

ACCT 215 Fall 2009 Quiz #2a

QS # or time 11.30

18

Instructions: Please write your answers in the space provided. Answers written anywhere else will not be graded. There are 20 points possible.

Q1-Q3: Prepare the necessary journal entries for each of the following transactions. Place a box around each answer.

1. A) The company paid the current month's rent, which amounted to \$700, and rent for the next three months, which amounted to \$2,100. (3 points)

Score 2/3

Prepaid Rent 2,100
Rent Expense 700
Cash 2,800

3

- B) Record the appropriate adjusting entry two months later. (2 points)

1/2 of 2,100 = 1,050

Rent Expense 1,050
Prepaid Rent 1,050

2

2. Merchandise inventory was sold on account for \$4,800. The company had previously purchased the inventory for \$2,500. (4 points)

1/1

A/R 4,800
Rev 4,800
Cost 2,500
Inv 2,500

Revenue 4,800
A/R 4,800

2

3. The company establishes (starts) a Petty Cash fund for \$500. (2 points)

Cash 500
Petty Cash 500

2

Q4: Fill in the Blank.

4. A) What is the name of one ratio related to solvency (the ability to pay debts)? (1 point)

Quick (acid test)

1

- B) Write its calculation in words (must be the calculation for the ratio named above) (2 points)

Quick Assets
Current Liabilities

2

Q5-Q7: Answer the following questions by circling the best answer.

5. True or False: If depreciation is not recorded for the current accounting period, total assets will be understated. (2 points)

False

2

6. Which of the following situations involves a deferral? (2 points)

- A) Recording interest owed for the month
- B) Recording accrued wages
- C) Recording revenue earned but not yet received
- ☒ D) Recognizing revenue that has been earned, when cash was received in advance
- E) None of the above

2



7. Which of the following sets of accounts are all closed at the end of the period? (2 points)

- A) Sales Revenue, Wages Payable, Dividends
- ☒ B) Rent Expense, Gains on Sale of Equipment, Income Summary - 2
- C) Accounts Receivable, Wages Expense, Interest Income
- D) Cash, Depreciation Expense, Rent Revenue

This section is optional and not graded!!!

1. On average, what do you think of the pace of quiz section (not lecture)?

- a. Usually too fast?
- ☒ b. Usually about right?
- c. Usually too slow?

2. What part of quiz sections is most helpful to you? Using examples and

just breaking down the huge amount of info

3. Do you have any requests or suggestions regarding quiz sections for the rest of the quarter?

More candy
otherwise great job!

Thanks for your feedback!