U'R Great.Tv ™

The Accounting Practice … <u>find the missing dollar</u>.

The Public Accounting profession isn't about counting the inventory, but rather recognizing that the accounting that's being reported was accurately and correct.   This process is known as "THE ATTEST FUNCTION" and the principle behind Accounting are known as GENERALLY ACCEPTED ACCOUNTING PRINCIPLES [G.A.A.P.].

So … can you find the "missing dollar" ?

1   you and two friends decided to have dinner together, to meet and catch-up …

2   after enjoying dinner, appetizers, drinks, and friendly conversation the bill arrives …

3   to simplify everything, each of you would contribute $ 10 toward paying the bill …

4   the restaurant, realizing a pricing mistake, would give the waiter $ 5 to refund   …

5   the refund was five (5) one-dollar bills that the waiter returned to each of you …

6   it was easier for each of you to take one dollar apiece and give the waiter a $ 2 tip …

7   the transaction began with $ 10, one dollar was refunded; so dinner only cost $ 9 …

8   let's think this through: ① each of you paid $ 9 … ② multiplied by three equals $ 27 …

9   ③ adding in the $ 2 tip you gave the waiter for his service and for being honest …

10 ④ your $ 9 each, multiplied by three [$ 27] plus the waiter's $ 2 tip equals $ 29 …

11 the transaction began with $ 10 each [$ 30 total] but now is missing a dollar …

can you find that "missing dollar"…

Let's identify the problem and arrive at a solution by reconstructing the from the very beginning … steps 1 … 2 and 3 identified that three people gathered together (*i.e.*, "*you and two friends*") with each of you contributing **\$10.ºº** toward the cost of the meals; **\$30.ºº** total … *so far, so good*.

Steps 4 and 5 introduces a new element to the process (*i.e.*, "*a pricing mistake* ") that would result in **\$5.ºº** being returned in the form of five one-dollar bills … when the three people originally contributed **\$30.ºº** for the meal and **\$5.ºº** was returned, the actual cost of the meal was **\$25.ºº** … *so far, so good*.

Step 6 adds the **\$2.ºº** given to the waiter which brings the total to **\$27.ºº** (*i.e.*, **\$25.ºº ＋ \$2.ºº**) … the five one-dollar bills were distributed **\$1.ºº** to each of the three people bringing the distribution to **\$30.ºº** (*i.e.*, **\$27.ºº ＋ \$1.ºº ＋ \$1.ºº ＋ \$1.ºº ≈ \$30.ºº**) … *the remainder only intended to distract the facts*.