

## **Solutions to Group Projects – Chapter 2: Recording Business Transactions**

Contact a local business and arrange with the owner to learn what accounts the business uses.

### ***Required***

1. Obtain a copy of the business's chart of accounts.

Student answers will vary widely, as the various groups use the charts of accounts of different businesses. The financial statements that the students prepare should be consistent with the business's chart of accounts.

2. Prepare the business's financial statements for the most recent month, quarter, or year. You may use either made-up account balances or balances supplied by the owner.

Because the students will be using the annual reports of real companies, the answers to this problem will vary widely.

If the business has a large number of accounts within a category, combine related accounts and report a single amount on the financial statements. For example, the company may have several cash accounts. Combine all cash amounts and report a single Cash amount on the balance sheet.

You will probably encounter numerous accounts that you have not yet learned. Deal with these as best you can. The chart of accounts given in Appendix B of your text will be helpful.

Keep in mind that the financial statements report the balances of the accounts listed in the company's chart of accounts. Therefore, the financial statements must be consistent with the chart of accounts.