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| **ACCOUNTING I** | |
| |  |  | | --- | --- | | 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 |