**Step 9 Script**

Slide 1: In tis video presentation, we will complete the Accounting Cycle by preparing the last of our three trial balances, the Post-Closing Trial Balance. If you wish to work along, there is a blank PCTB in the Step 9 working papers.

Slide 2: As mentioned earlier in this series of presentations, the three trial balances are used to check our progress before moving on to the next step in the Accounting Cycle. The Unadjusted Trial Balance is prepared so that we can be confident that we’ve done a good job in the first three Steps of the cycle before we move on to the adjusting process. We prepare the Adjusted Trial Balance to see if the accounts are in balance before we prepare the financial statements.

We prepare the Post-Closing Trial Balance in Step 9 to ensure that we are ready to begin the Accounting Cycle all over again. From this trial balance, we can check two important things: first, we want to ensure that all temporary accounts do, indeed, have zero balances. Second, we want to make sure that the Ending Retained Earnings figure is correct.

Slide 3: Here we see the Post-Closing Trial Balance created after our work in Step 8. All Temporary Accounts have zero balances and we see $3,250 appearing in Retained Earnings. Now, the books are ready to accumulate information in the next accounting period.

Slide 4: One again, here’s a review of the 9 steps in the Accounting Cycle. As I’ve mentioned before, if you are ever unsure of where to go when you’re working on your accounting homework, figure out where you are in the cycle and you’ll know what comes next.

Slide 5: These presentations on the Accounting Cycle are a great place to begin your study of Financial Accounting. I’ve prepared a few others to help you as you proceed.

In this example we just finished, we were assuming a service business. I’ve prepared two presentations that cover merchandising businesses and one on Inventory that goes along with them. I’ve prepared two covering financial analysis, and others covering internal control, cash control the Cash Flow Statement and notes payable to name a few.

Good luck with your studies!