7. Adjusting trial balance

Why adjust the trial balance?

Journalising & posting adjustments

Closing IS accounts to the BS

Quiz

Page 2

9. Prepare a postclosing trial balance: check maths again

8. Journalise & post closing entries: to begin next period

7. Prepare the financial statements: *BS, IS, SCF and SOE,*

1. Analyse business transactions: *choose accounts & amounts*

THE
ACCOUNTING
CYCLE

2. Journalise transactions: write entity's financial diary

3. Post to ledger accounts: *create entity's financial database*

4. Prepare a trial balance: *check trans-action posting & maths*

6. Prepare adjusted trial balance: *check* posting & maths again

5. Journalise & post adjusting entries: *prepayments* & accruals

PR-07

7. Adjusting trial Jo balance

Journalising adjustments to the trial balance

Why adjust the trial balance?

d. On December 30, 2008 LJB sells merchandise to a customer, on credit, for \$565 000. The merchandise has a cost to LJB of \$422 000

Journalising & posting adjustments

Closing IS accounts to the BS

Quiz