

Acc 460 textbook  
exercises 2,4,5,6  
chapter 2-6 essay



**ASSIGN  
BUSTER**

This is for Government and Not -for-Profit Accounting You will need to check the first half 1-10 as some of them were wrong and the instructor did not provide the correct answers. Textbook Exercises Chapter 2, 4, 5, 6 ACC/460 Exercise 2-1 1. J 2. G 3. A 4. H 5. A 6. B 7. A 8. I 9. A 10. F Questions 1-10: 1. Distinguish between funds as the term is used in governmental as contrasted with business accounting.

When distinguishing between governmental accounting and business accounting, in governmental accounting a fund is a fiscal and accounting entity that has a self-balancing set of accounts that is used to account for the resources and claims of an organization. When referring to business accounting, the funds usually refer to working capital which is current assets less current liabilities, or the selected components of working capital. 2. In what way, if any, does the accounting equation as applied in government and not-for-profit accounting differ from that as applied in business accounting?

The accounting equation as applied in government and not-for-profit accounting is basically the same as what is applied in business accounting. The main difference would be the accounting equation in business,  $\text{assets} = \text{liabilities} + \text{owner's equity}$ , and in government and not-for-profit entities, there are no said "owners" (this term is used in businesses), therefore,  $\text{assets} = \text{liabilities} + \text{fund balance}$ . 3. Distinguish between nonspendable, restricted, committed, and assigned fund balance.