

The nine steps of the accounting cycle flashcard



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The nine steps of the accounting cycle are You must collect and analyze all transactions. It will determine the effect of their financial position in the business. The equations must balance once the transactions are recorded. Journalize the transactions in the general ledger, which should be organized by the specific account. This should happen at least once a month. The next step is to post to the ledger accounts, this should be step 3 in the accounting process.

Prepare a Trial Balance to make sure the process of totaling debits and credits to make sure the sum of debits equals the sum of credits, check to make sure both columns balance out. Journalize and Post Adjusting Entries Use entries that are adjusted: deferrals and accruals. And adjust entries that are made from the company's worksheet, an accounting tool prepared at the end of each period. Make preparation to the Adjusted Trial Balance, This is a sheet used to verify the balance of debits and credits after the adjusting entries are made in the accounting cycle.

Prepare Financial Statements. Once all adjustments are done, the final trial balance will be used to prepare income statement and balance sheet. Post the Closing Entries and Journalize, and at the end of a fiscal period you must close the temporary accounts. Prepare a post-closing trial balance to make sure that all revenue and expense accounts are already closed, and check the debit and credit balances of all the balance sheet accounts. www.accountingverse.com/accounting-basics/accounting...