

FABM 1 Quiz on Adjusting Journal Entries

Set A

Direction: Select the best answer from the given choices. Write the letter of your choice on your answer sheet.

1. It refers to expenses paid in advance and recorded as an asset at the time of payment and become expenses through the passage of time.
A. Advance Expenses C. Post-paid expenses
B. Non-current Expenses D. Prepaid Expenses
2. It refers to the standard sequence of accounting procedures repeated for each accounting period.
A. Accounting Cycle C. Accounting Sequence
B. Accounting Journal D. Accounting System
3. It refers to the entries used to update the accounts prior to the preparation of Financial Statements because they affect more than one accounting period.
A. Accounting Journal Entries
B. Adjusting Journal Entries
C. Adjusted Ledger Entries
D. Adjusting Trial Balance
4. It refers to income already received but not yet earned.
A. Accrued Income C. Income Receivables
B. Income Payable D. Unearned Income
5. It refers to expenses already incurred or used, but not yet paid.
A. Accrued Expenses C. Prepaid Expenses
B. Expenses Payable D. Unpaid Expenses
6. It refers to income already earned but not yet received.
A. Accrued Income C. Income Receivables
B. Income Payable D. Unearned Income
7. It refers to losses due to uncollectible accounts.
A. Allowance for Bad Debts C. Receivable Expense
B. Bad Debts Expense D. Unearned Receivable
8. It refers to the expense allotted for the wear and tear of property, plant and equipment due to passage of time.
A. Accumulated Depreciation
B. Depreciation Expense
C. Property Allocation Expense
D. Allowance for Depreciation Expense
9. It refers to the estimated value of the asset at the end of its useful life.
A. Accumulated Value C. Depreciable Cost
B. Carrying Value D. Salvage Value
10. Kemji resort received electricity bill from FICELCO amounting to ₱ 14,680.39. What should be the account to be credited to record the given transaction?
A. Cash C. Utilities Expense
B. Prepaid Electricity D. Utilities Payable
11. On August 31, 2017 a machine was bought at ₱ 64,000.00 with a salvage value of ₱ 4,000.00 and an estimated useful life of 10 years. How much is the carrying value of the machine on December 31, 2019?
A. ₱ 42,000.00 C. ₱ 50,000.00
B. ₱ 46,000.00 D. ₱ 49,500.00
12. A furniture was purchased on June 1, 2018 with a cost of ₱36,000.00 and salvage value of ₱ 3,000.00 The estimated useful life of the furniture is 5 years. How much is the accumulated depreciation of the furniture on December 31, 2019?
A. ₱ 6,600.00 C. ₱ 25,550.00
B. ₱ 10,450.00 D. ₱ 22,550.00
13. On March 31, 2019, Watt Soon Store paid ₱ 156,000.00 worth of rent for two years. The business uses the expense method in recording prepayments. How much is the balance of Prepaid Rent on December 31, 2019?
A. ₱ 97,500.00 C. ₱ 91,000.00
B. ₱ 58,500.00 D. ₱ 65,000.00
14. A one-year, 5% note receivable in the amount of ₱ 375,000 was received on May 1, 2019. The interest and principal are payable on maturity date. How much is the accrued income to be recorded on December 31, 2019?
A. ₱ 12,500.00 C. ₱ 125,000.00
B. ₱ 10,937.50 D. ₱ 18,750.00
15. On October 1, 2019 Dr. Tee Nga received ₱ 48,750.00 for dental fees to be rendered in the next 6 months. The business uses the liability method in recording deferrals. What is the account to be debited to record the adjusting journal entry on December 31, 2019?
A. Accrued Income C. Dental Fees
B. Deferred Income D. Unearned Dental Fees
16. On September 30, 2018, VTC Co. paid ₱ 76,450.00 worth of insurance premium for two years. The business uses the asset method in recording prepayments. What is the account to be credited to record the adjusting journal entry on December 31, 2019?
A. Cash C. Prepaid Insurance
B. Insurance Expense D. Unearned Insurance
17. On October 31, 2019 Lucky Bazaar Supermart issued a 90-day, ₱ 190,000.00, 10% note to Catanduanes Citizen Drug. What is the account to be credited to record the adjusting journal entry on December 31, 2019?
A. Prepaid Interest C. Interest Expense
B. Interest Payable D. Interest Receivable
18. Accounts receivable shows a balance of ₱ 375,000.00 on December 31, 2019. It is estimated that 9% of this is deemed uncollectible. How much is the net realizable value of Accounts Receivable as of December 31, 2019?
A. ₱ 375,000.00 C. ₱ 341,250.00
B. ₱ 33,750.00 D. ₱ 371,625.00
19. On December 31, 2019, Accounts Receivable and its corresponding allowance have balances of ₱ 325,000.00 and ₱ 7,500.00, respectively. It is estimated that 6% of this will be uncollectible. How much is the amount to be credited to Allowance for Bad Debts on December 31, 2019?
A. ₱ 19,500.00 C. ₱ 9,450.00
B. ₱ 27,000.00 D. ₱ 12,000.00
20. Lites salon bought salon supplies worth ₱ 4,500.00 for the month of January and every month thereafter. Lites Salon uses expense method in recording supplies bought every month. On December 31, unused supplies of lites salon amounted to ₱ 12,800.00, How much is the supplies expense of Lites Salon for the whole year?
A. ₱ 36,700.00 C. ₱ 41,200.00
B. ₱ 66,800.00 D. ₱ 28,400.00

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Set B

Direction: Select the best answer from the given choices. Write the letter of your choice on your answer sheet.

1. It refers to accounts deducted from related asset accounts.
A. Asset Expense Account C. Related Asset Account
B. Contra-asset Account D. Prepaid Asset Account

2. It refers to the account deducted from accounts receivable account to get the net realizable value.
A. Accounts Receivable Expense
B. Accumulated Receivables
C. Allowance for Doubtful Accounts
D. Allowance for Receivables

3. It refers to expired cost of property, plant, and equipment as a result of usage and passage of time.
A. Accumulated Depreciation
B. Book Value
C. Carrying Value
D. Depreciation Expense

4. It refers to losses due to uncollectible accounts.
A. Allowance for Bad Debts C. Receivable Expense
B. Bad Debts Expense D. Unearned Receivable

5. It refers to income already received but not yet earned.
A. Accrued Income C. Income Receivables
B. Income Payable D. Unearned Income

6. It refers to the estimated value of the asset at the end of its useful life.
A. Accumulated Value C. Depreciable Cost
B. Carrying Value D. Salvage Value

7. It refers to expenses already incurred or used, but not yet paid.
A. Accrued Expenses C. Prepaid Expenses
B. Expenses Payable D. Unpaid Expenses

8. It refers to income already earned but not yet received.
A. Accrued Income C. Income Receivables
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9. It refers to the expense allotted for the wear and tear of property, plant and equipment due to passage of time.
A. Accumulated Depreciation
B. Depreciation Expense
C. Property Allocation Expense
D. Allowance for Depreciation Expense

10. It refers to the entries used to update the accounts prior to the preparation of financial Statements because they affect more than one accounting period.
A. Accounting Journal Entries
B. Adjusting Journal Entries
C. Adjusted Ledger Entries
D. Adjusting Trial Balance

11. Evegates Salon bought salon supplies worth ₱ 9,750.00 for the month of January and every month thereafter. Evegates Salon uses expense method in recording supplies bought every month. On December 31, unused supplies of Evegates Salon amounted to 12,800. How much is the supplies expense of Evegates Salon for the whole year?
A. ₱ 104,200.00 C. ₱ 117,000.00
B. ₱ 102,400.00 D. ₱ 22,550.00

12. On September 1, 2019 Dr. Den Tist received ₱ 77,950.00 for dental fees to be rendered in the next 6 months. The business uses the liability method in recording deferrals. What is the account to be debited to record the adjusting journal entry on December 31, 2019?
A. Accrued Income C. Dental Fees
B. Deferred Income D. Unearned Dental Fees
13. On December 31, 2019, Accounts Receivable and its corresponding allowance have balances of ₱ 165,000.00 and ₱ 7,500.00, respectively. It is estimated that 9.5% of this will be uncollectible. How much is the amount to be credited to Allowance for Bad Debts on December 31, 2019?
A. ₱ 15,675.00 C. ₱ 23,175.00
B. ₱ 8,175.00 D. ₱ 15,000.00

14. Twin Rock resort received electricity bill from FICELCO amounting to ₱ 23,875.48. What should be the account to be debited to record the given transaction?
A. Cash C. Utilities Expense
B. Prepaid Electricity D. Utilities Payable

15. On July 31, 2017 a machine was bought at ₱ 76,000.00 with a salvage value of ₱ 4,000.00 and an estimated useful life of 10 years. How much is the carrying value of the machine on December 31, 2019?
A. ₱ 17,400.00 C. ₱ 54,600.00
B. ₱ 58,600.00 D. ₱ 58,000.00

16. A furniture was purchased on June 1, 2018 with a cost of ₱ 36,000.00 and salvage value of ₱ 3,000.00 The estimated useful life of the furniture is 5 years. How much is the accumulated depreciation of the furniture on December 31, 2019?
A. ₱ 6,600.00 C. ₱ 25,550.00
B. ₱ 10,450.00 D. ₱ 22,550.00

17. On March 31, 2019, Watt Soon Store paid ₱ 156,000.00 worth of rent for two years. The business uses the expense method in recording prepayments. How much is the balance of Prepaid Rent on December 31, 2019?
A. ₱ 97,500.00 C. ₱ 91,000.00
B. ₱ 58,500.00 D. ₱ 65,000.00

18. A one-year, 5% note receivable in the amount of ₱ 375,000.00 was received on May 1, 2019. The interest and principal are payable on maturity date. How much is the accrued income to be recorded on December 31, 2019?
A. ₱ 125,000.00 C. ₱ 12,500.00
B. ₱ 10,937.50 D. ₱ 18,750.00

19. On September 30, 2018, VTC Co. paid ₱ 76,450.00 worth of insurance premium for two years. The business uses the asset method in recording prepayments. What is the account to be credited to record the adjusting journal entry on December 31, 2019?
A. Cash C. Prepaid Insurance
B. Insurance Expense D. Unearned Insurance

20. Accounts receivable shows a balance of ₱ 375,000.00 on December 31, 2019. It is estimated that 9% of this is deemed uncollectible. How much is the net realizable value of Accounts Receivable as of December 31, 2019?
A. ₱ 375,000.00 C. ₱ 341,250.00
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