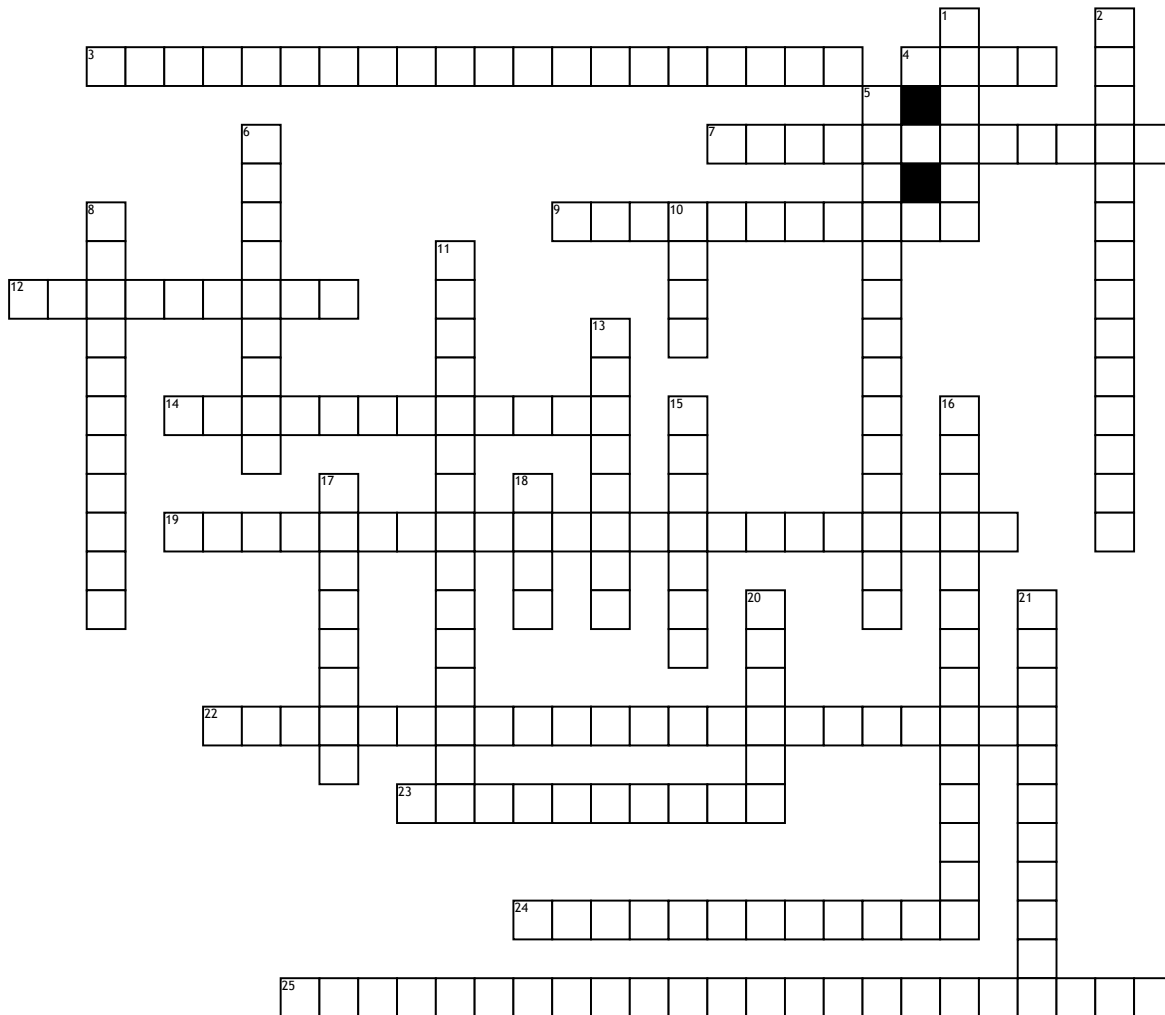


Name: _____

Date: _____

Chapter 4



Across

3. revenues and expenses frequently reported in different periods for book purposes and tax purposes

4. explains the important accounting choices the reporting entity uses the account for selected transactions and accounts

7. also called a statement of financial position

9. probable future sacrifices of economic benefits arising from an entity's present obligations to transfer assets or provide services to other entities in the future as a result of past transactions or events

12. a category of the statement of financial position should include assets and liabilities that management views as being related to the central purpose for which the entity is in business

14. measures for evaluating operating efficiency and profitability of an enterprise return on assets and return on common equity

19. a company balance sheet that presents each item as a percentage of total assets

22. interest that represents the ownership interest of a company's shareholders in the consolidated subsidiaries

23. types of assets such as inventory and buildings are not fixed in dollar amounts

24. accounting method by which the operating section of the cash flow statement presents cash transactions related to the determination of net income

25. occurs when a company enters into a transaction with individuals or other businesses that are connected with management or board of directors

Down

1. probable future economic benefits obtained or controlled by an entity as a result of past transactions or events

2. shows the revenues collected in cash and the expenses paid in cash

5. accounting method by which the operating section begins with net income and then presents all reasons why and amounts by which cash flow from operations differs from net income

6. measures how readily assets can be converted to cash relative to how soon liabilities will have to be paid in cash

8. an entity's ability to adjust to unexpected downturns in the economic environment in which it operates or to take advantage of profitable investments

10. a type of income where the rules used to determine income for financial reporting purposes

11. how much an entity's assets are financed from debt versus equity sources

13. types of assets that are fixed dollar amounts regardless of price changes

15. type of income that frequently does not conform to the rules used to determine income for taxation purposes

16. discount rate on notes or bonds that causes the present value of debt's cash flow stream to be equal to the load proceeds

17. a company's ability to generate sufficient cash flows to maintain its productive capacity and still meet interest and principal payments on long-term debt

18. a category that includes liabilities

20. The residual interest in an entity's assets that remains after deducting its liabilities

21. deductions from asset accounts