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| **ACCOUNTING I** |
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| 1)  | We sold inventory on account with terms 2/10, n/30. What account is credited when we record the sale happening? |
|  | A) Accounts Receivable |
|  | B) Inventory |
|  | C) Cash Discount |
|  | D) Accounts Payable |

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| 2)  | When a company sells a product on account, which account is debited? |
|  | A) Accounts Payable |
|  | B) Inventory |
|  | C) Accounts Receivable |
|  | D) Cash |

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| 3)  | Goodwill is an example of a(n) \_\_\_\_\_. |
|  | A) fixed asset |
|  | B) intangible asset |
|  | C) current assets |
|  | D) contribution |

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| 4)  | Assets which are purchased for long-term use and are **not** likely to be converted quickly into cash are called \_\_\_\_\_ assets. |
|  | A) fixed |
|  | B) tangible |
|  | C) intangible |
|  | D) current |

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| 5)  | Which of the following is **not** a financial statement? |
|  | A) Statement of Owner's Equity |
|  | B) Balance Sheet |
|  | C) Income Statement |
|  | D) Aging of Accounts Receivable |

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| 6)  | Customers who use the department store credit card to make purchases are classified as \_\_\_\_\_ by the department store. |
|  | A) accounts payable |
|  | B) uncollected accounts |
|  | C) sales |
|  | D) accounts receivable |

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| 7)  | In year1, the company had fees earned of $520,600, operating expenses of $338,390, and operating income of $182,210. In year 2, the same company had fees earned of $674,350, operating expenses of $472,045, and operating income of $202,305. What percentage has operating income increased or decreased as a percentage of revenue? |
|  | A) 11% increase |
|  | B) 5% increase |
|  | C) 5% decrease |
|  | D) 11% decrease |

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| 8)  | We have the following accounts: Accounts Receivable $20,000, Sales Revenue $40,000, Interest Expense $500, Accumulated Depreciation $500, Unearned Revenue $1000, Interest Revenue $100. What is the amount of revenue reported on the income statement? |
|  | A) $41,000 |
|  | B) $40,100 |
|  | C) $41,100 |
|  | D) $1,100 |

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| 9)  | Prior to the adjusting process, accrued expenses have: |
|  | A) been incurred, not paid, and not recorded |
|  | B) not yet been incurred, paid, or recorded |
|  | C) been paid but have not yet been incurred |
|  | D) been incurred, not paid, but have been recorded |

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| 10)  | Which of the following accounts is classified as a liability on the balance sheet? |
|  | A) Drawing |
|  | B) Wages Payable |
|  | C) Cash |
|  | D) Accumulated Depreciation |

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| 11)  | When we record depreciation on the worksheet, what account is debited? |
|  | A) Buildings |
|  | B) Accumulated Depreciation |
|  | C) Depreciation Expense |
|  | D) Income Summary |

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| 12)  | \_\_\_\_\_ is the journal used to record all of the checks, cash payments, and outlays of cash during an accounting period. |
|  | A) Bank reconciliation |
|  | B) Bank deposit |
|  | C) Check register |
|  | D) Bank statement |

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| 13)  | The amount that an employee receives in their paycheck is called \_\_\_\_\_ pay. |
|  | A) gross |
|  | B) accrued |
|  | C) net |
|  | D) overtime |

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| 14)  | \_\_\_\_\_ are individuals who are willing to take the risk of starting a business. |
|  | A) Sole proprietors |
|  | B) Corporate employees |
|  | C) Partners |
|  | D) Stockholders |

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| 15)  | We have calculated depreciation on the building at $10,000 for the year. What account is credited to record the depreciation? |
|  | A) Accumulated Depreciation |
|  | B) Depreciation Expense |
|  | C) Cash |
|  | D) Building |

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| 1) | B |
| 2) | C |
| 3) | B |
| 4) | A |
| 5) | D |
| 6) | D |
| 7) | C |
| 8) | B |
| 9) | A |
| 10) | B |
| 11) | C |
| 12) | C |
| 13) | C |
| 14) | A |
| 15) | A |