

Question 1

All of the following describe a liability except:

- A) investments by owners.
- B) economic obligations to creditors.
- C) debts to creditors.
- D) outsider claims.

Answer: <https://biology-forums.com/index.php?topic=756926>

Question 2

Refer to Table 7-6, at the end of the month what entry was made to cost of goods sold?

- A) Credit \$2,260
- B) Debit \$2,260
- C) Debit \$6,700
- D) Credit \$6,700

Answer: <https://biology-forums.com/index.php?topic=757958>

Question 3

Refer to Table 8-1. Assume that the business has established a petty cash fund in the amount of \$250 and that the amount of cash in the fund at the time of replenishment is \$25. The business uses a periodic inventory system.

Prepare the entry to replenish the fund on February 28.

Answer: <https://biology-forums.com/index.php?topic=758182>

Question 4

Companies that report their results using international financial reporting standards (IFRS) still need to ensure that the debits and credits are equal for every transaction.

T or F?

Answer: <https://biology-forums.com/index.php?topic=757201>

Question 5

Laoshan Company uses a cash payments journal for all its payments by cheque. At the end of December, the journal shows the following information:

Date Cheque # Account Debited Other Accounts

Debit Accounts Payable

Debit Cash

Credit

Dec 3	4022	Supplies	\$460	\$460
	9	4023 Adams Co.	\$1,200	1,200
	15	4024 Repair expense	145	145
	19	4025 Inventory	2,400	2,400
	21	4026 Misc. expense	75	75
	23	4027 McDermott Co.	3,600	3,600
		Total	\$3,080	\$4,800 \$7,880

When this journal is posted, what entry will be made to the accounts payable control account?

- A) Credit \$4,800
- B) Debit \$4,800
- C) Credit \$7,880
- D) Debit \$7,880

Answer: <https://biology-forums.com/index.php?topic=757995>

Question 6

Understating ending inventory in 2012 will overstate net income for 2013.

T or F?

Answer: <https://biology-forums.com/index.php?topic=757834>

Question 7

5,500
Equipment 22,000
J. Huma, Capital 19,900
Accum. amort.-equipment 6,100
Service revenue 29,000

Salary expense 8,000
Furniture 12,000
Accum. amort.-furniture 4,000
Amortization expense 6,800
Utilities expense 4,300
Rent expense 5,600

16) Referring to Table 4-4, current assets and total assets are:

- A) \$17,700 and \$46,200, respectively
- B) \$17,700 and \$41,600, respectively
- C) \$22,300 and \$46,200, respectively
- D) \$22,300 and \$56,300, respectively

Answer: <https://biology-forums.com/index.php?topic=757486>

Question 8

Keeping accurate records of accounts receivable is an example of which feature of a good accounting information system?

- A) control
- B) compatibility
- C) favourable cost/benefit relationship
- D) flexibility

Answer: <https://biology-forums.com/index.php?topic=757878>

Question 9

Under accrual accounting, the receipt of cash from a customer in advance of performing the service would be credited to a(n):

- A) unearned revenue account.
- B) prepaid asset account.
- C) accrued revenue account.
- D) deferred asset account.

Answer: <https://biology-forums.com/index.php?topic=757246>

Question 10

Amounts are posted individually from the purchases journal to the:

- A) debit column of the cash account in the general ledger.
- B) credit column of the inventory account in the general ledger.
- C) credit column of the accounts receivable account in the general ledger.
- D) credit column of the creditors' accounts in the accounts payable subsidiary ledger.

Answer: <https://biology-forums.com/index.php?topic=757985>

Question 11

The normal balance of cash is a _____ because it is a(n) _____ account.

- A) debit, expense
- B) credit, asset
- C) debit, asset
- D) credit, revenue

Answer: <https://biology-forums.com/index.php?topic=757078>

Question 12

Refer to Table 7-8, what was the gross margin for January?

Answer: <https://biology-forums.com/index.php?topic=757965>

Question 13

Jan-Con Company provides the following information for the month of August.

Date	Units	\$/Unit	Total
Aug 1	Opening inventory	40 \$ 30	\$ 1,200
Aug 3	Purchase	60 \$ 35	\$ 2,100
Aug 10	Sale	100 \$ 60	\$ 6,000
Aug 22	Purchase	90 \$ 40	\$ 3,600
Aug 24	Sale	70 \$ 70	\$ 4,900

Required:

- (a) What is the value of the ending inventory assuming the company uses a periodic inventory system and the weighted-average method?
- (b) What is the cost of goods sold if the company uses a perpetual inventory system and the FIFO method of valuing inventory?

(c) What is the cost of goods sold if the company uses a perpetual inventory system and the weighted average method of valuing inventory?

Answer: <https://biology-forums.com/index.php?topic=757757>

Question 14

Under the perpetual system, ending inventory and cost of goods sold will be the same when FIFO inventory costing method is used.

T or F?

Answer: <https://biology-forums.com/index.php?topic=757726>

Question 15

Refer to Table 8-1. Assume that the business has established a petty cash fund in the amount of \$250 and that the amount of cash in the fund at the time of replenishment is \$20. The business uses a perpetual inventory system.

Prepare the entry to replenish the fund on February 28.

Answer: <https://biology-forums.com/index.php?topic=758179>

Question 16

A petty cash fund was established with a \$300 balance. It currently has cash of \$77 and petty cash tickets totaling \$222 for travel expense. Please provide the journal entry to record the replenishment of the account.

Answer: <https://biology-forums.com/index.php?topic=758187>

Question 17

A petty cash fund, established with a \$200 balance, had the following petty cash tickets as well as \$34 in cash:

Office supplies \$42

Delivery expense 39

Miscellaneous expense 12

Postage expense 75

The entry to replenish the fund would be:

A)

Petty Cash 168

Cash in Bank 168

B)

Office Supplies 42

Delivery Expense 39

Miscellaneous Expense 12

Postage Expense 75

Cash in Bank 168

C)

Office Supplies 42

Delivery Expense 39

Miscellaneous Expense 12

Postage Expense 75

Cash in Bank 166

Cash Short and Over 2

D)

Cash in Bank 168

Petty Cash 168

Answer: <https://biology-forums.com/index.php?topic=758171>

Question 18

Refer to Table 6-6. What is the gross margin for the two months assuming that Sam's uses the periodic inventory FIFO inventory method?

A) \$4,100

B) \$21,600

C) \$11,600

D) \$18,275

Answer: <https://biology-forums.com/index.php?topic=757804>

Question 19

Prepare journal entries for the following independent transactions:

a) Cash sales for the day based on the cash register tape amounted to \$19,559.40. Cash receipts for the day amounted to \$19,640.50.

b) Cash sales for the day according to the cash register tape amounted to \$11,950.38. Cash receipts for the day amounted to \$11,942.59.

Answer: <https://biology-forums.com/index.php?topic=758154>

Question 20

The controller is responsible for cash management in an organization.

T or F?

Answer: <https://biology-forums.com/index.php?topic=758040>

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