

## Chapter 9 Outline

Uncollectible Accounts Expense (Bad Debts)  
    Direct Write-Off Method  
    Allowance Method  
Using Debit and Credit Cards to Manage  
    Receivables and Credit  
Notes Receivable  
    Interest-Bearing Notes  
Notes Payable  
    Non-Interest-Bearing Notes

## Competencies

1. Define terms associated with receivables and payables, and outline ways to avoid bad debt losses. (pp. 317–318)
2. Describe and demonstrate the direct write-off method of accounting for bad debt expense, and identify its major flaw. (pp. 318–319)
3. Describe and demonstrate the allowance method of accounting for bad debt expense. (pp. 319–320)
4. Describe and demonstrate the aging of accounts receivable method of estimating bad debt expense. (pp. 320–321)
5. Describe and demonstrate the percentage of sales method of estimating bad debt expense. (p. 322)
6. Describe notes receivable, demonstrate how to account for honored and dishonored notes receivable, and demonstrate how to change an account receivable to a note receivable. (pp. 323–326)
7. Demonstrate how to account for interest-bearing and non-interest-bearing notes payable. (pp. 326–329)