

ACCRUAL

Meaning: Accrual refers to the recognition of revenue or expenses that have been earned or incurred but not yet received or paid in a given accounting period.

1. The company's financial statements reflect the accrual of revenue earned but not yet received.
2. Accrual accounting requires recognizing expenses when they are incurred, not when they are paid.
3. During the audit, the team focused on the accuracy of the accrual entries in the ledger.
4. The accrual of interest on the loan increased the total amount owed over time.
5. She explained the importance of accruals in providing a more accurate picture of the company's financial health.
6. The accountant prepared the year-end reports, ensuring all accruals were properly accounted for.
7. Accrual adjustments can significantly impact a business's net income for the fiscal year.
8. Understanding accruals is essential for anyone studying finance or accounting.
9. The accrual method of accounting is commonly used by larger businesses to manage their finances.
10. As part of the monthly closing process, we reviewed all outstanding accruals to ensure accuracy.

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