



Week 1 Graded Quiz

Quiz, 12 questions

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1. International Investment Group is looking to invest \$95,000 into a company. Where should International Investment Group look for relevant information about the company's performance?

- ☐ The company's Tax Books
- ☐ The company's Financial Books
- ☐ The company's Management Books
- ☒ The company's Budgets

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2. The Garden Spot, based in the U.S., is preparing its financial books. Which of the following should direct the preparation of The Garden Spot's financial books?

- ☐ U.S. Generally Accepted Accounting Principles (GAAP)
- ☐ Independent audit firms
- ☐ International Financial Reporting Standards (IFRS)
- ☒ Investors and creditors

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3. L'Oreal, based in the European Union, is preparing its financial books. Which of the following should direct the preparation of L'Oreal's financial books?

- ☐ U.S. Generally Accepted Accounting Principles (GAAP)
- ☐ International investors and creditors
- ☐ International Financial Reporting Standards (IFRS)
- ☒ International audit firms

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4. Near the end of a fiscal period, College Computers is working on reporting its financial position, to share with investors and creditors. Which financial statement should College Computers use to report this information?

- ☒ Balance Sheet
- ☐ Statement of Cash Flows
- ☐ Income Statement
- ☐ Management Books

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5. The Garden Spot is working on reporting its net earnings for a year. Which financial statement should The Garden Spot use to report this information?

- ☐ Income Statement
- ☐ Balance Sheet
- ☐ Statement of Cash Flows
- ☒ Tax Books

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6. College Computers is working on reporting changes in the company's cash balance during a quarter. Which financial statement should College Computers use to report this information?

- ☐ Statement of Cash Flows
- ☐ Income Statement
- ☒ Budget
- ☐ Balance Sheet

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7. The Garden Spot purchases \$20,000 worth of trees they hope to resell to customers. In which of the following Balance Sheet accounts should The Garden Spot record the trees purchased?

- ☐ Liability account
- ☐ Current Liability account
- ☐ Owners' Equity account
- ☒ Asset account

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8. College Computers delivers \$9,000 worth of laptop computers to the School of Business who will pay for them next month. In which of the following Balance Sheet accounts should College Computers record the amount it is owed by the customer?

- ☐ Owners' Equity account
- ☒ Asset account
- ☐ Liability account
- ☐ Current Liability account

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9. The Garden Spot purchases \$30,000 worth of trees from Trees Direct this month and will pay Trees Direct next month. In which of the following Balance Sheet accounts should The Garden Spot record the obligation to pay Trees Direct?

- ☒ Asset account
- ☐ Other Equity account
- ☐ Liability account
- ☐ Owners' Equity account

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10. College Computers obtains a 3-year loan of \$9,000 from a bank. In which of the following Balance Sheet accounts should College Computers record the obligation to repay the loan?

- ☒ Asset account
- ☐ Owners' Equity account
- ☐ Liability account
- ☐ Other Equity account

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11. The Garden Spot issues \$50,000 worth of capital stock to investors. In which of the following Balance Sheet accounts should The Garden Spot record the change in capital stock?

- ☐ Current Asset account
- ☒ Asset account
- ☐ Liability account
- ☐ Owners' Equity account

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12. The Garden Spot buys back \$40,000 worth of stock from investors. In which of the following Balance Sheet accounts should The Garden Spot record the change in treasury stock?

- ☐ Current Asset account
- ☒ Asset account
- ☐ Owners' Equity account
- ☐ Liability account

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