

Work Work Work
421 Labor Ave.
Your Town

pay to the order of

payroll

Date

Dollars

Memo

The Boss

00678911

1 788 340 374 8342 14 12 77 43 2

GETTING BACK TO BASICS

Let's review the basic bookkeeping cycle. No matter what type of organization you work in, there are six steps.

1. Gather **source documents** for all **transactions**. These include:

- Purchase invoices
- Payroll Master Files
- Time cards
- Credit card statements

2. Analyze the financial effect of every transaction. Typical transactions include:

- Payroll
- Sales
- Purchases

3. Record financial effects in a journal. Then post them in the **accounting software**.

4. Perform **end-of-period procedures**:

- Count inventory
- Check for errors in classification
- Adjust for errors

5. Prepare an **adjusted trial balance**.

6. Close the books at the end of every **fiscal year**.



Get Ready!

1 Before you read the passage, talk about these questions.

- 1 What are the basic tasks in bookkeeping?
- 2 What are some of the documents that they use?

purchase invoice

Reading

2 Read the entry on a bookkeeper's blog. Then, choose the correct answers.

- 1 What is the passage mainly about?
 - A end-of-period procedures
 - B minimizing financial effects
 - C steps in the bookkeeping cycle
 - D how to gather source documents
- 2 According to the passage, which is NOT a source document?
 - A credit card statement
 - B purchase invoice
 - C accounting software
 - D payroll master files
- 3 What is true according to the passage?
 - A Every organization follows a different bookkeeping cycle.
 - B Financial effects are recorded in two different places.
 - C Adjusted trial balances carry over to the next fiscal year.
 - D Accounting software creates most source documents.

Vocabulary

3 Match the words (1-6) with the definitions (A-F).

- 1 — source documents
 - 2 — transaction
 - 3 — credit card slip
 - 4 — purchase invoice
 - 5 — payroll master file
 - 6 — accounting software
- A a purchase, sale, or payment
 - B a receipt for a credit card purchase
 - C a file containing employee's salary information
 - D a document requesting payment for a purchase
 - E a computer program that organizes financial data
 - F documents from various financial transactions

- 4 Fill in the blanks with the correct words and phrases from the word bank.

Word BANK

time card adjusted trial balance fiscal year
payroll end-of-period procedures

- 1 Jack made a few errors while preparing the _____.
 - 2 In Canada, the _____ goes from April to March.
 - 3 Perform _____ before opening books for the new period.
 - 4 _____ is one of the most predictable business expenses.
 - 5 Tim didn't clock in, so his _____ is short eight hours.
- 5 Listen and read the bookkeeper's blog again. At which step are classification mistakes corrected?

Listening

- 6 Listen to a conversation between a junior accountant and a senior accountant. Mark the following statements as true (T) or false (F).
- 1 ___ The man maintains the accounting software.
 - 2 ___ The woman will not collect the source documents.
 - 3 ___ The department managers supply source documents weekly.
- 7 Listen again and complete the conversation.

Accountant 1: Do you have a 1 _____, Mr. Smith?

Accountant 2: Certainly, Nancy. What can I help you with?

Accountant 1: One question – how do I collect the 2 _____?

Accountant 2: Actually, you don't collect them.

Accountant 1: Really? How do I 3 _____?

Accountant 2: The 4 _____ managers give them to you at the end of every month.

Accountant 1: Ah, I see. And then I just 5 _____ the data in the accounting software?

Accountant 2: That's right. 6 _____ the data from the source documents in the accounting software.

Speaking

- 8 With a partner, act out the roles below based on Task 7. Then switch roles.

USE LANGUAGE SUCH AS:

Do you have a moment?

How do I ...?

The ... give them to you at the end of ...

Student A: You are a new accountant. Talk to Student B about:

- gathering documents
- recording data

Student B: You are a senior accountant. Answer Student A's questions.

Writing

- 9 Use the conversation from Task 8 to fill out the accountant's notes.

Duties/Frequency

Department managers

Accountants:

