

### Question 1

Common Stock is most often listed after Additional Paid-in Capital in the Stockholders' Equity section of the Balance Sheet.  
Is this statement one that's true or false?

Answer: <https://biology-forums.com/index.php?topic=567147>

### Question 2

A comparative Balance Sheet details why the ending cash balance increased or decreased.  
Is this statement one that's true or false?

Answer: <https://biology-forums.com/index.php?topic=567171>

### Question 3

Stock that is held by stockholders is called:

- A) issued stock.
- B) authorized stock.
- C) outstanding stock.
- D) open stock.

Answer: <https://biology-forums.com/index.php?topic=567019>

### Question 4

Deposits in transit are:

- A) subtracted from the book balance.
- B) added to the book balance.
- C) subtracted from the bank balance.
- D) added to the bank balance.

Answer: <https://biology-forums.com/index.php?topic=566526>

### Question 5

The most popular inventory costing method is:

- A) FIFO.
- B) LIFO.
- C) average cost.
- D) specific identification.

Answer: <https://biology-forums.com/index.php?topic=566263>

### Question 6

The inventory system that uses the merchandise inventory account as an asset account is called the:

- A) periodic system.
- B) perpetual system.
- C) merchandising system.
- D) Both inventory systems use the merchandise inventory account as an asset.

Answer: <https://biology-forums.com/index.php?topic=566098>

### Question 7

The debt ratio is an indicator of a company's ability to incur more debt.

Is this statement one that's true or false?

Answer: <https://biology-forums.com/index.php?topic=566967>

### Question 8

Financial analysis is used to predict the future of a business.

Is this statement one that's true or false?

Answer: <https://biology-forums.com/index.php?topic=567307>

### Question 9

Once you post the transaction to the general ledger, you must go back to the general journal and fill in:

- A) the date.
- B) the amount debited or credited.
- C) the posting reference column with the account number of the posting.
- D) the account name that was involved in the transaction.

Answer: <https://biology-forums.com/index.php?topic=565847>

### Question 10

Activities that increase and decrease as a result of selling a company's stock are:

- A) marketing activities.
- B) operating activities.
- C) investing activities.
- D) financing activities.

Answer: <https://biology-forums.com/index.php?topic=567243>

### Question 11

Which of the following business forms is similar to a corporation in regard to owner liability?

- A) All businesses are the same with regard to owner liability.
- B) Limited liability company
- C) Sole proprietorship
- D) Partnership

Answer: <https://biology-forums.com/index.php?topic=565640>

### Question 12

Goods available for sale are \$25,000; beginning inventory is \$8,000; ending inventory is \$12,000; and cost of goods sold is \$10,000. The days-sales-in-inventory is closest to:

- A) 183.
- B) 292.
- C) 365.
- D) 440.

Answer: <https://biology-forums.com/index.php?topic=566342>

### Question 13

The Print Shoppe had sales on account of \$4,500 which were subject to state sales tax of 9.5%. The entry to record the sales would be to:

- A) debit Accounts Receivable \$4,500; credit Sales Revenue \$4,500.
- B) debit Accounts Receivable \$4,500; debit Sales Tax Payable \$427.50; credit Sales Revenue \$4,927.50.
- C) debit Accounts Receivable \$4,927.50; credit Sales Revenue \$4,927.50.
- D) debit Accounts Receivable \$4,927.50; credit Sales Revenue \$4,500; credit Sales Tax Payable \$427.50.

Answer: <https://biology-forums.com/index.php?topic=566868>

### Question 14

The journal entry to record \$300,000 of bonds that were issued at 107 would be to:

- A) debit Cash, \$321,000; credit Bonds payable, \$321,000.
- B) debit Cash, \$321,000; credit Bonds payable, \$300,000; credit Premium on bonds payable, \$21,000.
- C) debit Cash, \$300,000; credit Bonds payable, \$300,000.
- D) debit Cash, \$300,000; debit Discount on bonds payable, \$21,000; credit Bonds payable, \$321,000.

Answer: <https://biology-forums.com/index.php?topic=566936>

### Question 15

A comparative Balance Sheet reports at least two consecutive years of information that can be used to compile a Statement of Cash Flows. Is this statement one that's true or false?

Answer: <https://biology-forums.com/index.php?topic=567170>

### Question 16

Lionworks Company has cash of \$143,000; net Accounts Receivable of \$89,000; short-term investments of \$35,000 and prepaid expenses of \$40,000. It also has \$50,000 in current liabilities and \$80,000 in long-term liabilities. The quick ratio for Lionworks Company is:

- A) 3.34.
- B) 4.64.
- C) 5.34.
- D) 6.14.

Answer: <https://biology-forums.com/index.php?topic=566637>

### Question 17

Having liabilities classified incorrectly will have a big impact on the company's current ratio.

Is this statement one that's true or false?

Answer: <https://biology-forums.com/index.php?topic=566959>

### Question 18

Which is NOT a benefit to extending credit to customers?

- A) Bad debt expenses
- B) Increased revenues
- C) Increased profits
- D) Wider range of customers

Answer: <https://biology-forums.com/index.php?topic=566556>

### Question 19

The investing and financing sections of the Statement of Cash Flows is the same for the indirect and direct method.

Is this statement one that's true or false?

Answer: <https://biology-forums.com/index.php?topic=567186>

### Question 20

Cash and Accounts Receivable are both a part of:

- A) Assets.
- B) Retained Earnings.
- C) Liabilities.
- D) Common Stock.

Answer: <https://biology-forums.com/index.php?topic=565696>