**6.01 Accounting Scavenger Hunt**

Directions: Use the picture links at the top of each section of questions to take you to a website where you will find the answers to the questions below it. DO NOT COPY AND PASTE ANSWERS!!

 

1. Every month you should calculate how profitable your business is by filling out these two financial documents:
2. Maybe you’re not good at accounting or even if you have a poor understanding of it, the main thing that you can do is keep your financial records ?
	1. Give two examples why



1. What does accounting tell a business?
2. What happens to a business if they don’t do any accounting?
3. What’s more important for a business, income statements or balance sheets?



1. In your words, describe the **cash method** of accounting:
2. In your words, describe the **accrual method** of accounting:
3. Which method (cash or accrual) do you think is the best and why?



1. In your own words, list the 15 steps of the accounting cycle



1. In your own words, what is included in managerial accounting?
2. What 3 accounting practices have been developed in the last decades?



1. Who usually *coordinates* the accounting procedures in a business?
2. What do the initials GAAP stand for? What does GAAP mean and why is it important?
3. What are the 3 types of accounting?



1. Accounting is often called the of business.
2. If you were going to invest (buy stock) in a company, would you rather look at their financial accounting records or their managerial accounting records? Why?
3. What are the governing bodies that offer authority/guidance on each type of accounting method?



1. In your own words, describe the 4 reasons why most businesses prefer the accrual basis of accounting?