



Business Virtual Learning

Accounting II

April 15, 2020



Lesson: April 15, 2020

Objective/Learning Target:

1. Understand how the accounting cycle is applied in a business.
2. Understand the difference between permanent and temporary accounts.
3. Apply the accounting equation to your merchandising business to establish opening balances.

Getting Started

1. Open your “Accounting Cycle Project Journal”.
2. Remind yourself of the business and the chart of accounts you created in the last lesson.



Flashback Question

1. From your experience **what is the accounting equation?**
2. Write this question in your journal **and** then write equation.



Watch the [video](#) to check
your answer.



Flashback Question

1. From your experience **what is the difference between a permanent and a temporary account?**
2. Write this question in your journal **and** then write your answer. Try to think of specific accounts that are permanent vs. temporary.



Watch the [video](#) to check
your answer.



Creating Opening Balances for Permanent Accounts

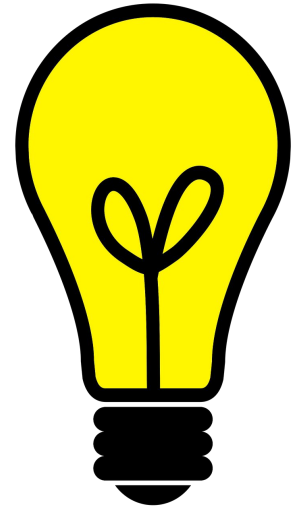
As I mentioned in the last lesson in the next few weeks you will go through the accounting cycle with a business YOU create. I will walk you through this process step by step each day.

Today's Goals:

1. We previously identified all assets, liabilities, and capital accounts are permanent accounts & recalled the accounting equation.
2. You need to determine balances for these accounts that keep the accounting equation in balance.
3. See the next slide for more details.

Creating Opening Balances for Permanent Accounts (continued)

4. Listen to the [video](#) and follow along with my thinking.
5. Then try this out for yourself.
6. Place your final answers in the extra column you left in your chart of accounts in the previous lesson.



Self Check

- I have created an opening balance for all asset accounts
- I have created an opening balance for all liability accounts
- I have created an opening balance for my capital account
- All opening balance make the accounting equation balance.

Additional Resources

[Accounting Tools-Permanent Accounts](#)

[Accounting Tools-Opening Balance Tools](#)

Goals for tomorrow

During our next lesson we will start writing your **transactions** for your business so you can continue **step 1 of the accounting cycle**.

I look forward to seeing you tomorrow!