

Test 3 will cover the following:

A Diagram of the Accounting Cycle

Calculating Depreciation (straight line depreciation: know the formula and the half-year rule)

The General Journal (entering transactions)

Opening Entry (opening a business)

Adjusting Entries (adjustment for supplies, depreciation, prepaid items)

Closing Entries (the four closing entries)

The General Ledger (posting journal entries to the ledger)

Classified Balance Sheet (different classifications, showing depreciation)

The HST (collecting and remitting)

Source Documents (Invoices, Cheques, Cash Sales Slips, Receipts)

Comparative Financial Statements (graphs, trends, and changes from year to year)

Key Terms You Should Know

Posting	Merchandising Business
Harmonized Sales Tax	Accounts Payable
Journal Entry	Asset
Remittance	Creditor
Source Document	Capital
Opening Entry	GAAP
Transaction	Fundamental Accounting Equation
Current Asset	Liquidity
Fixed Asset	Business Transaction
Contra Asset	Double Entry accounting
Depreciation	‘Taking Off’ a Trial Balance
Income Summary Account	‘On Account’
Nominal vs. Real Account	Fiscal Period
Prepaid Expense	Income Statement
Auditing	Net Loss
Corporation	