Hong Zhang

ACC1140

Test 2 Do-over

ACCEPTABLE

8) The question addresses what sales revenues are usually considered earned. After researching, I realize revenues are considered to be earned when the earning process has been substantially completed. The process is goods transferred from the seller to the buyer. The correct answer is C, goods have been transferred from the seller to the buyer.

UNACCEPTABLE:

8) It’s B, I just think the earning process has been completed after an order is received.

ACCEPTABLE

9) The question addresses what the Sales Returns and Allowances account is classified as. After researching, I realize it is a contra account. The correct answer is D, contra revenue account

UNACCEPTABLE:

9) It’s B, I just notice it is a contra account and ignore it is asset account or revenue account.

ACCEPTABLE

26) The question addresses what the term "receivables" refers to. After researching, I realize receivables are the amounts which the company collects from others. The correct answer is A, amounts due from individual s or companies.

UNACCEPTABLE:

26) It’s D, I think the company must collect the cash and is debtor.

ACCEPTABLE

27) The question addresses trade accounts receivable are valued and reported on the balance sheet. After researching, I realize accounts receivable is the result from the sale of goods and services. The correct answer is C, at net realizable value

UNACCEPTABLE:

27) It’s A, I think account receivable belong to asset. If trading it, it must be investment.

ACCEPTABLE

32) The question addresses under the direct write-off method of accounting for uncollectible accounts, Bad Debts Expense is debited. After researching, I realize if using the direct write-off method, the account must be worthless. The correct answer is D, when an account is determined to be uncollectible.

UNACCEPTABLE:

32) It’s B, I think using the direct write-off method should be at the end of each accounting period.

ACCEPTABLE

33) The question addresses allowance for Doubtful Accounts on the balance sheet. After researching, I realize allowance for doubtful accounts is a reduction of the total amount of accounts receivable appearing on a company’s balance sheet. The correct answer is D, is offset against accounts receivable.

UNACCEPTABLE:

33) It’s A, I think accounts receivable belong to asset.

ACCEPTABLE

34) The question addresses an account is written off using the allowance method. After researching, I realize under the allowance method, a write-off does not change the net realizable value of accounts receivable. The correct answer is D, cash realizable value of total accounts receivable will stay the same.

UNACCEPTABLE:

34) It’s B, I think total accounts receivable will decrease.