Accounting Terms: Back to Basics

Across

1. a liability created by buying products or services on credit
2. net sales minus cost of goods sold
3. obligations due to be paid or settled within the longer of one year of the operating cycle
4. income statement, balance sheet, statement of changes in owner’s equity, and statement of cash flows
5. occurs when expenses exceed revenues
6. inflows of assets in exchange for products and services provided to customers as part of a company’s operations
7. equals a corporation’s accumulated net income (loss) for all prior periods that has not been distributed to shareholders
8. an asset created by selling products or services on credit
9. an entry that increases asset and expense accounts, and decreases liability, equity ad revenue accounts
10. a liability created by buying products or services on credit
11. entity created by law and separate from its owners
12. security that represents ownership in a corporation; holders exercise control by electing a board of directors and voting on corporate policy
13. method to assign cost to inventory that assumes items are sold in the order in which they are used; represents the expense of using an asset
14. describes the sources and uses of cash for a reporting period
15. merchandise a company owns and expects to sell in its normal operations
16. class of ownership in a corporation that has a higher claim on its assets and earnings than common stock
17. estimate of amount to be recovered at the end of an asset’s useful life
18. process of allocating the cost of an intangible asset to expense over its estimated useful life
19. length of time an asset will be productively used in the operations of a business
20. expense created by allocating the cost of plant and equipment to periods in which they are used; represents the expense of using an asset
21. charge for using money until repaid at a future date
22. total cost of an asset less its accumulated depreciation
23. journal entry at the end of an accounting period to bring an asset or liability account to its proper amount and update the related expense or revenue account
24. amount by which a company’s value exceeds the value of its individual assets and liabilities
25. resources owned or controlled by a company that provide expected future benefits to the company
26. customers and other individuals and organizations who owe a company

Down

1. common stock
2. equity
3. liabilities
4. assets
5. expenses
6. liabilities
7. revenues
8. debit
9. credit
10. debits
11. credits
12. revenue
13. expense
14. asset
15. liability
16. account
17. payable
18. receivables
19. asset
20. liability
21. equity
22. revenue
23. expense
24. asset
25. liability
26. equation

Total cost of an asset less its accumulated depreciation