**Activity 7.10.4 – Analyzing and Journalizing Reversing Entries**

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

Purpose: Demonstrate skill in analyzing and journalizing reversing entries.

1. Discuss when a reversing entry needs to be made at the beginning of the next fiscal period. Demonstrate the analysis of a reversing entry.
2. Ask students to write a one-page paper explaining reversing entries. The paragraph should include why reversing entries are necessary as well as what accounts are involved. The paragraph should also explain why most businesses choose not to reverse the entry for Federal Income Tax Payable.

Have your students use input forms to journalize the two adjusting entries for Activity 3.