

Chapter 11 Outline

Definition and Objectives of Internal Control
Limitations of Internal Control
Internal Control of Cash Receipts
Daily Cashiers Report
Internal Control of Cash Disbursements
Bank Reconciliation
Bank Statement
Reconciling Items
Bank Reconciliation Procedure
Example of a Bank Reconciliation
Journal Entries

Competencies

1. Define internal control and explain its objectives and limitations. (pp. 329–330)
2. Describe the principles of internal control for cash receipts and prepare a daily cashiers report. (pp. 330–334)
3. Describe the principles of internal control for cash disbursements. (p. 334)
4. Explain the purpose of a bank reconciliation, describe reconciling items, and prepare a bank reconciliation. (pp. 334–340)