

# Intuit Certified Bookkeeping Professional

## 1. Accounting Basics

### 1.1 Define accounting and the concepts underlying accounting measurement

- 1.1.1 Explain the ethical responsibilities of bookkeepers
- 1.1.2 Explain the accounting equation
- 1.1.3 Describe the purpose and content of balance sheets, statements of equity, income statements, and statements of cash flows

### 1.2 Summarize the double-entry accounting method

- 1.2.1 Define double-entry accounting terms
- 1.2.2 Explain how double-entry accounting works in accounting software
- 1.2.3 Demonstrate an understanding of T-accounts
- 1.2.4 Read and interpret the transaction journal and general ledger in accounting software

### 1.3 Describe the fundamental concepts of the accounting cycle

- 1.3.1 Demonstrate an understanding of the accounting cycle
- 1.3.2 Summarize the adjusting process
- 1.3.3 Describe the entries related to the adjusting process
- 1.3.4 Explain the impact of posting adjusting journal entries on net income, the balance sheet, and equity

### 1.4 Summarize accounting principles

- 1.4.1 Explain the key assumptions of financial accounting, reporting, and measurement-triggering transaction events
- 1.4.2 Determine whether to record transactions as revenue or expense
- 1.4.3 Compare and contrast accrual accounting and cash-basis accounting

## 2. Accounting for Assets and Sales Transactions

### 2.1 Summarize assets and sales transactions

- 2.1.1 Define assets and identify natural account balance
- 2.1.2 Differentiate between current and long-term assets
- 2.1.3 Identify the financial statements on which assets appear
- 2.1.4 Explain accounting for sales, accounts receivable, and cash receipts
- 2.1.5 Identify other notes receivable and uncollectible accounts

### 2.2 Describe the importance of merchandise inventory

- 2.2.1 Identify and define merchandise inventory
- 2.2.2 Apply inventory valuation methods
- 2.2.3 Describe when and how to adjust inventory balance

### 2.3 Define depreciation concepts and terminology

- 2.3.1 Describe principles relating to service life and depreciation
- 2.3.2 Identify how depreciation expense is reported on income statements

## **2.4 Describe the effect of asset and sales transactions on the accounting equation**

- 2.4.1 Describe the effect of sales transactions on the accounting equation
- 2.4.2 Describe the effect of merchandise inventory on the accounting equation
- 2.4.3 Describe the effect of common property and equipment entries on the accounting equation
- 2.4.4 Describe the effect of other asset transactions on the accounting equation

## **3. Accounting for Liabilities, Equity, and Purchase Transactions**

### **3.1 Summarize liabilities and purchase transactions**

- 3.1.1 Define liabilities and identify natural account balance
- 3.1.2 Differentiate between current and long-term liabilities
- 3.1.3 Identify the financial statements on which liabilities appear
- 3.1.4 Explain accounting for purchases, accounts payable, and cash payments
- 3.1.5 Identify other liabilities

### **3.2 Describe basic payroll transactions**

- 3.2.1 Define basic payroll accounting terms
- 3.2.2 Explain accounting for payroll
- 3.2.3 Explain payroll tax forms

### **3.3 Compare and contrast different types of equity**

- 3.3.1 Identify types of equity accounts
- 3.3.2 Explain the connection between equity and income statements

### **3.4 Describe the effect of liability, equity, and purchase transactions on the accounting equation**

- 3.4.1 Describe the effect of purchase transactions on the accounting equation
- 3.4.2 Describe the effect of payroll transactions on the accounting equation
- 3.4.3 Describe the effect of equity transactions on the accounting equation
- 3.4.4 Describe the effect of other liability transactions on the accounting equation

## **4. Reconciliation and Financial Statements**

### **4.1 Describe the purpose and process of account reconciliations**

- 4.1.1 Define reconciliation concepts
- 4.1.2 Identify accounts that are typically reconciled
- 4.1.3 Identify reconciliation source documentation types

### **4.2 Describe the process of bank reconciliations**

- 4.2.1 Prepare for a bank reconciliation
- 4.2.2 Reconcile bank accounts
- 4.2.3 Explain bank reconciling items

### **4.3 Describe basic financial statement analytical methods**

- 4.3.1 Read and comprehend balance sheets
- 4.3.2 Read and comprehend comparative income statements
- 4.3.3 Read and comprehend budget vs. actual reports
- 4.3.4 Analyze cost of goods sold and comparative revenue
- 4.3.5 Compare month-over-month income statements to identify potential issues