

unit 2 the basic accounting cycle answers PDF

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Understanding the basic accounting cycle is fundamental for students and professionals engaging in financial accounting. This cycle encompasses a series of sequential steps that businesses follow to record, process, and report financial information. Mastery of these steps equips individuals with the skills necessary to accurately prepare financial statements, ensure compliance with accounting standards, and facilitate sound decision-making. In this comprehensive guide, we will explore the key components of the accounting cycle, provide detailed answers to common questions, and clarify the processes involved in each stage.

Overview of the Basic Accounting Cycle

The accounting cycle is a systematic process that transforms raw financial data into meaningful reports. It typically spans a fiscal period, such as a month, quarter, or year. The main objective is to ensure that financial records are complete, accurate, and compliant with relevant standards like GAAP or IFRS.

Key Objectives of the Accounting Cycle

- Record all financial transactions accurately
- Classify and summarize transactions systematically
- Prepare financial statements that reflect the company's financial position
- Ensure compliance with accounting principles and standards

Steps in the Basic Accounting Cycle

The cycle can be broken down into several core steps, each building upon the previous one. Below is an in-depth discussion of each stage, along with typical questions and their answers.

1. Analyzing Transactions

Question: What does analyzing transactions involve?

Answer:

Analyzing transactions involves examining each financial event to determine its impact on the accounting equation ($\text{Assets} = \text{Liabilities} + \text{Equity}$). This step requires identifying the accounts affected, the nature of the transaction, and whether it increases or decreases specific accounts.

Key points:

- Determine the transaction's nature (e.g., sale, purchase, payment)
- Identify accounts involved (cash, accounts receivable, supplies, etc.)
- Decide whether accounts are debited or credited based on the transaction

Example:

A company receives \$1,000 cash from a client for services rendered.

- Accounts affected: Cash (asset), Service Revenue (income)
- Effect: Increase Cash, Increase Revenue

2. Recording Journal Entries

Question: How are journal entries recorded?

Answer:

Once transactions are analyzed, they are recorded in the journal as journal entries. Each entry includes the date, accounts affected, amounts, and whether each account is debited or credited.

Key points:

- Use the double-entry accounting system (debit and credit entries)
- Ensure total debits equal total credits
- Provide clear descriptions for future reference

Example:

Date	Account Title	Debit	Credit
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| MM/DD/YYYY | Cash | 1,000 | |

| | Service Revenue | | 1,000 |

3. Posting to the Ledger

Question: What is posting, and why is it important?

Answer:

Posting involves transferring journal entry details to individual accounts in the ledger. This process consolidates all transactions related to each account, facilitating the preparation of financial statements.

Key points:

- Maintain T-accounts or ledger accounts
- Update each account with the corresponding debit or credit
- Ensure accuracy during transfer

Example:

Post the \$1,000 cash received to the Cash ledger account, increasing its balance.

4. Preparing Unadjusted Trial Balance

Question: What is the purpose of the trial balance?

Answer:

The unadjusted trial balance lists all ledger account balances at a specific point, verifying that total debits equal total credits. It serves as a preliminary check for errors.

Key points:

- Summarize all account balances
- Detect potential recording errors
- Serve as a foundation for adjusting entries

5. Adjusting Entries

Question: Why are adjusting entries necessary?

Answer:

Adjusting entries are made at the end of the accounting period to account for accrued and deferred items, ensuring that financial statements reflect the true financial position.

Common types of adjustments:

- Accruals (revenues earned or expenses incurred but not yet recorded)
- Deferrals (revenues received or expenses paid in advance)

Examples:

- Accrued revenue: Record revenue earned but not yet received
- Prepaid expenses: Allocate expenses paid in advance over the period

Sample Adjustment Entry:

Debit: Rent Expense

Credit: Prepaid Rent

6. Preparing Adjusted Trial Balance

Question: How does the adjusted trial balance differ from the unadjusted?

Answer:

The adjusted trial balance includes the effects of adjusting entries, providing an updated summary of all account balances after adjustments. It is used to prepare financial statements.

7. Preparing Financial Statements

Question: What financial statements are prepared from the adjusted trial balance?

Answer:

The primary financial statements are:

- Income Statement: Reports revenues and expenses to determine net income or loss
- Statement of Owner's Equity: Shows changes in owner's capital
- Balance Sheet: Presents assets, liabilities, and equity at a specific point in time
- Cash Flow Statement: Summarizes cash inflows and outflows (optional in basic cycles)

Process:

- Use the adjusted trial balance as the source document
- Follow standard formats for each statement
- Ensure consistency and accuracy

8. Closing Entries

Question: Why are closing entries made, and how are they prepared?

Answer:

Closing entries transfer temporary account balances (revenues, expenses, dividends) to permanent accounts (retained earnings or capital). They reset temporary accounts for the next period.

Steps:

- Debit revenue accounts and credit Income Summary
- Debit Income Summary and credit expense accounts
- Debit or credit the Income Summary account to close to Retained Earnings or Capital
- Close dividends or withdrawals to Retained Earnings

Example:

Account	Debit	Credit
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Revenue	10,000	
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Income Summary		10,000
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Common Questions and Clarifications

What is the significance of the accounting cycle?

- It ensures systematic recording and reporting of financial data, leading to accurate and reliable financial statements.

How long does the accounting cycle last?

- It varies depending on the business, typically monthly, quarterly, or annually.

What are the most common errors in the accounting cycle?

- Data entry mistakes, incorrect debits/credits, omitted transactions, and misclassification of accounts.

How does technology impact the accounting cycle?

- Accounting software automates many steps, reduces errors, and accelerates reporting.

Conclusion

Mastering the basic accounting cycle is essential for accurate financial reporting and sound business management. Each step—from analyzing transactions to preparing financial statements—plays a vital role in ensuring the integrity of financial data. By understanding the detailed processes involved and practicing the correct procedures, students and practitioners can confidently navigate the complexities of accounting. The answers provided in this guide serve as a foundational resource to reinforce learning, clarify doubts, and promote proficiency in accounting practices. Whether for academic purposes or professional application, a thorough grasp of the accounting cycle is indispensable for success in the field of finance.

Unit 2 The Basic Accounting Cycle Answers: A Comprehensive Guide to Understanding the Fundamentals

Understanding the unit 2 the basic accounting cycle answers is essential for students, accounting professionals, and small business owners alike. This foundational knowledge forms the backbone of accurate financial reporting and effective business management. In this guide, we will explore the

key components of the accounting cycle, break down typical questions and answers encountered in this unit, and provide practical insights to help you master the process.

What Is the Basic Accounting Cycle?

The basic accounting cycle is a series of systematic steps followed by accountants and bookkeepers to record, process, and summarize financial data for a specific period. This cycle ensures that financial statements are accurate, complete, and prepared in accordance with accounting standards.

Key Objectives of the Accounting Cycle:

- To accurately record all financial transactions.
- To classify and summarize financial data.
- To prepare financial statements such as the income statement, balance sheet, and cash flow statement.
- To ensure compliance with relevant accounting principles.

The Components of the Accounting Cycle

The entire accounting cycle can be broken down into several sequential steps. Here's a detailed overview:

- Analyzing Business Transactions

Every financial activity, whether a sale, purchase, or expense, must be analyzed to determine its impact on accounts.

Typical questions and answers in Unit 2 may include:

- Q: What is the first step in the accounting cycle?
- A: Analyzing transactions to identify the accounts affected and the nature of the transaction.

- Recording Transactions in Journals

Once transactions are analyzed, they are recorded in the journal using the double-entry bookkeeping method.

Key points:

- Use of journal entries with debits and credits.
- Proper documentation and referencing.

- Posting to the Ledger

Journal entries are then posted to individual accounts in the ledger, which is a collection of all accounts.

Common questions:

- Q: Why is posting to the ledger important?
- A: It organizes transaction data for each account, enabling the preparation of trial balances.

- Preparing an Unadjusted Trial Balance

This step involves listing all ledger account balances to verify that total debits equal total credits.

Questions to consider:

- Q: What does an imbalance in the trial balance indicate?
- A: Errors in recording or posting transactions that need correction.

- Adjusting Entries

Adjustments are made for accrued incomes, expenses, depreciation, and other items not yet recorded.

Common inquiries:

- Q: Why are adjusting entries necessary?
- A: To ensure revenues and expenses are recognized in the correct accounting period, complying with the matching principle.

- Preparing an Adjusted Trial Balance

This trial balance reflects all adjustments and serves as the basis for preparing financial statements.

- Preparing Financial Statements

Using the adjusted trial balance, prepare:

- Income Statement
- Balance Sheet
- Statement of Cash Flows (if applicable)

- Closing Entries

At the end of the accounting period, close temporary accounts like revenues, expenses, and dividends to retained earnings.

Questions often asked:

- Q: What is the purpose of closing entries?
- A: To reset temporary accounts for the next accounting period.

- Post-Closing Trial Balance

A final trial balance is prepared to ensure all closing entries were correctly posted, and accounts are ready for the next period.

Common Questions and Answers in Unit 2: The Basic Accounting Cycle

Understanding typical questions from this unit is critical for exam success and practical application. Here are some key Q&As:

Q1: What is the purpose of the trial balance?

A: To verify that total debits equal total credits after posting all transactions, serving as a preliminary check for errors.

Q2: How do adjusting entries differ from regular journal entries?

A: Adjusting entries are made at the end of an accounting period to record accrued and deferred items, ensuring financial statements reflect accurate income and balances.

Q3: Why are closing entries important?

A: They transfer temporary account balances to permanent accounts, preparing the books for the next accounting cycle.

Q4: What is the significance of the ledger in the accounting cycle?

A: The ledger consolidates all accounts, providing a comprehensive record that supports trial balance and financial statement preparation.

Q5: How does the accounting cycle contribute to financial accuracy?

A: By following each step systematically, the cycle minimizes errors, ensures completeness, and promotes transparency in financial reporting.

Practical Tips for Mastering the Basic Accounting Cycle

- Understand Double-Entry Bookkeeping: Every transaction affects at least two accounts; debits must equal credits.
- Maintain Organized Documentation: Clear records facilitate accurate posting and error detection.
- Practice Journal and Ledger Entries: Repetition enhances familiarity and reduces mistakes.
- Use Trial Balances as Diagnostic Tools: Regularly check for discrepancies to catch errors early.
- Master Adjusting and Closing Entries: Recognize their role in aligning financial data with accounting principles.
- Reconcile Regularly: Ensure ledger balances match bank statements and other external records.

Common Challenges and How to Overcome Them

- Error Identification: Mistakes in posting can lead to trial balance discrepancies. Solution: Double-check entries and use source documents.
- Understanding Adjustments: Complex adjustments may confuse learners. Solution: Study real-world scenarios and practice adjusting entries.

- Time Management: The cycle can be time-consuming. Solution: Develop a checklist to streamline each step.

Final Thoughts

Mastering unit 2 the basic accounting cycle answers is vital for anyone involved in financial recordkeeping. By understanding each step?from transaction analysis to closing entries?you ensure accurate, reliable financial statements that support sound business decisions. Remember, the key to success lies in systematic practice, thorough understanding, and attention to detail. As you become more familiar with the cycle, you'll find that accounting becomes less daunting and more an essential tool for business management.

Whether you are preparing for exams or managing your own business finances, a solid grasp of the basic accounting cycle will serve as a strong foundation for all your future financial endeavors.

Question What are the main steps involved in the basic accounting cycle? The main steps include analyzing transactions, recording journal entries, posting to the ledger, preparing a trial balance, making adjusting entries, preparing financial statements, and closing the books. Why is the trial balance important in the accounting cycle? The trial balance helps verify that total debits equal total credits after posting, ensuring the accuracy of the ledger before preparing financial statements. What are adjusting entries, and why are they necessary? Adjusting entries update account balances to reflect accurate financial information at the end of an accounting period, such as accrued expenses or revenue, ensuring financial statements are correct. How does the chart of accounts fit into the accounting cycle? The chart of accounts provides a systematic list of all accounts used in the accounting process, serving as a framework for recording and organizing transactions. What is the purpose of closing entries in the accounting cycle? Closing entries transfer temporary account balances (revenues, expenses, dividends) to retained earnings, preparing the accounts for the next accounting period. How do journal entries differ from ledger postings? Journal entries record transactions in the journal with details, while ledger postings transfer these entries to individual accounts, organizing the data for financial reporting. What role do financial statements play at the end of the accounting cycle? Financial statements, such as the income statement and balance sheet, summarize the company?s financial performance and position based on the recorded and adjusted data. Can the basic accounting cycle be automated, and what are the benefits? Yes, automation through accounting software streamlines data entry, reduces errors, speeds up processes, and ensures more accurate financial reporting. What common errors should be checked during the accounting cycle? Common errors include incorrect journal entries, posting mistakes, unbalanced trial balances, and errors in adjusting entries, which can be identified through reconciliations and reviews.

Related keywords: accounting cycle, journal entries, ledger accounts, trial balance, adjusting entries, financial statements, closing process, bookkeeping, accounting worksheet, accounting

principles

INTRODUCTION TO BUSINESS PLATO ANSWERS

Introduction to Business Plato Answers

In the realm of business education, understanding key concepts, theories, and practical applications is essential for success. One of the most valuable resources for students and professionals alike is the Business Plato Answers. These answers serve as comprehensive guides that help clarify complex topics, facilitate exam preparations, and deepen understanding of business principles. This article provides an in-depth introduction to Business Plato Answers, exploring their significance, structure, and how to effectively utilize them for academic and professional growth.

What Are Business Plato Answers?

Definition and Purpose

Business Plato Answers are detailed solutions and explanations related to the Business Plato platform, an educational website that offers a wide range of business-related questions and answers. They are designed to help students grasp difficult concepts, prepare for exams, and understand the practical applications of business theories.

The main purposes include:

- Providing accurate and detailed solutions to business questions.
- Enhancing understanding of complex topics through clear explanations.
- Supporting exam preparation by offering model answers.
- Encouraging critical thinking and application of concepts.

Origin and Development

Business Plato Answers have evolved alongside the growth of online educational platforms. Originally, students relied solely on textbooks and classroom instruction. However, with the advent of digital learning, platforms like Business Plato emerged, offering a wealth of questions and answers tailored to various curricula and standards. These answers are often curated by educators or experienced professionals to ensure accuracy and relevance.

Structure and Components of Business Plato Answers

Types of Questions Covered

Business Plato encompasses a broad spectrum of questions, including:

- Multiple-choice questions (MCQs)
- Short-answer questions
- Case studies and scenario-based questions
- Essay and descriptive questions
- Practical problems and calculations

Each type requires a different approach, and Business Plato Answers are tailored accordingly to provide comprehensive solutions.

Features of Well-Organized Answers

Effective Business Plato Answers share common features:

- **Clarity:** Clear language and logical flow.
- **Detail:** In-depth explanations covering all aspects of the question.
- **Accuracy:** Correct and verified information.
- **Relevance:** Directly addressing the question's requirements.
- **Practical examples:** Real-world applications to illustrate concepts.
- **Visual aids:** Charts, tables, and diagrams where applicable.

How to Use Business Plato Answers Effectively

Studying and Revision

To maximize learning, students should:

- Read the question carefully to understand what is being asked.
- Compare their answers with the provided Business Plato Answers.
- Identify areas of strength and weakness.
- Focus on understanding the explanations rather than rote memorization.
- Use answers as a reference for structuring their own responses.

Exam Preparation Tips

Business Plato Answers are invaluable for exam prep:

- Practice answering questions first without help.
- Compare your answers with Business Plato solutions.
- Note any gaps in knowledge and review relevant concepts.
- Practice writing answers under timed conditions.
- Use answers as models to improve writing clarity and depth.

Assignments and Projects

For assignments and projects:

- Refer to Business Plato Answers for guidance on structure and content.
- Ensure originality by using answers as a template, not copying verbatim.
- Supplement answers with additional research and current data.

Benefits of Using Business Plato Answers

Enhanced Understanding

By reviewing detailed answers, learners gain a deeper insight into business concepts, which fosters critical thinking.

Time-Saving

Ready-made answers help students save time during revision and exam preparation, allowing focus on understanding rather than searching for solutions.

Improved Academic Performance

Consistent use of high-quality answers can lead to better grades by ensuring students comprehend and can articulate key ideas effectively.

Building Confidence

Seeing model answers builds confidence in tackling similar questions independently.

Limitations and Ethical Considerations

Potential Risks

While Business Plato Answers are invaluable, over-reliance can hinder genuine learning. Students might become dependent on answers rather than developing their own problem-solving skills.

Ethical Use

It is crucial to use answers ethically:

- Avoid plagiarism by not copying answers verbatim in assignments.
- Use answers as a learning aid, not as a shortcut to bypass understanding.
- Always cite sources if incorporating ideas from answers into your work.

Conclusion

Understanding the role and effective use of Business Plato Answers can significantly enhance a learner's journey through business education. They serve as valuable resources for clarifying concepts, preparing for exams, and developing practical skills. However, students should approach them responsibly, emphasizing comprehension over rote memorization. By integrating Business Plato Answers into their study routines thoughtfully, learners can unlock deeper insights into business principles and excel academically and professionally.

Remember: The key to success in business studies lies in active engagement, critical thinking, and continuous learning. Business Plato Answers are tools to support this journey—use them wisely!

Introduction to Business Plato Answers: Navigating the Path to Academic Success

In the competitive landscape of business education, students often find themselves grappling with complex case studies, theoretical frameworks, and practical scenarios. Among the numerous resources available, Business Plato Answers have emerged as a vital tool for learners seeking clarity, guidance, and structured approaches to their coursework. This article delves into what Business Plato answers are, their significance, how to utilize them effectively, and the ethical considerations surrounding their use, providing a comprehensive understanding for students and educators alike.

What Are Business Plato Answers?

Business Plato answers refer to detailed, step-by-step solutions or guidance provided for

business-related assignments, case studies, and exam questions often associated with Plato Learning or similar educational platforms. These answers aim to help students understand complex concepts, develop critical thinking skills, and produce high-quality academic work.

The Origin and Purpose of Business Plato Answers

Originally designed to assist learners in mastering business concepts, these solutions serve multiple purposes:

- Educational reinforcement: They help students grasp theoretical principles by illustrating practical applications.
- Time efficiency: They save students hours spent on research and problem-solving.
- Preparation for assessments: They offer models for structuring answers, especially in exams or coursework.

Types of Business Plato Answers

Business Plato answers can be categorized based on their format and purpose:

- Sample answers: Exemplary responses demonstrating ideal approaches.
- Step-by-step solutions: Detailed breakdowns of how to solve specific problems or case studies.
- Guidelines and frameworks: Structural templates that students can adapt for their own work.
- Discussion prompts: Questions and answers that encourage critical analysis.

The Significance of Business Plato Answers in Business Education

In the realm of business education, understanding theory is crucial but often insufficient. Practical application and critical analysis distinguish competent students. Business Plato answers contribute significantly to this learning process.

Enhancing Understanding and Critical Thinking

By examining well-constructed answers, students can:

- Identify key concepts: Recognize what knowledge is essential in different scenarios.
- Learn answer structuring: Understand how to logically organize responses.
- Develop analytical skills: See how to approach complex business problems systematically.

Supporting Diverse Learning Styles

Some students benefit from visual or example-based learning. Business Plato answers serve as:

- Models for replication: Providing blueprints for crafting their own answers.
- Learning aids: Clarifying ambiguous topics through concrete examples.

Improving Academic Performance

Access to quality answers can lead to:

- Better grades: Due to improved understanding and answer quality.
- Increased confidence: As students feel more prepared for assessments.

How to Effectively Use Business Plato Answers

While these answers are helpful, responsible and strategic use is key to maximizing benefits without compromising academic integrity.

As a Study Aid, Not a Shortcut

Students should view Business Plato answers as:

- Guides for learning: Not as definitive solutions to copy blindly.
- Sources of inspiration: To understand different approaches to a problem.
- Review material: To verify their own answers and identify gaps.

Developing Personal Critical Skills

Use answers to:

- Compare and contrast: Your solution with the provided answer.
- Analyze reasoning: Understand why certain steps are taken.
- Adapt frameworks: To suit specific question requirements.

Ethical Considerations

It's essential to respect academic policies:

- Avoid plagiarism: Never submit answers verbatim without proper acknowledgment.
- Use answers for learning: Instead of cheating, leverage them to deepen understanding.
- Consult instructors: When in doubt about permissible resource usage.

Common Platforms Offering Business Plato Answers

Several online platforms and educational services provide Business Plato answers, each varying in quality and reliability.

Popular Resources Include:

- Plato Learning: The official platform offering course-specific answers.
- Academic aid services: Custom writing and tutoring services that provide solutions.
- Discussion forums: Peer-to-peer platforms where students exchange insights.

Evaluating the Credibility of Answers

Students should consider:

- Source authenticity: Prefer official or reputable providers.
- Accuracy and relevance: Ensure answers are current and aligned with course content.
- Quality of explanation: Well-structured answers demonstrate clarity.

Ethical Use and Academic Integrity

The use of Business Plato answers raises important ethical questions. Educators and students must navigate this landscape responsibly.

Risks of Over-reliance

Dependence on answers can lead to:

- Lack of genuine understanding: Hindering long-term learning.
- Academic penalties: For plagiarism or dishonesty.
- Reduced skill development: Critical thinking and problem-solving suffer.

Promoting Responsible Use

To foster integrity:

- Use answers as study tools: To clarify concepts, not to bypass learning.
- Cite sources when appropriate: If incorporating ideas from solutions.
- Engage with instructors: Seek guidance when uncertain about assignment expectations.

Future Trends and the Role of Business Plato Answers

As education evolves with technological advancements, so will the nature of resources like Business Plato answers.

Integration of AI and Automation

- AI-generated solutions: Platforms may employ artificial intelligence to provide instant answers.
- Personalized learning: Adaptive solutions tailored to individual student needs.

Emphasis on Critical Thinking

Educators are increasingly focusing on assessments that evaluate reasoning rather than rote answers, reducing reliance on pre-prepared solutions.

Ethical Frameworks

Institutions are emphasizing academic integrity, encouraging students to utilize resources ethically and responsibly.

Conclusion

Introduction to Business Plato answers encompasses a nuanced landscape of educational resources that, when used responsibly, can significantly enhance business learning. They serve as valuable guides for understanding complex concepts, developing structured responses, and fostering critical thinking. However, students must approach these solutions ethically, viewing them as learning aids rather than shortcuts to success. As the educational environment continues to evolve with technological innovations, the role of such answers will adapt accordingly ? emphasizing integrity, skill development, and lifelong learning. Ultimately, the goal is to leverage these tools to deepen understanding, improve competence, and prepare for the dynamic challenges of the business world.

Question What is the main purpose of the Introduction to Business Plato answers? The main purpose is to help students understand key business concepts and prepare for exams by providing clear and concise explanations of the topics covered in the Introduction to Business course. How can Plato answers assist students in learning business principles? Plato answers offer detailed solutions and explanations that clarify complex business theories, making it easier for students to grasp essential principles and improve their academic performance. Are Plato answers for Introduction to Business reliable and accurate? Yes, well-reviewed Plato answers are designed to be accurate and align with curriculum standards, serving as a helpful resource for students seeking to understand course material. Where can I find legitimate Plato answers for Introduction to Business? Legitimate Plato answers can be found through official educational platforms, authorized tutoring services, or reputable online educational communities that adhere to academic integrity standards. Do Plato answers replace studying or attending classes? No, Plato answers are intended to supplement learning; students should still attend classes, participate actively, and study the material thoroughly for comprehensive understanding. What are common topics covered in Introduction to Business Plato answers? Common topics include business ethics, management principles, marketing strategies, entrepreneurship, economic systems, and business organization structures. Can using Plato answers improve my grades in Introduction to Business? Using Plato answers can help clarify concepts and prepare for assessments, potentially leading to improved grades when used responsibly alongside active studying. Are there ethical considerations when using Plato answers for coursework? Yes, students should use Plato answers as a learning aid rather than submitting them as their own work to avoid academic dishonesty and maintain integrity. How do I effectively utilize Plato answers in my study routine? Use Plato answers to check your understanding, clarify doubts, and review concepts after attempting assignments on your own to reinforce learning. What are the benefits of understanding the solutions provided by Plato answers? Understanding Plato solutions helps develop critical thinking, improves problem-solving skills, and deepens comprehension of business concepts, benefiting overall academic growth.

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