

- b) The Original Amount Of The Insurance Premiums Paid
 - ☒ c) The Expired Portion Of The Insurance Premiums Paid
 - d) The Unexpired Portion Of The Insurance Premiums Paid
4. Which of the following account will normally appear in the ledger of a merchandising company that uses a perpetual inventory system? (CLO 1)
- a) Purchases
 - b) Freight in
 - ☒ c) Cost of goods sold
 - d) Purchase discount
5. Identify the selling expense (CLO 1)
- a) Depreciation expense
 - ☒ b) Freight out
 - c) Salaries expense
 - d) Maintenance and repairs.
6. What type of entry will increase the normal balance of the general ledger account that reports the amount owed as of the balance sheet date for a company's accrued expenses? (CLO 1)
- ☒ a) Debit
 - b) Credit
7. In a worksheet, Merchandise inventory is shown in the following columns: (CLO 1)
- ☒ a) Adjusted trial balance debit and balance sheet debit
 - b) Income statement debit and balance sheet debit
 - c) Income statement credit and balance sheet debit
 - d) Income statement credit and Adjusted trial balance debit
8. Adjustments for unearned revenues: (CLO 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

PLO 3

9. A credit sale of \$750 is made on June 13, Terms 2/10, n30. A return of \$50 is granted on June 16. The amount received as payment in full on June 23 is: (CLO 3)
- a) \$700
 - b) \$685
 - ☒ c) \$686
 - d) \$650
10. If gross sales is \$40,000, sales returns and allowances \$1,000, Discount 2% and delivery expenses \$100, the net sales of the business will be: (CLO 3)
- a) 37200
 - b) 37240
 - c) 38200
 - ☒ d) 38220

Quiz 2

PLO 1	5	Out of 8
PLO 3	1	Out of 2
Total	6	

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***NO OVERWRITING IS ALLOWED

PLEASE CIRCLE THE CORRECT ANSWER

Marks: 10

Time: 10mins

PLO 1

1. In the unadjusted trial balance of a worksheet for the year ended December 31, 2019, ABC Company reported Office Equipment of \$135000. The year-end adjusting entries require an adjustment of \$15000 for depreciation expense for the office equipment. After adjustment the following adjusted amount should be reported: (CLO 1)

- a) A Debit of \$120000 for office equipment in the balance sheet column.
- b) A credit of \$15000 for depreciation expense in the income statement column.
- ☒ c) A debit of \$135000 for office equipment in the balance sheet column
- d) A Debit of \$15000 for accumulated depreciation expense in the Balance sheet column.

2. Under a perpetual inventory system part of the merchandise purchased on account at an earlier time is now being returned. None of the goods have been paid for. Identify the correct journal entry for this return (CLO 1)

- a) debit to Cash and a credit to Purchases
- ☒ b) debit to Merchandise Inventory and a credit to Accounts Payable
- c) debit to Accounts Payable and a credit to Merchandise Inventory
- d) debit to Purchases Returns and a credit to Cost of Goods Sold

3. The ending balance in the account Prepaid Insurance is expected to report which of the following?(CLO 1)

- a) The Accrued Amount Of Insurance Expense