

**Accounting**  
**Lesson Plan -- Chapter 14.3**  
**Beginning an 8-Column Worksheet for a Merchandising Business**

**Benchmarks:** After completing the lesson, students will be able to:

- Define accounting terms related to preparing a work sheet for a merchandising business
- Identify accounting concepts & practices related to preparing a work sheet for a merchandising business
- Begin a worksheet for a merchandising business
- Plan work sheet adjustments for merchandise inventory, supplies, prepaid expenses, uncollectible accounts, and depreciation

**Assessment:** Test, teacher observation of questions and answers, student activities.

**Introduction:** Accounting in the Real World, Page 403

**Instruction:** Vocabulary – before students open their books, have them write what they think the definition is of the following words:

Merchandising Inventory – amount of goods on hand for sale to customers

- A. Merchandising Inventory
  - a. New account
  - b. Increase – Debit
  - c. Decrease – Credit
  - d. Purchases increases
  - e. Sold merchandise -- decreases
- B. Analyzing & Recording A Merchandise Inventory Adjustment
  - a. Two accounts
    - i. Merchandising Inventory
      - 1. four questions
    - ii. Income Summary
  - b. Steps, Page 416
- C. Analyzing an Adjustment when Ending Merchandising Inventory is Greater than Beginning Merchandising Inventory
  - a. Four Questions on page 417

**Activity**

- ☞ Work Together, Page 414
- ☞ On Your Own, Page 414
- ☞ Application Problem, 14-2 (Page 438)

**Resources:**

*Century 21 – Southwestern Accounting*