

Question 1

On January 1, 2017, Zade Manufacturing Corporation purchased a machine for \$41,000,000. Zade's management expects to use the machine for 33,000 hours over the next six years. The estimated residual value of the machine at the end of the sixth year is \$44,000. The machine was used for 3,700 hours in 2017 and 5,900 hours in 2018. What is the depreciation expense for 2017 if the corporation uses the units-of-production method of depreciation? (Round any intermediate calculations to two decimal places, and your final answer to the nearest dollar.)

- A) \$4,596,954
- B) \$4,592,033
- C) \$7,322,431
- D) \$13,666,667

Answer: <https://biology-forums.com/index.php?topic=459680>

Question 2

Which of the following financial statements would be most useful if an analyst wants to know the likelihood of repayment of business debts?

- A) balance sheet
- B) income statement
- C) statement of retained earnings
- D) statement of cash flows

Answer: <https://biology-forums.com/index.php?topic=458772>

Question 3

Bergan Corp. has gross pay for March of \$50,000. The journal entry to record salaries expense would include a debit to Salaries and Wages Payable for \$50,000.

- A) True
- B) False

Answer: <https://biology-forums.com/index.php?topic=460647>

Question 4

Viva, Inc. bought machine X for \$18,000 two years ago. The machine had no residual value and had an estimated useful life of 10 years. If the company uses the straight-line depreciation method, calculate the current book value of the machine.

- A) \$3,600
- B) \$18,000
- C) \$14,400
- D) \$19,800

Answer: <https://biology-forums.com/index.php?topic=459409>

Question 5

The payback method is a screening device and is rarely used as the sole method for deciding whether to invest in an asset.

- A) True
- B) False

Answer: <https://biology-forums.com/index.php?topic=468871>

Question 6

When using the specific identification inventory costing method, ending inventory amounts depend on which costs are assigned to the inventory sold.

- A) True
- B) False

Answer: <https://biology-forums.com/index.php?topic=460020>

Question 7

Generally Accepted Accounting Principles (GAAP) require the use of accrual basis of accounting.

- A) True
- B) False

Answer: <https://biology-forums.com/index.php?topic=459094>

Question 8

Which of the following is the basic internal control measure for cash?

- A) keeping money in a bank account

- B) counting cash receipts twice
- C) checking for counterfeit bills
- D) internal audit of cash procedures

Answer: <https://biology-forums.com/index.php?topic=459213>

Question 9

Dean Computer Services provides services to corporate and individual customers. During the month of June, the corporate business segment provided services to 300 customers and earned \$80,000 in revenue. The individual business segment provided services to 200 customers and earned \$45,000 in revenue. The variable costs for the corporate and individual business segments amounted to \$32,000 and \$25,000, respectively. In addition, the fixed costs of the company amounted to \$8,500. The contribution margin ratios of the corporate segment and individual segment are _____, respectively. (Round your answers two decimal places.)

- A) 60.00% and 44.44%
- B) 40.00% and 44.44%
- C) 40.00% and 55.56%
- D) 106.67% and 25.00%

Answer: <https://biology-forums.com/index.php?topic=468085>

Question 10

A cost center responsibility report _____.

- A) shows all costs incurred by the department
- B) is the same as a performance report
- C) includes depreciation expense
- D) typically focuses on the flexible budget variance

Answer: <https://biology-forums.com/index.php?topic=468586>

Question 11

Define period cost. Give three examples of period costs of a merchandising company.

Answer: <https://biology-forums.com/index.php?topic=462468>

Question 12

When the internal rate of return is the same as the required rate of return, the net present value of an investment will be positive.

- A) True
- B) False

Answer: <https://biology-forums.com/index.php?topic=468971>

Question 13

If variable costs increase, and all other factors remain the same, the margin of safety will become smaller.

- A) True
- B) False

Answer: <https://biology-forums.com/index.php?topic=466089>

Question 14

The use of the allowance method to record bad debts expense violates the matching principle.

- A) True
- B) False

Answer: <https://biology-forums.com/index.php?topic=459460>

Question 15

Manufacturing companies have inventory accounts, but merchandising companies do not.

- A) True
- B) False

Answer: <https://biology-forums.com/index.php?topic=462469>

Question 16

Which of the following is the result of the maker of a promissory note failing to pay the note on the due date?

- A) a depreciated note
- B) a dishonored note

- C) a discounted note
- D) an amortized note

Answer: <https://biology-forums.com/index.php?topic=459602>

Question 17

Which of the following statements is incorrect?

- A) The life cycle of a plant asset includes: acquisition, usage, and disposal.
- B) Depreciation is recorded on all plant assets.
- C) Plant assets are long-lived tangible assets used in the operations of a business.
- D) Plant assets not currently being used in business operations are classified as long-term investments.

Answer: <https://biology-forums.com/index.php?topic=459637>

Question 18

The debt ratio shows the proportion of assets financed with debt.

- A) True
- B) False

Answer: <https://biology-forums.com/index.php?topic=459074>

Question 19

An imprest system is a way to account for petty cash by maintaining a constant balance in the petty cash account. Cash plus petty cash tickets total the amount allocated to the petty cash fund.

- A) True
- B) False

Answer: <https://biology-forums.com/index.php?topic=459246>