

MEMORANDUM

To: Richard Chen
From: Elton Kok
Date: October 4th, 2020
Subject: Peer Review of Accrual Accounting

Hi Richard,

I have read through your definition of accrual accounting and I now have a strong grasp of the term and why it is current practice for businesses today. I have written my review of the definition below.

Initial Impressions

This definition is well-written and organized. It clearly defines accrual accounting term so that readers without prior knowledge can understand. The expanded definition uses methods such as compare and contrast and visuals to clearly explain the definition of accrual accounting. The parenthetical definition was somewhat more difficult to understand than the other two definitions, however.

Introduction

The introduction describes the purpose of the assignment and prefaces the types of definitions that will be used. This section is well-written and there are no issues.

Situation

The situation described here is appropriate for the accrual accounting term.

Parenthetical Definition

The parenthetical definition is well written. However, for a reader with no prior knowledge in accounting, it is somewhat difficult to truly grasp the concept of accrual accounting solely from this definition. Possible suggestions are listed below.

- Expanding on when a transaction is deemed to have occurred

Sentence Definition

The sentence definition is well-written. For a reader with no knowledge of accounting, the term accrual accounting is easily understood by this sentence definition.

Expanded Definition

The following are the methods have been identified in the expanded definition:

- Visuals
- Comparison and Contrast
- Examples
- History

These methods are appropriate for the definition and the author has used all of them well to illustrate what accrual accounting is and the need for it. The most helpful methods for the reader were the comparison and contrast and the visuals as they clearly showed the difference without accrual accounting.

Purpose

The purpose of the definition is clearly defined in the introduction and the situation. The document stays on topic and minimizes the use of jargon so that people without accounting knowledge can understand.

Overall Impressions

This is a well-written document about accrual accounting. The reader should be able to have a strong understanding of accrual accounting and why it is necessary from the definitions in this document. The author also minimizes the use of jargon which helps readers without an accounting background to understand the contents of the definition. The following is a list of suggestions that could improve this great document.

- Expanding on the parenthetical definition defining when a transaction is deemed to have occurred
- Comparing accrual accounting to cash-based accounting to illustrate the issues associated with cash-based accounting

Thank you for taking the time to write these definitions to help others expand their knowledge about accrual accounting. The above suggestions should help in the final draft of the definition.

Link to original definition: [Definition of Accrual Accounting by Richard Chen](#)