in balance.

Debits and Credits

Did the first sample transaction follow the double entry system and affect two or more accounts? Joe looks at the balance sheet again and answers yes, both Cash and Common Stock were affected by the transaction.

Marilyn introduces the next basic accounting concept: the double entry system requires that the same dollar amount of the transaction must be entered on both the *left* side of one account, and on the *right* side of another account. Instead of the word *left*, accountants use the word *debit*; and instead of the word *right*, accountants use the word *credit*. (The terms *debit* and *credit* are derived from Latin terms used 500 years ago.)

> **Here's a Tip**
>
> Debit means left.
> Credit means right.

Joe asks Marilyn how he will know which accounts he should debit—meaning he should enter the numbers on the left side of one account—and which accounts he should credit—meaning he should enter the numbers on the right side of another account. Marilyn points back to the basic accounting equation and tells Joe that if he memorizes this simple equation, it will be easier to understand the debits and credits.

> **Here's a Tip**
>
> Memorizing the simple accounting equation will help you learn the debit and credit rules for entering amounts into the accounting records.

Let's take a look at the accounting equation again:

Assets = Liabilites + Stockholders' (or Owner's) Equity

Just as assets are on the left side (or debit side) of the accounting equation, the asset accounts in the general ledger have their balances on the left side. To *increase* an asset account's balance, you put more on the left side of the asset account. In accounting jargon, *you debit the asset account*. To *decrease* an asset account balance you *credit* the account, that is, you enter the amount on the right side.

Just as liabilities and stockholders' equity are on the right side (or credit side) of the accounting equation, the liability and equity accounts in the general ledger have their balances on the right side. To *increase* the balance in a liability or stockholders' equity account, you put more on the right side of the account. In accounting jargon, you credit the liability or the equity account. To *decrease* a liability or equity, you debit the account, that is, you enter the amount on the left side of the account.

As with all rules, there are exceptions, but Marilyn's reference to the accounting equation may help you to learn whether an account should be debited or credited.

Since many transactions involve cash, Marilyn suggests that Joe memorize how the Cash account is affected when a transaction involves cash: if Direct Delivery *receives* cash, the Cash account is debited; when Direct Delivery *pays* cash, the Cash account is credited.

Here's a Tip

When a company *receives* cash, the Cash account is *debited*.
When the company *pays* cash, the Cash account is *credited*.

Marilyn refers to the example of December 1. Since Direct Delivery received $20,000 *in cash* from Joe in exchange for 5,000 shares of common stock, one of the accounts for this transaction is Cash. Since cash was *received*, the Cash account will be *debited*.

In keeping with double entry, two (or more) accounts need to be involved. Because the first account (Cash) was *debited*, the second account needs to be *credited*. All Joe needs to do is find the right account to credit. In this case, the second account is Common Stock. Common stock is part of stockholders' equity, which is on the right side of the accounting equation. As a result, it should have a credit balance, and to increase its balance the account needs to be *credited*.

Accountants indicate accounts and amounts using the following format:

Account Name	Debit	Credit
Cash	20,000	
Common Stock		20,000

Accountants usually first show the account and amount to be debited. On the next line, the account to be credited is indented and the amount appears further to the right than the debit amount shown in the line above. This entry format is referred to as a general journal entry.

(With the decrease in the price of computers and accounting software, it is rare to find a small business still using a manual system and making entries by hand. Accounting software has made the process of recording transactions so much easier that the general journal is rarely needed. In fact, entries are often generated automatically when a check or sales invoice is prepared.)

Sample Transactions #2 - #3

Sample Transaction #2
Marilyn illustrates for Joe a second transaction. On December 2, Direct Delivery purchases a used delivery van for $14,000 by writing a check for $14,000. The two accounts involved are Cash and Vehicles (or Delivery Equipment). When the check is written, the accounting software will automatically make the entry into these two accounts.

Marilyn explains to Joe what is happening within the software. Since the company pays $14,000, the Cash account is credited. (Accountants consider the checking account to be Cash, and the TIP you learned is that when cash is paid, you credit Cash.) So we know that the Cash account will be credited for $14,000 and we know the other account will have to be debited for $14,000. We need only identify the best account to debit. In this case we choose Vehicles (or Delivery Equipment) and the entry is:

Account Name	Debit	Credit
Vehicles	14,000	
Cash		14,000

The balance sheet will look like this after the vehicle transaction is recorded:

Direct Delivery, Inc.
Balance Sheet
December 2, 2018

ASSETS		LIABILITIES & STOCKHOLDERS' EQUITY	
Cash	$ 6,000	Liabilities	
Vehicles	14,000	Stockholders' equity	
		Common stock	$20,000
Total assets	$20,000	Total liabilities & stockholders' equity	$20,000

The balance sheet and the accounting equation remain in balance:

Assets = Liabilites + Stockholders' (or Owner's) Equity
$20,000 = $0 + $20,000

As you can see in the balance sheet, the asset Cash decreased by $14,000 and another asset Vehicles increased by $14,000. Liabilities and stockholders' equity were not involved and did not change.

Sample Transaction #3

The third sample transaction also occurs on December 2 when Joe contacts an insurance agent regarding insurance coverage for the vehicle Direct Delivery just purchased. The agent informs him that $1,200 will provide insurance protection for the next six months. Joe immediately writes a check for $1,200 and mails it in.

Let's consider this transaction. Using double entry, we know there must be a minimum of two accounts involved—one (or more) of the accounts must be *debited*, and one (or more) must be *credited*.

Since a check is written, we know that one of the accounts involved is Cash. Since cash was *paid*, the Cash account will be *credited*. (Take another look at the last TIP.) While we have not yet identified the second account, what we do know for certain is that the second account will have to be *debited*.

At this point we have most of the entry—all we are missing is the name of the account to be debited:

Account Name	Debit	Credit
???	1,200	
Cash		1,200

We know the transaction involves insurance, and a quick look through the chart of accounts reveals two possibilities:

> ***Prepaid Insurance*** *(an asset account reported on the balance sheet) and* ***Insurance Expense*** *(an expense account reported on the income statement)*

Assets include costs that are not yet expired (not yet used up), while expenses are costs that have expired (have been used up). Since the $1,200 payment is for an expense that will not expire in its entirety within the current month, it would be logical to debit the account Prepaid Insurance. (At the end of each month, when $200 has expired, $200 will be moved from Prepaid Insurance to Insurance Expense.)

The entry in the general journal format is:

Account Name	Debit	Credit
Prepaid Insurance	1,200	
Cash		1,200

After the first three transactions have been recorded, the balance sheet will look like this:

Direct Delivery, Inc.
Balance Sheet
December 2, 2018

ASSETS		LIABILITIES & STOCKHOLDERS' EQUITY	
Cash	$ 4,800	Liabilities	
Prepaid insurance	1,200	Stockholders' equity	
Vehicles	14,000	Common stock	$20,000
Total assets	$20,000	Total liabilities & stockholders' equity	$20,000

Again, the balance sheet and the accounting equation are in balance and all of the changes occurred on the asset/left/debit side of the accounting equation. Liabilities and Stockholders' Equity were not affected by the insurance transaction.

Sample Transactions #4 - #6

Sample Transaction #4

The fourth transaction occurs on December 3, when a customer gives Direct Delivery a check for $10 to deliver two parcels on that day. Because of double entry, we know there must be a minimum of two accounts involved—one of the accounts must be debited, and one of the accounts must be credited.

Because Direct Delivery received $10, it must debit the account Cash. It must also credit a second account for $10. The second account will be Service Revenues, an income statement account. The reason Service Revenues is credited is because Direct Delivery must report that it earned $10 (not because it received $10). Recording revenues when they are earned results from a basic accounting principle known as the revenue recognition principle. The following tip reflects that principle.

Here's a Tip

Revenues accounts are credited when the company earns a fee (or sells merchandise) regardless of whether cash is received at the time.

Here are the two parts of the transaction as they would look in the general journal format:

Account Name	Debit	Credit
Cash	10	
Services Revenues		10

Sample Transaction #5

Let's assume that on December 3 the company gets its second customer—a local company that needs to have 50 parcels delivered immediately. Joe's price of $250 is very appealing, so Joe's company is hired to deliver the parcels. The customer tells Joe to submit an invoice for the $250, and they will pay it within seven days.

Joe delivers the 50 parcels on December 3 as agreed, meaning that on December 3 Direct Delivery has *earned* $250. Hence the $250 is reported as revenues on *December 3*, even though the company did not receive any cash on that day. The *effort* needed to complete the job was done on December 3. (Depositing the check for $250 in the bank when it arrives seven days later is not considered to take any effort.)

Let's identify the two accounts involved and determine which needs a debit and which needs a credit.

Because Direct Delivery has earned the fees, one account will be a revenues account, such as Service Revenues. (If you refer back to the last TIP, you will read that revenue accounts—such as Service Revenues—are usually credited, meaning the second account will need to be debited.)

In the general journal format, here's what we have identified so far:

Account Name	Debit	Credit
???	250	
Services Revenues		250

We know that the unnamed account cannot be Cash because the company did not receive money on December 3. However, the company has earned the right to receive the money in seven days. The account title for the money that Direct Delivery has a right to receive for having provided the service is Accounts Receivable (an asset account).

Account Name	Debit	Credit
Accounts Receivable	250	
Services Revenues		250

Again, reporting revenues when they are earned results from the basic accounting principle known as the revenue recognition principle.

Sample Transaction #6

For simplicity, let's assume that the only expense incurred by Direct Delivery so far was a fee to a temporary help agency for a person to help Joe deliver parcels on December 3. The temp agency fee is $80 and is due by December 12.

If a company does not pay cash immediately, you cannot credit Cash. But because the company owes someone the money for its purchase, we say it has an **obligation** or **liability** to pay. Most accounts involved with obligations have the word "payable" in their name, and one of the most frequently used accounts is Accounts Payable. Also keep in mind that expenses are almost always *debited*.

The accounts and amounts for the temporary help are:

Account Name	Debit	Credit
Temporary Help Expense	80	
Accounts Payable		80

Here's a Tip

Expenses are (almost) always debited.

Here's a Tip

If a company does not pay cash right away for an expense or for an asset, you cannot credit Cash. Because the company owes someone the money for its purchase, we say it has an obligation or liability to pay. The most likely liability account involved in business obligations is Accounts Payable.

Revenues and expenses appear on the income statement as shown below:

Direct Delivery, Inc.
Income Statement
For the Three Days Ended December 3, 2018

Services revenues	$ 260
Temporary help expense	80
Net income	$ 180

After the entries through December 3 have been recorded, the balance sheet will look like this:

Direct Delivery, Inc.
Balance Sheet
December 3, 2018

ASSETS		LIABILITIES & STOCKHOLDERS' EQUITY	
Cash	$ 4,810	Liabilities	
Accounts receivable	250	Accounts payable	$ 80
Prepaid insurance	1,200	Stockholders' equity	
Vehicles	14,000	Common stock	20,000
		Retained earnings	180
		Total stockholders' equity	20,180
Total assets	$20,260	Total liabilities & stockholders' equity	$ 20,260

Notice that the year-to-date net income (bottom line of the income statement) increased Stockholders' Equity by the same amount, $180. This connection between the income statement and balance sheet is important. For one, it keeps the balance sheet and the accounting equation in balance. Secondly, it demonstrates that revenues will cause the stockholders' equity to increase and expenses will cause stockholders' equity to decrease. After the end of the year financial statements are prepared, you will see that the income statement accounts (revenue accounts and expense accounts) will be closed or zeroed out and their balances will be transferred into the Retained Earnings account. This will mean the revenue and expense accounts will start the new year with zero balances—allowing the company "to keep score" for the new year.

Marilyn suggested that perhaps this introduction was enough material for their first meeting. She wrote out the following notes, summarizing for Joe the important points of their discussion

1. **When a company *pays* cash for something**, the company will *credit* Cash and will have to *debit* a second account. Assuming that a company prepares *monthly* financial statements—

   - If the amount is used up or will expire in the current month, the account to be debited will be an expense account. (Advertising Expense, Rent Expense, Wages Expense are three examples.)
   - If the amount is *not* used up or does *not* expire in the current month, the account to be debited will be an asset account. (Examples are Prepaid Insurance, Supplies, Prepaid Rent, Prepaid Advertising, Prepaid Association Dues, Land, Buildings, and Equipment.)
   - If the amount reduces a company's obligations, the account to be debited will be a liability account. (Examples include Accounts Payable, Notes Payable, Wages Payable, and Interest Payable.)

2. **When a company *receives* cash**, the company will *debit* Cash and will have to credit another account. Assuming that a company will prepare *monthly* financial statements—

   - If the amount received is from a cash sale, or for a service that has just been performed but has not yet been recorded, the account to be credited is a revenue account such as Service Revenues or Fees Earned.
   - If the amount received is an advance payment for a service that has not yet been performed or earned, the account to be *credited* is Unearned Revenue.
   - If the amount received is a payment from a customer for a sale or service delivered earlier and has already been recorded as revenue, the account to be credited is Accounts Receivable.
   - If the amount received is the proceeds from the company signing a promissory note, the account to be credited is Notes Payable.
   - If the amount received is an investment of additional money by the owner of the corporation, a stockholders' equity account such as Common Stock is credited.

3. Revenues are recorded as Service Revenues or Sales when the service or sale has been performed, not when the cash is received. This reflects the basic accounting principle known as the revenue recognition principle.

4. Expenses are matched with revenues or with the period of time shown in the heading of the income statement, not in the period when the expenses were paid. This reflects the basic accounting principle known as the matching principle.

5. The financial statements also reflect the basic accounting principle known as the cost principle. This means assets are shown on the balance sheet at their original cost or less and not at their current value. The income statement expenses also reflect the cost principle. For example, the depreciation expense is based on the original cost of the asset being depreciated and not on the current replacement cost.

Conclusion

You should consider our materials to be an *introduction* to selected accounting and bookkeeping topics, and realize that some complexities (including differences between financial statement reporting and income tax reporting) are not presented. Therefore, always consult with accounting and tax professionals for assistance with your specific circumstances.

Accounting Basics

(Practice Quiz)

AccountingCoach®

Answers on page 4
You will find an interactive version of these quizzes on AccountingCoach.com.

1. The financial statement that reports the revenues and expenses for a period of time such as a year or a month is the
   Balance Sheet **Income Statement** **Statement Of Cash Flows**

2. The financial statement that reports the assets, liabilities, and stockholders' (owner's) equity at a specific date is the
   Balance Sheet **Income Statement** **Statement Of Cash Flows**

3. Under the accrual basis of accounting, revenues are reported in the accounting period when the
   Cash Is Received **Service Or Goods Have Been Delivered**

4. Under the accrual basis of accounting, expenses are reported in the accounting period when the
   Cash Is Paid **Expense Matches The Revenues Or Is Used Up**

5. Revenues minus expenses equals __________.

6. Resources owned by a company (such as cash, accounts receivable, vehicles) are reported on the balance sheet and are referred to as __________.

7. Assets are usually reported on the balance sheet at which amount?
   Cost **Current Market Value** **Expected Selling Price**

8. Obligations (amounts owed) are reported on the balance sheet and are referred to as __________.

9. Liabilities often have the word __________ in their account title.

10. Unearned Revenues is what type of account?
    Asset **Liability** **Stockholders' (Owner's) Equity**

11. Accounting entries involve a minimum of how many accounts?
    One **Two** **Three**

Introduction to Bank Reconciliation

Did you know? *To make the topic of Bank Reconciliation even easier to understand, we created a collection of premium materials called **AccountingCoach PRO**. Our PRO users get lifetime access to our bank reconciliation visual tutorial, cheat sheet, flashcards, quick tests, quick test with coaching, business forms, and more.*

A company's general ledger account Cash contains a record of the transactions (checks written, receipts from customers, etc.) that involve its checking account. The bank also creates a record of the company's checking account when it processes the company's checks, deposits, service charges, and other items. Soon after each month ends the bank usually mails a bank statement to the company. The bank statement lists the activity in the bank account during the recent month as well as the balance in the bank account.

When the company receives its bank statement, the company should verify that the amounts on the bank statement are consistent or compatible with the amounts in the company's Cash account in its general ledger and vice versa. This process of confirming the amounts is referred to *as reconciling the bank statement, bank statement reconciliation, bank reconciliation, or doing a "bank rec."* The benefit of reconciling the bank statement is knowing that the amount of Cash reported by the company (company's books) is consistent with the amount of cash shown in the bank's records.

Because most companies write hundreds of checks each month and make many deposits, reconciling the amounts on the company's books with the amounts on the bank statement can be time consuming. The process is complicated because some items appear in the company's Cash account in one month, but appear on the bank statement in a different month. For example, checks written near the end of August are deducted immediately on the company's books, but those checks will likely clear the bank account in early September. Sometimes the bank decreases the company's bank account without informing the company of the amount. For example, a bank service charge might be deducted on the bank statement on August 31, but the company will not learn of the amount until the company receives the bank statement in early September. From these two examples, you can understand why there will likely be a difference in the *balance on the bank statement vs. the balance in the Cash account on the company's books*. It is also possible (perhaps likely) that neither balance is the true balance. Both balances may need adjustment in order to report the true amount of cash.

After you adjust the balance per bank to be the true balance and after you adjust the balance per books to also be the same true balance, you have reconciled the bank statement. Most accountants would simply say that you have done the bank reconciliation or the bank rec.

Bank Reconciliation Process

Step 1. Adjusting the Balance per Bank

We will demonstrate the bank reconciliation process in several steps. The first step is to adjust the *balance on the bank statement* to the true, adjusted, or corrected balance. The items necessary for this step are listed in the following schedule:

Step 1.	Balance per Bank Statement on Aug. 31, 2018
	Adjustments:
	Add: Deposits in transit
	Deduct: Outstanding checks
	Add or Deduct: Bank errors
	Adjusted/Corrected Balance per Bank

Deposits in transit are amounts already received and recorded by the *company*, but are not yet recorded by the *bank*. For example, a retail store deposits its cash receipts of August 31 into the bank's night depository at 10:00 p.m. on August 31. The bank will process this deposit on the morning of September 1. As of August 31 (the bank statement date) this is a deposit in transit.

Because deposits in transit are already included in the company's Cash account, there is no need to adjust the company's records. However, deposits in transit are not yet on the bank statement. Therefore, they need to be listed on the bank reconciliation as *an increase to the balance per bank* in order to report the true amount of cash.

- A helpful rule of thumb is "put it where it isn't." A deposit in transit is on the company's books, but it isn't on the bank statement. Put it where it isn't: as an *adjustment to the balance on the bank statement.*

Outstanding checks are checks that have been written and recorded in the company's Cash account, but have *not* yet cleared the bank account. Checks written during the last few days of the month plus a few older checks are likely to be among the outstanding checks.

Because all checks that have been written are immediately recorded in the company's Cash account, there is no need to adjust the company's records for the outstanding checks. However, the outstanding checks have not yet reached the bank and the bank statement. Therefore, outstanding checks are listed on the bank reconciliation as a *decrease in the balance per bank*.

- Recall the helpful tip "put it where it isn't." An outstanding check is on the company's books, but it isn't on the bank statement. Put it where it isn't: as an adjustment to the balance on the bank statement.

Bank errors are mistakes made by the bank. Bank errors could include the bank recording an incorrect amount, entering an amount that does not belong on a company's bank statement, or omitting an amount from a company's bank statement. The company should notify the bank of its errors. Depending on the error, the correction could *increase* or *decrease the balance shown on the bank statement*. (Since the company did not make the error, the company's records are not changed.)

Step 2. Adjusting the Balance per Books

The second step of the bank reconciliation is to adjust the balance in the company's Cash account so that it is the true, adjusted, or corrected balance. Examples of the items involved are shown in the following schedule:

Step 2. Balance per Books on Aug. 31, 2018
Adjustments:
Deduct: Bank service charges
Deduct: NSF checks & fees
Deduct: Check printing charges
Add: Interest earned
Add: Notes Receivable collected by bank
Add or Deduct: Errors in company's Cash account
Adjusted/Corrected Balance per Books

Bank service charges are fees deducted from the bank statement for the bank's processing of the checking account activity (accepting deposits, posting checks, mailing the bank statement, etc.) Other types of bank service charges include the fee charged when a company overdraws its checking account and the bank fee for processing a stop payment order on a company's check. The bank might deduct these charges or fees on the bank statement without notifying the company. When that occurs the company usually learns of the amounts only after receiving its bank statement.

Because the bank service charges have already been deducted on the bank statement, there is no adjustment to the balance per bank. However, the service charges will have to be entered as an adjustment to the company's books. The company's Cash account will need to be decreased by the amount of the service charges.

- Recall the helpful tip "put it where it isn't." A bank service charge is already listed on the bank statement, but it isn't on the company's books. Put it where it isn't: as an adjustment to the Cash account on the company's books.

An NSF check is a check that was not honored by the bank of the person or company writing the check because that account did not have a sufficient balance. As a result, the check is returned without being honored or paid. (NSF is the acronym for not sufficient funds. Often the bank describes the returned check as a return item. Others refer to the NSF check as a "rubber check" because the check "bounced" back from the bank on which it was written.) When the NSF check comes back to the bank in which it was deposited, the bank will decrease the checking account of the company that had deposited the check. The amount charged will be the amount of the check plus a bank fee.

Because the NSF check and the related bank fee have already been deducted on the bank statement, there is no need to adjust the balance per the bank. However, if the company has not yet decreased its Cash account balance for the returned check and the bank fee, the company must decrease the *balance per books* in order to reconcile.

Check printing charges occur when a company arranges for its bank to handle the reordering of its checks. The cost of the printed checks will automatically be deducted from the company's checking account.

Because the check printing charges have already been deducted on the bank statement, there is no adjustment to the balance per bank. However, the check printing charges need to be an adjustment on the company's books. They will be a deduction to the company's Cash account.

- Recall the general rule, "put it where it isn't." A check printing charge is on the bank statement, but it isn't on the company's books. Put it where it isn't: as an adjustment to the Cash account on the company's books.

Interest earned will appear on the bank statement when a bank gives a company interest on its account balances. The amount is added to the checking account balance and is automatically on the bank statement. Hence there is no need to adjust the balance per the bank statement. However, the amount of interest earned will increase the balance in the company's Cash account on its books.

- Recall "put it where it isn't." Interest received from the bank is on the bank statement, but it isn't on the company's books. Put it where it isn't: as an adjustment to the Cash account on the company's books.

Notes Receivable are assets of a company. When notes come due, the company might ask its bank to collect the notes receivable. For this service the bank will charge a fee. The bank will increase the company's checking account for the amount it collected (principal and interest) and will decrease the account by the collection fee it charges.Since these amounts are already on the bank statement, the company must be certain that the amounts appear on the company's books in its Cash account.

- Recall the tip "put it where it isn't." The amounts collected by the bank and the bank's fees are on the bank statement, but they are not on the company's books. Put them where they aren't: as adjustments to the Cash account on the company's books.

Errors in the company's Cash account result from the company entering an incorrect amount, entering a transaction that does not belong in the account, or omitting a transaction that should be in the account. Since the company made these errors, the correction of the error will be either an increase or a decrease to the balance in the Cash account on the company's books.

Step 3. Comparing the Adjusted Balances

After adjusting the *balance per bank* (Step 1) and after adjusting the *balance per books* (Step 2), the two adjusted amounts should be equal. If they are not equal, you must repeat the process until the balances are identical. The balances should be the true, correct amount of cash as of the date of the bank reconciliation.

Step 4. Preparing Journal Entries

Journal entries must be prepared for the adjustments to the *balance per books* (Step 2). Adjustments to increase the cash balance will require a journal entry that debits Cash and credits another account. Adjustments to decrease the cash balance will require a credit to Cash and a debit to another

Sample Bank Reconciliation with Amounts

In this part we will provide you with a sample bank reconciliation including the required journal entries. We will assume that a company has the following items:

Item #1.	The bank statement for August 2018 shows an ending balance of $3,490.
Item #2.	On August 31 the bank statement shows charges of $35 for the service charge for maintaining the checking account.
Item #3.	On August 28 the bank statement shows a return item of $100 plus a related bank fee of $10. The return item is a customer's check that was returned because of insufficient funds. The check was also marked "do not redeposit."
Item #4.	The bank statement shows a charge of $80 for check printing on August 20.
Item #5.	The bank statement shows that $8 was added to the checking account on August 31 for interest earned by the company during the month of August.
Item #6.	The bank statement shows that a note receivable of $1,000 was collected by the bank on August 29 and was deposited into the company's account. On the same day, the bank withdrew $40 from the company's account as a fee for collecting the note receivable.
Item #7.	The company's Cash account at the end of August shows a balance of $967.
Item #8.	During the month of August the company wrote checks totaling more than $50,000. As of August 31 $3,021 of the checks written in August had not yet cleared the bank and $200 of checks written in June had not yet cleared the bank.
Item #9.	The $1,450 of cash received by the company on August 31 was recorded on the company's books as of August 31. However, the $1,450 of cash receipts was deposited at the bank on the morning of September 1.
Item #10.	On August 29 the company's Cash account shows cash sales of $145. The bank statement shows the amount deposited was actually $154. The company reviewed the transactions and found that $154 was the correct amount.

Before we begin our sample bank reconciliation, learn the following bank reconciliation tip.

Here's a Tip

Put it where it isn't.

If an item appears on the bank statement but not on the company's books, the item is probably going to be an adjustment to the Cash balance on (per) the company's books.

If an item is already in the company's Cash account, but has not yet appeared on the bank statement, the item is probably an adjustment to the balance per the bank statement.

Our approach to the bank reconciliation is to prepare two schedules. The first schedule begins with the ending balance on the bank statement. We refer to this schedule as Step 1. The second schedule begins with the ending Cash account balance in the general ledger. We call this schedule Step 2.

Items 1 through 10 above have been sorted into the following schedules labeled Step 1 and Step 2. The item number is shown in the far right column of each schedule.

Step 1.	Balance per Bank Statement on Aug. 31, 2018	$ 3,490	*Item #1*
	Adjustments:		
	Deposits in transit	+ 1,450	*Item #9*
	Outstanding checks	- 3,221	*Item #8*
	Bank errors	0	
	Adjusted/Corrected Balance per Bank	**$ 1,719**	

Step 2.	Balance per Books on Aug. 31, 2018	$ 967	*Item #7*
	Adjustments:		
	Bank service charges	- 35	*Item #2*
	NSF checks & fees	- 110	*Item #3*
	Check printing charges	- 80	*Item #4*
	Interest earned	+ 8	*Item #5*
	Note Receivable collected by bank	+ 960	*Item #6*
	Errors in company's Cash account	+ 9	*Item #10*
	Adjusted/Corrected Balance per Books	**$ 1,719**	

Step 1 Amounts

Let's review the schedule for Step 1. In all likelihood the balance shown on the bank statement is *not*the true balance to be reported on the company's balance sheet. The bank reconciliation process is to list the items that will adjust the bank statement balance to become the true cash balance. As the schedule for Step 1 indicates, the amount of deposits in transit must be *added* to the bank statement's balance. Also, the amount of checks that have been written, but not yet appearing on a bank statement, must be *subtracted* from the bank statement's balance. Next any bank errors should be listed and should be reported to the bank for correction. (The company does *not* report deposits in transit and/or outstanding checks to the bank.)

Step 2 Amounts and Required Journal Entries

Step 2 begins with the balance in the company's Cash account found in its general ledger. The bank reconciliation process includes listing the items that will adjust the Cash account balance to become the true cash balance. We will review each item appearing in Step 2 and the related journal entry that is required. Remember that any adjustment to the company's Cash account requires a journal entry. Generally, the adjustments to the books are the result of items found on the bank statement but have not yet been entered in the company's Cash account.

Item #2 Bank service charges. Since the bank deducted $35 from the company's checking account, but the company has not yet deducted this from its Cash account, the following journal entry needs to be made.

Date	Account Name	Debit	Credit
August 31, 2018	Bank Service Charge Expense	35	
	Cash		35

(If the annual amount of service charges is small, debit Miscellaneous Expense.)

Item #3 NSF checks and fees. Since the bank deducted these legitimate amounts from the company's bank account, the company will need to deduct these amounts from its Cash account. As mentioned, the NSF check of $100 was from a customer. Therefore, the company will likely undo the reduction to Accounts Receivable that took place when the company originally processed the $100 check. If the company wishes to recover the bank fee of $10 from the customer, it should add the $10 fee to the amount that the customer owes the company. The journal entry might look like this:

Date	Account Name	Debit	Credit
August 28, 2018	Accounts Receivable	110	
	Cash		110

(If the amount cannot be recovered from the customer, charge an expense.)

Item #4 Check printing charges. Because this expense is not yet entered on the company's books, but the amount has been deducted from its bank account, the company will make the following journal entry.

Date	Account Name	Debit	Credit
August 20, 2018	Supplies	80	
	Cash		80

Item #5 Interest earned. The bank increased the checking account balance by $8 on August 31. Since the bank did not notify the company previously, the company must now increase the balance in its Cash account.

Date	Account Name	Debit	Credit
August 31, 2018	Cash	8	
	Interest Revenue		8

Item #6 Notes receivable collected. The bank increased the company's checking account when it collected a note for the company on August 29. It was determined that the company had not yet made an entry to its Cash account for this transaction. As a result the following journal entry is needed.

Date	Account Name	Debit	Credit
August 29, 2018	Cash	960	
	Bank Service Charge Expense	40	
	Notes Receivable		1,000

Item #10 Company error. The company had entered $145 in its Cash account on August 29, but the bank statement showed the correct amount: $154. The transaction involved the cash sales for the day. As a result the company's Cash account will have to be increased by $9 as follows:

Date	Account Name	Debit	Credit
August 29, 2018	Cash	9	
	Sales		9

Step 3 Comparing the Adjusted Balances

In the above schedules the adjusted balance for Step 1 is $1,719 and the adjusted balance for Step 2 is $1,719. The company believes that all items involving cash have been included in the schedules. As a result the company has successfully completed its bank reconciliation as of the August 31, 2018.

Lectura tomada de: https://www.accountingcoach.com/bank-reconciliation/explanation