

## **Business Virtual Learning**

# HS/Accounting I

Topic: Post Closing Trial Balance April 30, 2020



#### **Lesson Topic: Post-closing Trial Balance**

#### **Lesson Objectives:**

- Prepare a Post-closing trial balance
- 2. Understand the purpose of the post-closing trial balance

#### **Lesson Instructions:**

1. Read the information on the slides and answer the questions on the last slide. Put them in a google doc and send to your teacher.

### **Lesson Topic - Post-Closing Trial Balance**

After you have journalized and posted the four closing entries, it is important to double check to see that:

- 1. Debits and credits are still equal
- 2. The accounting equation is in balance:
  - a. Assets = Liabilities + Owner's Equity

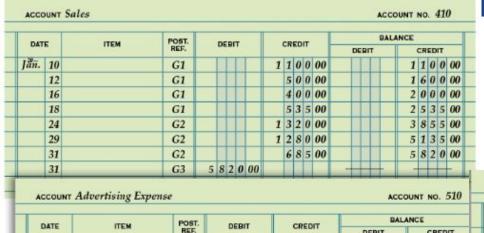
Only general ledger accounts with balances are included on a post-closing trial balance. The *permanent accounts* (assets, liabilities, and owner's capital) have balances and do appear on a post-closing trial balance. Because the *temporary accounts* (Income Summary, revenue, expense, and drawing) are closed and have zero balances, they do not appear on a post-closing trial balance.

#### **Lesson Topic - Post-Closing Trial Balance**

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Temporary accounts in the ledger will have 0 balance.

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Permanent accounts in the ledger will show their updated balance.

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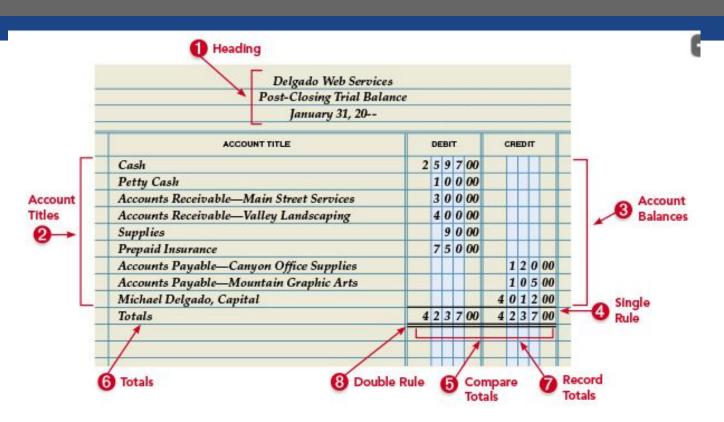
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#### **Preparing a Post-Closing Trial Balance**

- 1. Write the heading on the three line.
- 2. Write the titles of all general ledger accounts with balances in the Account Title column.
- 3. On the same line with each account title, write each account's balance in either the debit or credit column.
- 4. Rule a single line across both amount columns below the last amount, and add each amount column.
- 5. Compare the two column totals. The two column totals must be the same. If the two column totals are not the same, the errors must be found and corrected before any more work is completed.
- 6. Compare the two column totals. The two column totals must be the same. If the two column totals are not the same, the errors must be found and corrected before any more work is completed.
- 7. Rule double lines across both amount columns to show that the totals have been verified as correct.

#### **Image of Post-Closing Trial Balance**



#### **Lesson Questions - Closing Entries**

- 1. What type of accounts are listed on the post-closing trial balance?
- 2. Why are temporary accounts not listed on the post-closing trial balance?
- 3. Explain the purpose of the post-closing trial balance.
- 4. What are the steps to preparing the post-closing trial balance?