The Accounting Cycle

Step 1: Identify and analyze transactions

Step 2: Journal entries for transactions

Step 3: Post journals to ledgers

Step 4: Prepare an unadjusted trial balance

Step 5: Prepare worksheet

Step 6: Record adjusting journal entries

Step 7: Adjusted trial balance

Step 8: Prepare financial statements

Step 9: Closing entries

Step 10: Post closing trial balance

Step 8 → Step 7 → Step 9 → Step 5 → Step 6 → Step 7 → Step 8
Step 2 → Step 3 → Step 4 → Step 5 → Step 2

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