Close the Books: From Trial Balance to Review Pack

Accounting | Advanced | 90-120 minutes (estimate) | ACC-01 and ACC-02 or equivalent

Worked numerical schedule

Measure	Value	Unit
Insurance expense adjustment	1,000.00	USD
Adjusted AR	18,000.00	USD
Adjusted prepaid insurance	5,000.00	USD
Adjusted accumulated depreciation	6,500.00	USD
Adjusted AP and accruals	13,200.00	USD
Adjusted revenue	53,000.00	USD
Adjusted total expense	31,700.00	USD
September profit	21,300.00	USD
Net PPE	23,500.00	USD
Total assets	66,500.00	USD
Closing equity	53,300.00	USD
Balance sheet residual	0.00	USD
Adjusted trial balance debits	104,700.00	USD
Adjusted trial balance credits	104,700.00	USD
Trial balance residual	0.00	USD

Interpretation and recommended actions

Entries: Dr Insurance expense / Cr Prepaid insurance 1,000; Dr Depreciation / Cr Accumulated depreciation 500; Dr Utilities expense / Cr Accrued utilities 1,200; Dr AR / Cr Revenue 3,000. Adjusted expenses are \$31,700 and revenue \$53,000, giving \$21,300 profit. Assets \$66,500 equal liabilities \$13,200 plus equity \$53,300. Adjusted TB totals are \$104,700. Assign the utilities estimate to AP for invoice reconciliation, earned invoice support to billing, and insurance / fixed-asset schedules to the close owner. Separate accruals from AP in the detailed TB even though the summary combines them.

Scoring rubric - 100 points

Dimension	Points	Awarding guidance
Calculation	40	Four adjustments 12; adjusted TB 10; P&L 8; balance sheet 10.
Interpretation	25	Correct application of the case rules 10; explain the business decision 10; identify evidence or limitations 5.
Controls / audit trail	20	Traceable formulas 8; independent reconciliation 8; explicit units and signs 4.
Communication	15	Decision and numerical headline 5; actions with owners and evidence 5; concise response covering all required deliverables 5.

Award method credit after an isolated arithmetic error rather than repeatedly deducting for it. Equivalent account labels and well-supported alternative recommendations are acceptable. Numerical tolerance is 0.01 in the stated units; no universal passing score is prescribed.

Common mistakes

Closing retained earnings twice; netting PPE cost in the trial balance; using cash as a balancing plug.

Staged hints

Retain gross PPE and accumulated depreciation in the TB. Use net PPE only in the balance sheet. Bridge opening equity to closing equity.

Instructor notes

Prerequisites: ACC-01 and ACC-02 or equivalent. Suggested use of the estimated 90-120 minutes: spend roughly 15% on the lesson and smaller example, 55% on the independent task, 20% on comparing approaches and 10% on the decision discussion. Timing is untested. Ask learners to explain why the numerical check is necessary but not sufficient.

For a simpler class, provide the model structure and work through one driver. For an extension, change one operational assumption and require a new reconciliation and recommendation. Verify the new key before distributing any variant. Open files in the intended spreadsheet application before class. Solutions are learning resources, not secure hiring examinations. Expert review remains pending.