Quiz 2_SE1402

Total points 4/20

Chapter 3 & 4

The respondent's email address (**gianghtnse140115@fpt.edu.vn**) was recorded on submission of this form.

1. The time period assumption states that: * 0/1

- A. Companies must wait until the calendar year is completed to prepare financial statements
- B. Companies use the fiscal year to report financial information.
- C. The economic life of a business can be divided into artificial time periods.
- D. Companies record information in the time period in which the events occur
- E. All of these are correct

Correct answer

- C. The economic life of a business can be divided into artificial time periods.

2. The principle or assumption dictating that efforts(expenses) be matched with accomplishments (revenues) is the: 1/1

- A. Matching principle.
- B. Cost assumption.
- C. Time period assumption.
- D. Revenue recognition principle.
- E. Going-concern assumption

3. Each of the following is a major type (or category) of adjusting entries except * 0/1

A. Prepaid expenses.

B. Accrued expenses.

C. Unearned revenues

D. Recognized revenues.

E. Unearned revenues & recognized revenues

Correct answer

D. Recognized revenues.

4. Accumulated Depreciation is: * 0/1

A. A contra asset account.

B. An expense account.

C. An owner's equity account.

D. A liability account.

E. All of these are correct

Correct answer

A. A contra asset account.

5. Adjustments for unearned revenues: * 0/1

- A. Decrease liabilities and increase revenues.
- B. Have an assets-and-revenues-account relationship.
- C. Increase assets and increase revenues.
- D. Decrease revenues and decrease assets.
- E. All of these are incorrect

Correct answer

- A. Decrease liabilities and increase revenues.

6. A company made no adjusting entry for accrued and unpaid employee wages of $30,000 on December 31. This oversight would: * 1/1

- A. Understate revenues by $30,000.
- B. Have no effect on net income.
- C. Overstate expenses by $30,000.
- D. B, C are both correct
- E. A, B, C are all correct

7. On May 31, 2015, Holland Co. paid $12,000 cash for management services to be performed over a two-year period. Holland follows a policy of recording all prepaid expenses to asset accounts at the time of cash payment. The adjusting entry on December 31, 2015 for Holland would include: * 0/1

- A. A debit to an expense for $5,000.
- B. A debit to a prepaid expense for $5,000.
- C. A debit to an expense for $3,500.
- D. A debit to a prepaid expense for $3,500.
- E. A credit to a liability for $3,500.

Correct answer

- C. A debit to an expense for $3,500.

8. Prior to recording adjusting entries, the Office Supplies account had a $1500 debit balance. A physical count of the supplies showed that $255 of supplies were used. The required adjusting entry is: * 0/1

- A. Debit Office Supplies $255 and credit Office Supplies Expense $255.
- B. Debit Office Supplies Expense $255 and credit Office Supplies $255.
- C. Debit Office Supplies Expense $1245 and credit Office Supplies $1245.
- D. Debit Office Supplies $1245 and credit Office Supplies Expense $1245.
- E. All of these are incorrect

Correct answer

- B. Debit Office Supplies Expense $255 and credit Office Supplies $255.

9. Holland Co. leased a portion of its store to Barrett Co. for eight months beginning on Dec 1, 2019, at a monthly rate of $800. Barrett Co. paid the entire $6,400 cash on Dec 1, which Holland Co. recorded as unearned revenue. The journal entry made by Holland Co. at year-end on December 31, 2019, would include: * 1/1

- (●) A. A credit to Rent Earned for $800. ✓
- ( ) B. A credit to Unearned Rent for $800.
- ( ) C. A debit to Cash for $6,400.
- ( ) D. A credit to Rent Earned for $1,600.
- ( ) E. A credit to Unearned Rent for $1,600.

10. A company pays each of its two office employees each Friday at the rate of $200 per day for a five-day week that begins on Monday. If the monthly accounting period ends on Tuesday and the employees worked on both Monday and Tuesday, the month-end adjusting entry to record the salaries earned but unpaid is: * 0/1

- ( ) A. Debit Unpaid Salaries $600 and credit Salaries Payable $600.
- ( ) B. Debit Salaries Expense $800 and credit Salaries Payable $800.
- ( ) C. Debit Salaries Expense $600 and credit Salaries Payable $600.
- (●) D. Debit Salaries Payable $400 and credit Salaries Expense $400. ✗
- ( ) E. Debit Salaries Expense $400 and credit Salaries Payable $400.

Correct answer

- (●) B. Debit Salaries Expense $800 and credit Salaries Payable $800.

11. In a worksheet, net income is entered in the following columns: * 0/1

- A. income statement (Dr) and balance sheet (Dr).
- B. income statement (Cr) and balance sheet (Dr).
- C. income statement (Dr) and balance sheet (Cr).
- D. income statement (Cr) and balance sheet (Cr)
- E. None of these.

Correct answer

- C. income statement (Dr) and balance sheet (Cr).

12. When a net loss has occurred, Income Summary is: * 0/1

- A. debited and Owner's Capital is credited
- B. credited and Owner's Capital is debited
- C. debited and Owner's Drawings is credited.
- D. credited and Owner's Drawings is debited.
- E. None of these

Correct answer

- B. credited and Owner's Capital is debited

13. The closing process involves separate entries to close(1) expenses, (2) withdrawals, (3) revenues, and (4) income summary. The correct sequencing of the entries is: * 0/1

- A. (4), (3), (2), (1).
- B. (1), (2), (3), (4).
- C. (3), (1), (4), (2).
- D. (3), (2), (1), (4).
- E. (4), (1), (2), (3)

Correct answer

- C. (3), (1), (4), (2).

14. Which types of accounts will not appear in the post-closing trial balance? * 1/1

- A. Income summary
- B. Temporary (nominal) accounts.
- C. Accounts shown in the income statement columns
- D. All of these
- E. None of these

15. Another name for permanent accounts is: * 0/1

- A. Real accounts.
- B. Contra accounts.
- C. Accrued accounts.
- D. Balance column accounts.
- E. Nominal accounts.

Correct answer

- A. Real accounts.

16. A company shows a $600 balance in Prepaid Insurance in the Unadjusted Trial Balance columns of the worksheet. The Adjustments columns show expired insurance of $200. This adjusting entry results in: * 0/1

- A. $200 increase in revenue.
- B. $200 increase in net income.
- C. $200 difference between the debit and credit columns of the Unadjusted Trial Balance.
- D. $200 of prepaid insurance.
- E. $200 increase in expense.

Correct answer

- E. $200 increase in expense.

17. The J. Godfrey, Capital account has a credit balance of $17,000 before closing entries are made. If total revenues for the period are $55,200, total expenses are $39,800, and withdrawals are $9,000, what is the ending balance in the J. Godfrey, Capital account after all closing entries are made? * 0/1

- A. $ 8,000.
- B. $15,400.
- C. $23,400.
- D. $17,000.
- E. $32,400.

Correct answer

- A. $ 8,000.

18. At the beginning of 2019, a company's balance sheet reported the following balances: Total Assets = $125,000; Total Liabilities = $75,000; and Owner's Capital = $50,000. During 2019, the company reported revenues of $46,000 and expenses of $30,000. In addition, the owner's withdrawals for the year totaled $20,000. The pre-closing balance in the Income Summary account would be: * 0/1

- A. $46,000 in credit
- B. $46,000 in debit.
- C. $16,000 in credit.
- D. $16,000 in debit.
- E. cannot be determined from the information provided

Correct answer

- C. $16,000 in credit.

19. Sarra withdrew a total of $47,000 from her business during the current year. The entry needed to close the withdrawals account is: * 0/1

- A. Debit Income Summary and credit Cash for $47,000.
- B. Debit Dina Kader, Withdrawals and credit Cash for $47,000.
- C. Debit Income Summary and credit Dina Kader, Withdrawals for $47,000.
- D. Debit Dina Kader, Withdrawals and credit Dina Kader, Capital for $35,000.
- E. None of these

Correct answer

- E. None of these

20. In the process of completing a worksheet, you determine that the Income Statement debit column totals $63,000, while the Income Statement credit column totals $85,000. To enter net income (or net loss) for the period into the worksheet would require an entry to * 0/1

- A. the Adjustments debit column and the Adjustments credit column.
- B. the Unadjusted Trial Balance debit column and the Adjustments credit column.
- C. it is not practical to enter Net Income (or Net Loss) on the work sheet.
- D. the Balance Sheet & Statement of Owner's Equity debit column and the Income Statement credit column.
- E. None of these

Correct answer

- E. None of these