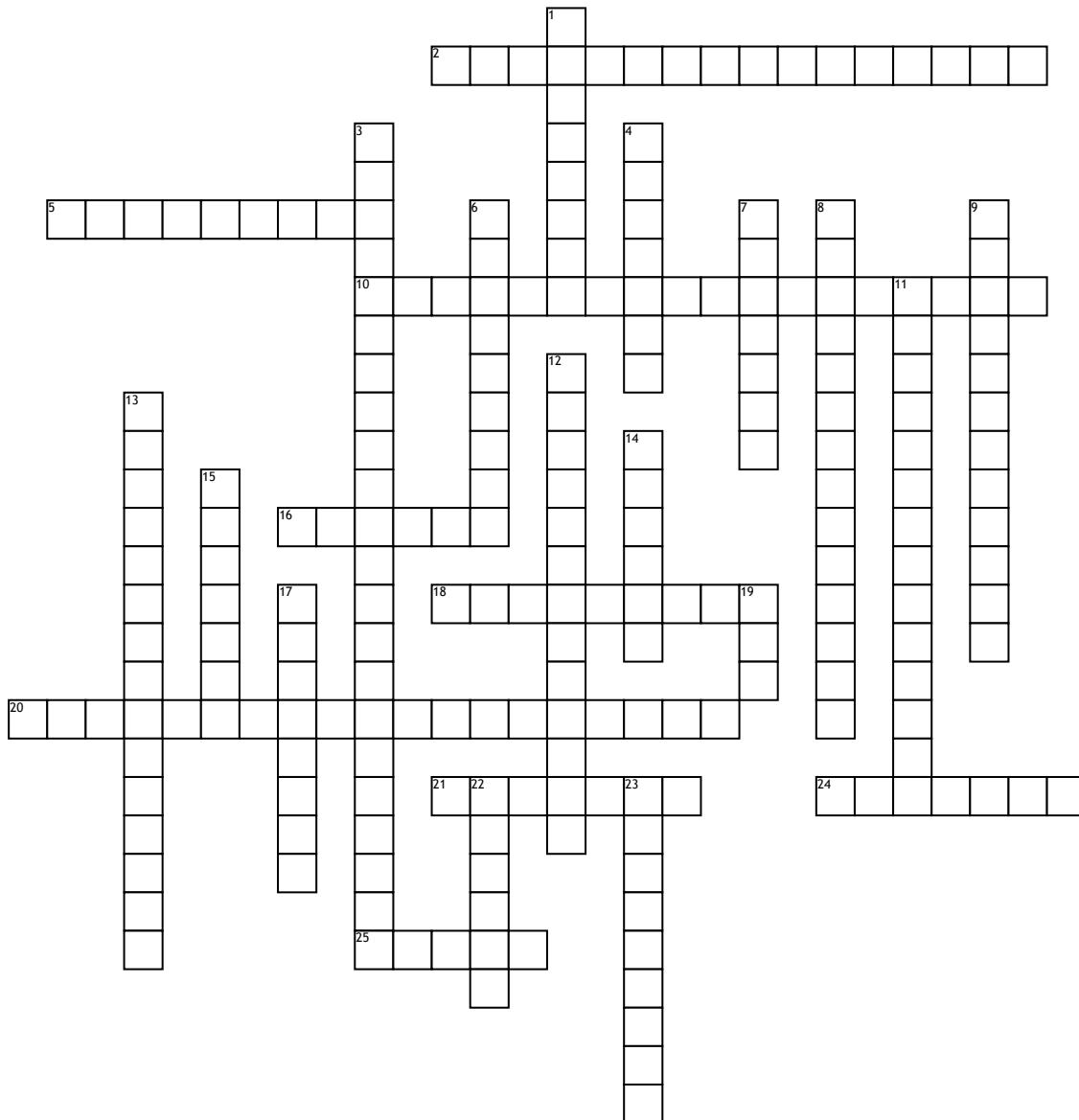


Name: _____

Date: _____

Chapter 2



Across

2. the difference between what reported cumulative earnings would have been in all prior years if the new method had always been used versus the cumulative earnings previously reported under the old method
 5. assets minus liabilities
 10. $A = L + OE$
 16. refers to the economic characteristics or attributes that distinguish assets, liabilities, and revenue
 18. price that would be received to sell an asset or the price paid to transfer or settle a liability in an orderly transaction
 20. change in equity of a business entity
 21. a type of account that produces large differences between the firm's reported profit performance and the amount of cash generated from operations

24. the DR or CR is entered in the appropriate left (or right) side of the affected T-Account

25. left side of t-account

Down

1. refers to the primary activities in which the entity is engaged
 3. revenue and expenses are recognized at the time of cash collection rather than at the time of sale
 4. journal entry to get the revenue and expense account balances to zero
 6. also known as carrying value
 7. type of insurance that is an asset account
 8. made to record each transaction as it occurs and at the end of each year to adjust for the passage of time
 9. costs of physically producing a good
 11. also called product costs

12. the type of item in another category of transitory items reported separately on the income statement

13. a commonly used liability account

14. a year as reckoned for taxing and accounting purposes

15. recorded in the period when they are "earned" and become "measurable"

17. expired costs

19. earnings per share

22. right side of t-account

23. entries made to convert a company's accounting records to the accrual basis of accounting