**Activity 7.10.3 – Closing Entries**

**Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date:\_\_\_\_\_\_\_\_\_\_\_\_\_ Class:\_\_\_\_\_\_\_\_\_\_**

Purpose: Demonstrate skill in analyzing closing entries.

1. Review the need for closing entries at the end of the fiscal period.
2. Demonstrate analysis of closing entries.
3. Have students answer these questions on closing entries: Closing Entry 1.
   1. When closing the income statement credit accounts, where do you get the information?
   2. When closing the income statement credit accounts, what accounts does this include?
   3. Are these accounts debited or credited?
   4. What account is its “partner” account into which you would close these accounts?

Closing Entry 2:

1. When closing the income statement debit accounts, where do you get the information?
2. When closing the income statement debit accounts, what accounts does this include?
3. Are these accounts debited or credited?
4. What account is its “partner” account into which you would close these accounts?

Closing Entry 3:

1. In what account is the corporation’s net income or loss recorded?
2. What is the balance of the Income Summary account after closing the net income or loss?
3. Is a net income a debit or credit to Retained Earnings?
4. Is a net loss a debit or credit to Retained Earnings?

Closing Entry 4:

1. What does the debit balance in the Dividends account represent?
2. What is the balance of the Dividends account after the closing entry?
3. What account is Dividends closed into?
4. Is the entry for Dividends a debit or a credit to close the account?
5. Using the accounting software, ask your students to perform period end closing.
6. Have your students print a Post-Closing Trial Balance.