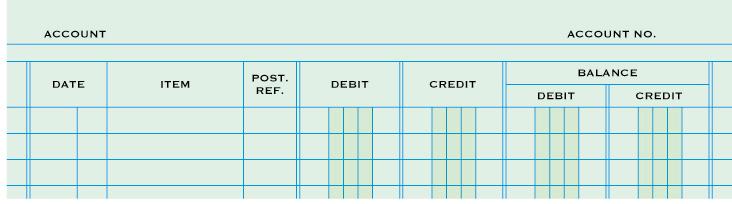
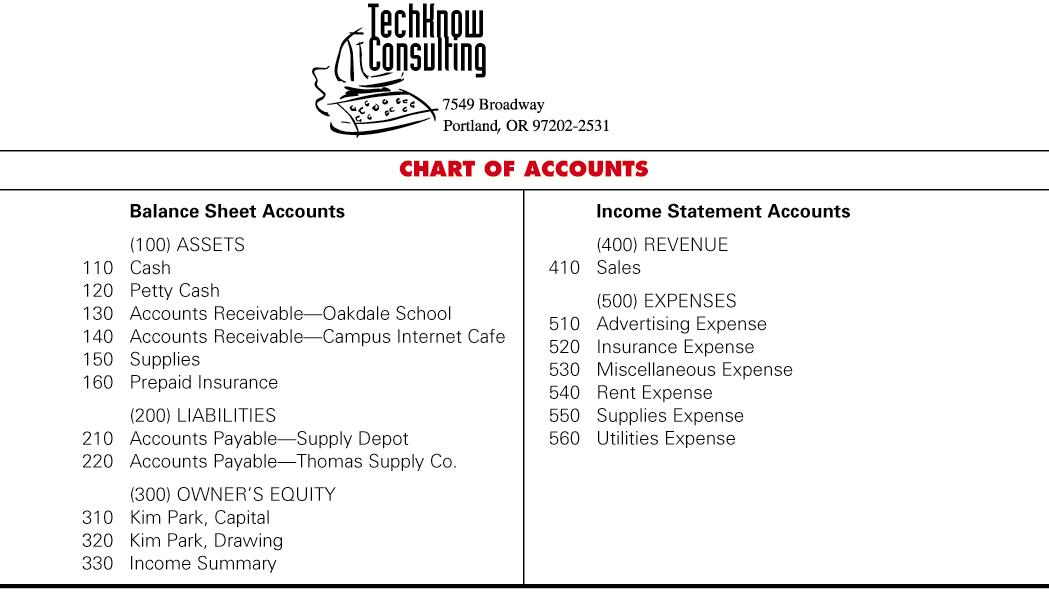
Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Period: \_\_\_\_

**4-1: Creating a Chart of Accounts**

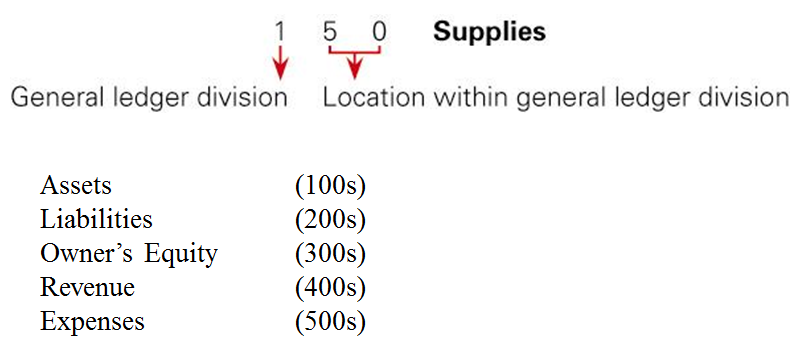
* A **general ledger** is a ledger that contains all account needed to prepare financial statements
* Each account has an account title and an account number. An **account number** is a number assigned to an account.



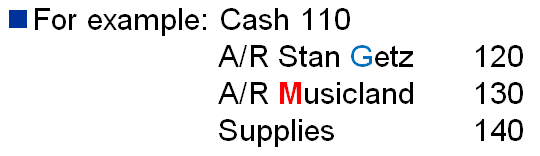
**Chart of Accounts**



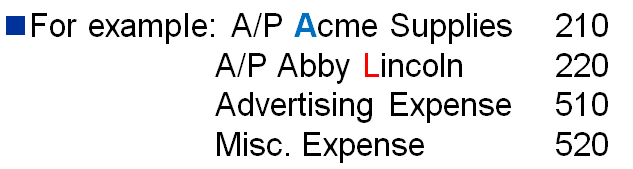
**Assigning Account Numbers**



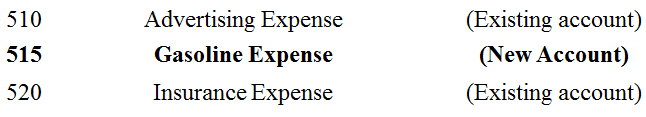
1. Assets are listed by order of their \_\_\_\_\_\_\_\_\_\_\_\_\_\_. How readily they can be converted to cash
   1. Cash, A/R, Supplies, Prepaid Insurance,
2. A/R are ordered \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ using the first initial of a company customer and the first initial of the last name of an individual customer



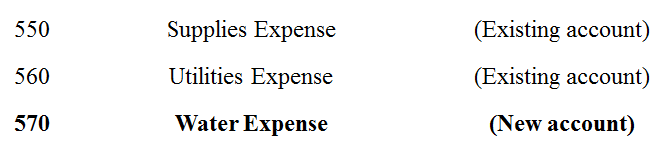
1. All other items are listed \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. A/P follows the same ordering rules as A/R
3. Alphabetized by the first initial of the last name of an individual vendor or the first initial of the name of company vendor

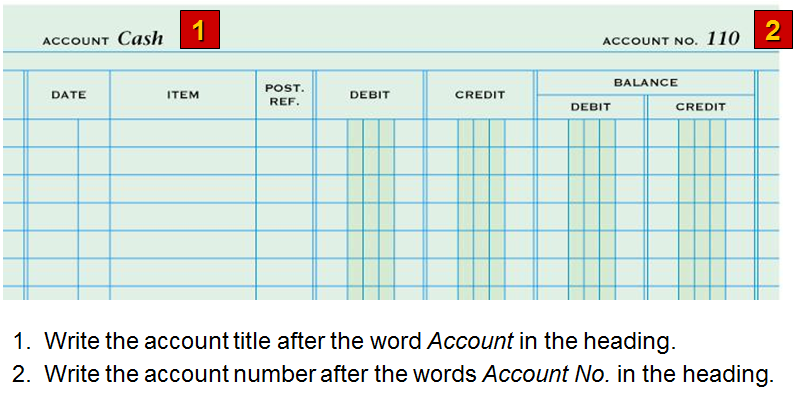


1. New numbers can be assigned between \_\_\_\_\_\_\_\_\_\_\_\_\_\_ account numbers without renumbering all existing accounts
2. A new account is assigned the middle, unused account number between the numbers of existing accounts.



1. Make sure there’s enough extra account numbers above and below a new account in-case new accounts are later added
2. Expenses and names of people are arranged in \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ order
3. When an account number is no longer needed, that number then becomes available for another account if needed
4. When an account is added at the end of a ledger division, the next number in a sequence of 10’s is used





* **The procedure for arranging accounts in a general ledger, assigning account numbers, and keeping records current is** \_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**.**

