

## Chapter 1—Introduction to Accounting

1. The purpose of accounting is to provide financial information about the current operations and financial conditions of a business to individuals and organizations.

- a. True
- b. False

*ANSWER:* True  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*LEARNING OBJECTIVES:* COLL.HEIN.17.01 - LO 1-1  
*ACCREDITING STANDARDS:* AICPA FN-Measurement  
BUSPROG: Analytic  
*TOPICS:* ACBSP: APC-01-Purpose  
*KEYWORDS:* Bloom's: Remembering  
*NOTES:* 1 min.

2. Since financial information is communicated in accounting terms, accounting is said to be the "language of business."

- a. True
- b. False

*ANSWER:* True  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*LEARNING OBJECTIVES:* COLL.HEIN.17.01 - LO 1-1  
*ACCREDITING STANDARDS:* AICPA FN-Measurement  
BUSPROG: Analytic  
*TOPICS:* ACBSP: APC-01-Purpose  
*KEYWORDS:* Bloom's: Remembering  
*NOTES:* 1 min.

3. Interpreting refers to reviewing events that have taken place and determining how they affect a business.

- a. True
- b. False

*ANSWER:* False  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*LEARNING OBJECTIVES:* COLL.HEIN.17.02 - LO 1-2  
*ACCREDITING STANDARDS:* AICPA FN-Measurement  
BUSPROG: Analytic  
*TOPICS:* ACBSP: APC-01-Purpose  
*KEYWORDS:* Bloom's: Remembering  
*NOTES:* 1 min.

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4. A partnership is owned by stockholders or shareholders and is managed by them.
- a. True
  - b. False

*ANSWER:* False  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*LEARNING OBJECTIVES:* COLL.HEIN.17.04 - LO 1-4  
*ACCREDITING STANDARDS:* AICPA FN-Measurement  
BUSPROG: Analytic  
*TOPICS:* ACBSP: APC-03-Business Forms  
*KEYWORDS:* Bloom's: Understanding  
*NOTES:* 1 min.

5. A business that makes a product to sell is called a manufacturing business.
- a. True
  - b. False

*ANSWER:* True  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*LEARNING OBJECTIVES:* COLL.HEIN.17.05 - LO 1-5  
*ACCREDITING STANDARDS:* AICPA FN-Measurement  
BUSPROG: Analytic  
*TOPICS:* ACBSP: APC-03-Business Forms  
*KEYWORDS:* Bloom's: Remembering  
*NOTES:* 1 min.

6. A public accountant can achieve professional recognition as a Certified Public Accountant by meeting certain educational and experience requirements as determined by each state.
- a. True
  - b. False

*ANSWER:* True  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*LEARNING OBJECTIVES:* COLL.HEIN.17.06 - LO 1-6  
*ACCREDITING STANDARDS:* AICPA FN-Measurement  
BUSPROG: Analytic  
*TOPICS:* ACBSP: APC-01-Purpose  
*KEYWORDS:* Bloom's: Understanding  
*NOTES:* 1 min.

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7. The six major steps of the accounting process are analyzing, recording, classifying, summarizing, reporting, and interpreting.
- True
  - False

*ANSWER:* True  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*LEARNING OBJECTIVES:* COLL.HEIN.17.02 - LO 1-2  
*ACCREDITING STANDARDS:* AICPA FN-Measurement  
BUSPROG: Analytic  
*TOPICS:* ACBSP: APC-01-Purpose  
*KEYWORDS:* Bloom's: Remembering  
*NOTES:* 1 min.

8. Generally accepted accounting principles are procedures and guidelines to be followed in the accounting/reporting process.
- True
  - False

*ANSWER:* True  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*LEARNING OBJECTIVES:* COLL.HEIN.17.03 - LO 1-3  
*ACCREDITING STANDARDS:* AICPA FN-Measurement  
BUSPROG: Analytic  
*TOPICS:* ACBSP: APC-02-GAAP  
*KEYWORDS:* Bloom's: Remembering  
*NOTES:* 1 min.

9. Accountants design accounting information systems and analyze and interpret information.
- True
  - False

*ANSWER:* True  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*LEARNING OBJECTIVES:* COLL.HEIN.17.06 - LO 1-6  
*ACCREDITING STANDARDS:* AICPA FN-Measurement  
BUSPROG: Analytic  
*TOPICS:* ACBSP: APC-01-Purpose  
*KEYWORDS:* Bloom's: Understanding  
*NOTES:* 1 min.

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10. Writing or using one of the latest technological advances to enter a transaction in the accounting records is called summarizing.
- a. True
  - b. False

*ANSWER:* False  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*LEARNING OBJECTIVES:* COLL.HEIN.17.02 - LO 1-2  
*ACCREDITING STANDARDS:* AICPA FN-Measurement  
BUSPROG: Analytic  
*TOPICS:* ACBSP: APC-01-Purpose  
*KEYWORDS:* Bloom's: Remembering  
*NOTES:* 1 min.

11. The Financial Accounting Standards Board develops generally accepted accounting principles to provide some assurance that companies are reporting business activities in a similar manner.
- a. True
  - b. False

*ANSWER:* True  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*LEARNING OBJECTIVES:* COLL.HEIN.17.03 - LO 1-3  
*ACCREDITING STANDARDS:* AICPA FN-Measurement  
BUSPROG: Analytic  
*TOPICS:* ACBSP: APC-02-GAAP  
*KEYWORDS:* Bloom's: Remembering  
*NOTES:* 1 min.

12. Stockholders may have very little influence on business decisions.
- a. True
  - b. False

*ANSWER:* True  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*LEARNING OBJECTIVES:* COLL.HEIN.17.04 - LO 1-4  
*ACCREDITING STANDARDS:* AICPA FN-Measurement  
BUSPROG: Analytic  
*TOPICS:* ACBSP: APC-03-Business Forms  
*KEYWORDS:* Bloom's: Understanding  
*NOTES:* 1 min.

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13. Cost accounting is used to develop a financial plan for a company.

- a. True
- b. False

*ANSWER:* False  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*LEARNING OBJECTIVES:* COLL.HEIN.17.06 - LO 1-6  
*ACCREDITING STANDARDS:* AICPA FN-Measurement  
BUSPROG: Analytic  
*TOPICS:* ACBSP: APC-02-GAAP  
*KEYWORDS:* Bloom's: Remembering  
*NOTES:* 1 min.

14. The principal accounting officer of a company is called a public accountant.

- a. True
- b. False

*ANSWER:* False  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*LEARNING OBJECTIVES:* COLL.HEIN.17.06 - LO 1-6  
*ACCREDITING STANDARDS:* AICPA FN-Measurement  
BUSPROG: Analytic  
*TOPICS:* ACBSP: APC-01-Purpose  
*KEYWORDS:* Bloom's: Understanding  
*NOTES:* 1 min.

15. A CMA is a Certified Marketing Auditor.

- a. True
- b. False

*ANSWER:* False  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*LEARNING OBJECTIVES:* COLL.HEIN.17.06 - LO 1-6  
*ACCREDITING STANDARDS:* AICPA FN-Measurement  
BUSPROG: Analytic  
*TOPICS:* ACBSP: APC-01-Purpose  
*KEYWORDS:* Bloom's: Remembering  
*NOTES:* 1 min.

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16. Which of the following types of businesses is owned by stockholders?

- a. proprietorship
- b. corporation
- c. partnership with more than ten partners
- d. partnership with only two partners

*ANSWER:* b

*POINTS:* 1

*DIFFICULTY:* Easy

*LEARNING OBJECTIVES:* COLL.HEIN.17.04 - LO 1-4

*ACCREDITING STANDARDS:* AICPA FN-Measurement  
BUSPROG: Analytic

*TOPICS:* ACBSP: APC-03-Business Forms

*KEYWORDS:* Bloom's: Understanding

*NOTES:* 1 min.

17. A business that purchases a product from another business to sell to customers is called a

- a. service business.
- b. manufacturing business.
- c. merchandising business.
- d. nonprofit business.

*ANSWER:* c

*POINTS:* 1

*DIFFICULTY:* Easy

*LEARNING OBJECTIVES:* COLL.HEIN.17.05 - LO 1-5

*ACCREDITING STANDARDS:* AICPA FN-Measurement  
BUSPROG: Analytic

*TOPICS:* ACBSP: APC-03-Business Forms

*KEYWORDS:* Bloom's: Remembering

*NOTES:* 1 min.

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18. A person who reviews the operating and accounting control procedures adopted by management to make sure the controls are adequate and are being followed may be referred to as a(n)
- bookkeeper.
  - accountant.
  - information processor.
  - internal auditor.

*ANSWER:* d  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*LEARNING OBJECTIVES:* COLL.HEIN.17.06 - LO 1-6  
*ACCREDITING STANDARDS:* AICPA FN-Measurement  
BUSPROG: Analytic  
*TOPICS:* ACBSP: APC-01-Purpose  
*KEYWORDS:* Bloom's: Remembering  
*NOTES:* 1 min.

19. Since financial information is communicated in accounting terms and is the eyes and ears of management, accounting is said to be
- the language of business.
  - public.
  - private.
  - nonprofit.

*ANSWER:* a  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*LEARNING OBJECTIVES:* COLL.HEIN.17.01 - LO 1-1  
*ACCREDITING STANDARDS:* AICPA FN-Measurement  
BUSPROG: Analytic  
*TOPICS:* ACBSP: APC-01-Purpose  
*KEYWORDS:* Bloom's: Understanding  
*NOTES:* 1 min.

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20. A corporation is usually managed by
- stockholders.
  - a professional manager.
  - a proprietor.
  - two or more partners.

*ANSWER:* b  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*LEARNING OBJECTIVES:* COLL.HEIN.17.04 - LO 1-4  
*ACCREDITING STANDARDS:* AICPA FN-Measurement  
BUSPROG: Analytic  
*TOPICS:* ACBSP: APC-03-Business Forms  
*KEYWORDS:* Bloom's: Understanding  
*NOTES:* 1 min.

21. A person who records, sorts, and files accounting information in accounting records may be referred to as a(n)
- budgeter.
  - journalist.
  - accounting clerk.
  - scribe.

*ANSWER:* c  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*LEARNING OBJECTIVES:* COLL.HEIN.17.06 - LO 1-6  
*ACCREDITING STANDARDS:* AICPA FN-Measurement  
BUSPROG: Analytic  
*TOPICS:* ACBSP: APC-01-Purpose  
*KEYWORDS:* Bloom's: Remembering  
*NOTES:* 1 min.



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22. An internal auditor can achieve professional recognition in internal auditing by receiving which of the following certificates?
- a. GAAP
  - b. CIA
  - c. CMA
  - d. CLU

*ANSWER:* b  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*LEARNING OBJECTIVES:* COLL.HEIN.17.06 - LO 1-6  
*ACCREDITING STANDARDS:* AICPA FN-Measurement  
BUSPROG: Analytic  
*TOPICS:* ACBSP: APC-01-Purpose  
*KEYWORDS:* Bloom's: Understanding  
*NOTES:* 1 min.

23. The accounting function of classifying is
- a. thinking about how events affect the business.
  - b. gathering similar events to provide information that is easy to understand.
  - c. sorting and grouping similar items together.
  - d. deciding the meaning and importance of the information in various reports.

*ANSWER:* c  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*LEARNING OBJECTIVES:* COLL.HEIN.17.02 - LO 1-2  
*ACCREDITING STANDARDS:* AICPA FN-Measurement  
BUSPROG: Analytic  
*TOPICS:* ACBSP: APC-01-Purpose  
*KEYWORDS:* Bloom's: Remembering  
*NOTES:* 1 min.

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24. Bringing together various items of information to determine or explain a result is
- summarizing.
  - interpreting.
  - recording.
  - classifying.

*ANSWER:* a  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*LEARNING OBJECTIVES:* COLL.HEIN.17.02 - LO 1-2  
*ACCREDITING STANDARDS:* AICPA FN-Measurement  
BUSPROG: Analytic  
*TOPICS:* ACBSP: APC-01-Purpose  
*KEYWORDS:* Bloom's: Remembering  
*NOTES:* 1 min.

25. Examining a transaction or event to determine its fundamental significance to the business so that the relevant information may be properly processed is called
- recording.
  - analyzing.
  - classifying.
  - interpreting.

*ANSWER:* b  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*LEARNING OBJECTIVES:* COLL.HEIN.17.02 - LO 1-2  
*ACCREDITING STANDARDS:* AICPA FN-Measurement  
BUSPROG: Analytic  
*TOPICS:* ACBSP: APC-01-Purpose  
*KEYWORDS:* Bloom's: Understanding  
*NOTES:* 1 min.

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26. Which of the following does NOT use nonprofit accounting guidelines and procedures?

- a. proprietorships
- b. hospitals
- c. educational institutions
- d. churches

*ANSWER:* a

*POINTS:* 1

*DIFFICULTY:* Easy

*LEARNING OBJECTIVES:* COLL.HEIN.17.06 - LO 1-6

*ACCREDITING STANDARDS:* AICPA FN-Measurement  
BUSPROG: Analytic

*TOPICS:* ACBSP: APC-03-Business Forms

*KEYWORDS:* Bloom's: Remembering

*NOTES:* 1 min.

27. Cost accountants provide a wide variety of services including

- a. designing and implementing accounting information systems.
- b. auditing reviews.
- c. performing general accounting services.
- d. analyzing the cost effectiveness of products produced and services provided.

*ANSWER:* d

*POINTS:* 1

*DIFFICULTY:* Easy

*LEARNING OBJECTIVES:* COLL.HEIN.17.06 - LO 1-6

*ACCREDITING STANDARDS:* AICPA FN-Measurement  
BUSPROG: Analytic

*TOPICS:* ACBSP: APC-01-Purpose

*KEYWORDS:* Bloom's: Remembering

*NOTES:* 1 min.

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28. Public accountants do NOT offer which of the following services?

- a. auditing
- b. tax preparation
- c. management consulting
- d. marketing analysis

*ANSWER:* d  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*LEARNING OBJECTIVES:* COLL.HEIN.17.06 - LO 1-6  
*ACCREDITING STANDARDS:* AICPA FN-Measurement  
BUSPROG: Analytic  
*TOPICS:* ACBSP: APC-01-Purpose  
*KEYWORDS:* Bloom's: Remembering  
*NOTES:* 1 min.

29. Looking at events that have taken place and thinking about how they affect a business is called \_\_\_\_\_.

*ANSWER:* analyzing  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*LEARNING OBJECTIVES:* COLL.HEIN.17.02 - LO 1-2  
*ACCREDITING STANDARDS:* AICPA FN-Measurement  
BUSPROG: Analytic  
*TOPICS:* ACBSP: APC-01-Purpose  
*KEYWORDS:* Bloom's: Understanding  
*NOTES:* 1 min.

30. One who assumes all risks for the business and whose personal assets can be taken to pay creditors is called a(n) \_\_\_\_\_.

*ANSWER:* sole proprietor  
owner  
partner  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*LEARNING OBJECTIVES:* COLL.HEIN.17.04 - LO 1-4  
*ACCREDITING STANDARDS:* AICPA FN-Measurement  
BUSPROG: Analytic  
*TOPICS:* ACBSP: APC-03-Business Forms  
*KEYWORDS:* Bloom's: Understanding  
*NOTES:* 1 min.

## Chapter 1—Introduction to Accounting

31. Rules that businesses must follow when preparing financial statements are called \_\_\_\_\_.

*ANSWER:* generally accepted accounting principles  
GAAP

*POINTS:* 1

*DIFFICULTY:* Easy

*LEARNING OBJECTIVES:* COLL.HEIN.17.03 - LO 1-3

*ACCREDITING STANDARDS:* AICPA FN-Measurement  
BUSPROG: Analytic

*TOPICS:* ACBSP: APC-02-GAAP

*KEYWORDS:* Bloom's: Understanding

*NOTES:* 1 min.

32. The accountant who oversees the entire accounting process and is the principal accounting officer of the company is called the \_\_\_\_\_.

*ANSWER:* controller

*POINTS:* 1

*DIFFICULTY:* Easy

*LEARNING OBJECTIVES:* COLL.HEIN.17.06 - LO 1-6

*ACCREDITING STANDARDS:* AICPA FN-Measurement  
BUSPROG: Analytic

*TOPICS:* ACBSP: APC-01-Purpose

*KEYWORDS:* Bloom's: Remembering

*NOTES:* 1 min.

33. A business that buys a product from another business to sell to customers is called a(n) \_\_\_\_\_ business.

*ANSWER:* merchandising

*POINTS:* 1

*DIFFICULTY:* Easy

*LEARNING OBJECTIVES:* COLL.HEIN.17.05 - LO 1-5

*ACCREDITING STANDARDS:* AICPA FN-Measurement  
BUSPROG: Analytic

*TOPICS:* ACBSP: APC-03-Business Forms

*KEYWORDS:* Bloom's: Remembering

*NOTES:* 1 min.

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34. Entering financial information about events affecting the company into the accounting system is called \_\_\_\_\_.

*ANSWER:* recording  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*LEARNING OBJECTIVES:* COLL.HEIN.17.02 - LO 1-2  
*ACCREDITING STANDARDS:* AICPA FN-Measurement  
BUSPROG: Analytic  
*TOPICS:* ACBSP: APC-01-Purpose  
*KEYWORDS:* Bloom's: Remembering  
*NOTES:* 1 min.

35. \_\_\_\_\_ design the accounting information system and focus on analyzing and interpreting information by studying the impact of alternative decisions.

*ANSWER:* Accountants  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*LEARNING OBJECTIVES:* COLL.HEIN.17.06 - LO 1-6  
*ACCREDITING STANDARDS:* AICPA FN-Measurement  
BUSPROG: Analytic  
*TOPICS:* ACBSP: APC-01-Purpose  
*KEYWORDS:* Bloom's: Understanding  
*NOTES:* 1 min.

36. The owners of a corporation are called \_\_\_\_\_.

*ANSWER:* stockholders  
shareholders  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*LEARNING OBJECTIVES:* COLL.HEIN.17.04 - LO 1-4  
*ACCREDITING STANDARDS:* AICPA FN-Measurement  
BUSPROG: Analytic  
*TOPICS:* ACBSP: APC-03-Business Forms  
*KEYWORDS:* Bloom's: Remembering  
*NOTES:* 1 min.

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37. \_\_\_\_\_ is the aggregation of many similar events to provide information that is easy to understand.

*ANSWER:* Summarizing  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*LEARNING OBJECTIVES:* COLL.HEIN.17.02 - LO 1-2  
*ACCREDITING STANDARDS:* AICPA FN-Measurement  
BUSPROG: Analytic  
*TOPICS:* ACBSP: APC-01-Purpose  
*KEYWORDS:* Bloom's: Understanding  
*NOTES:* 1 min.

38. \_\_\_\_\_ is the process by which accountants help managers develop a financial plan.

*ANSWER:* Budgeting  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*LEARNING OBJECTIVES:* COLL.HEIN.17.06 - LO 1-6  
*ACCREDITING STANDARDS:* AICPA FN-Measurement  
BUSPROG: Analytic  
*TOPICS:* ACBSP: APC-01-Purpose  
*KEYWORDS:* Bloom's: Understanding  
*NOTES:* 1 min.

39. A business that makes a product to sell is called a(n) \_\_\_\_\_ business.

*ANSWER:* manufacturing  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*LEARNING OBJECTIVES:* COLL.HEIN.17.05 - LO 1-5  
*ACCREDITING STANDARDS:* AICPA FN-Measurement  
BUSPROG: Analytic  
*TOPICS:* ACBSP: APC-01-Purpose  
*KEYWORDS:* Bloom's: Understanding  
*NOTES:* 1 min.

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40. \_\_\_\_\_ includes preparing various reports and financial statements and analyzing operating, investing, and financing decisions.

*ANSWER:* Financial accounting  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*LEARNING OBJECTIVES:* COLL.HEIN.17.06 - LO 1-6  
*ACCREDITING STANDARDS:* AICPA FN-Measurement  
BUSPROG: Analytic  
*TOPICS:* ACBSP: APC-01-Purpose  
*KEYWORDS:* Bloom's: Understanding

41. \_\_\_\_\_ involves the application of standard review and testing procedures to be certain that proper accounting policies and practices have been followed.

*ANSWER:* Auditing  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*LEARNING OBJECTIVES:* COLL.HEIN.17.06 - LO 1-6  
*ACCREDITING STANDARDS:* AICPA FN-Measurement  
BUSPROG: Analytic  
*TOPICS:* ACBSP: APC-01-Purpose  
*KEYWORDS:* Bloom's: Understanding  
*NOTES:* 1 min.

42. A(n) \_\_\_\_\_ is owned by two or more people who assume the risks for the business and whose assets may be taken to pay creditors.

*ANSWER:* partnership  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*LEARNING OBJECTIVES:* COLL.HEIN.17.04 - LO 1-4  
*ACCREDITING STANDARDS:* AICPA FN-Measurement  
BUSPROG: Analytic  
*TOPICS:* ACBSP: APC-03-Business Forms  
*KEYWORDS:* Bloom's: Understanding  
*NOTES:* 1 min.



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43. \_\_\_\_\_ is deciding the meaning and importance in various reports, which may include ratio analysis to help explain how pieces of information relate to one another.

*ANSWER:* Interpreting  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*LEARNING OBJECTIVES:* COLL.HEIN.17.02 - LO 1-2  
*ACCREDITING STANDARDS:* AICPA FN-Measurement  
BUSPROG: Analytic  
*TOPICS:* ACBSP: APC-01-Purpose  
*KEYWORDS:* Bloom's: Understanding  
*NOTES:* 1 min.

*Match the terms with the definitions.*

- a. accountant
- b. accounting
- c. accounting clerk
- d. analyzing
- e. auditing
- f. bookkeeper
- g. budgeting
- h. Certified Public Accountant
- i. classifying
- j. controller
- k. corporation
- l. cost accounting
- m. financial accounting
- n. generally accepted accounting principles
- o. internal auditing
- p. interpreting
- q. manufacturing business
- r. merchandising business
- s. para-accountant
- t. partnership
- u. recording
- v. reporting
- w. service business
- x. sole proprietorship
- y. summarizing
- z. tax accounting

*DIFFICULTY:* Easy  
*LEARNING OBJECTIVES:* COLL.HEIN.17.02 - LO 1-2

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COLL.HEIN.17.03 - LO 1-3

COLL.HEIN.17.04 - LO 1-4

COLL.HEIN.17.05 - LO 1-5

COLL.HEIN.17.06 - LO 1-6

*ACCREDITING STANDARDS:* AICPA FN-Measurement

BUSPROG: Analytic

*TOPICS:*

ACBSP: APC-01-Purpose

ACBSP: APC-02-GAAP

ACBSP: APC-03-Business Forms

*KEYWORDS:*

Bloom's: Remembering | Bloom's: Understanding

*NOTES:*

7 min.

44. Looking at events that have taken place and thinking about how they affect the business.

*ANSWER:* d

*POINTS:* 1

45. Specializes in cash, payroll, accounts receivable, accounts payable, inventory, or purchases.

*ANSWER:* c

*POINTS:* 1

46. A business that buys a product from another business to sell to customers.

*ANSWER:* r

*POINTS:* 1

47. Reviewing the operating and accounting control procedures adopted by management to make sure the controls are adequate and being followed; assuring that accurate and timely information is provided.

*ANSWER:* o

*POINTS:* 1

48. Deciding the meaning and importance of the information in various reports.

*ANSWER:* p

*POINTS:* 1

49. The rules that businesses must follow when preparing financial statements.

*ANSWER:* n

*POINTS:* 1

50. Includes preparing various reports and financial statements and analyzing operating, investing, and financing decisions.

*ANSWER:* m

*POINTS:* 1

51. Determining the cost of producing specific products or providing services and analyzing for cost effectiveness.

*ANSWER:* l

*POINTS:* 1

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52. A type of ownership structure in which there are many owners who usually employ professional managers.

*ANSWER:* k

*POINTS:* 1

53. Sorting and grouping similar items together rather than merely keeping a simple, diary-like record of numerous events.

*ANSWER:* i

*POINTS:* 1

54. The process in which accountants help managers develop a financial plan.

*ANSWER:* g

*POINTS:* 1

55. Reviewing and testing to be certain that proper accounting policies and practices have been followed.

*ANSWER:* e

*POINTS:* 1

56. A system of gathering financial information about a business and reporting this information to users.

*ANSWER:* b

*POINTS:* 1

57. A type of ownership structure in which one person owns the business.

*ANSWER:* x

*POINTS:* 1

58. A business that provides a service.

*ANSWER:* w

*POINTS:* 1

59. Bringing various items of information together to determine a result.

*ANSWER:* y

*POINTS:* 1

60. Entering financial information about events affecting the company into the accounting system.

*ANSWER:* u

*POINTS:* 1

61. A type of ownership structure in which more than one person owns the business.

*ANSWER:* t

*POINTS:* 1

62. Telling the results of the financial information.

*ANSWER:* v

*POINTS:* 1

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63. A business that makes products to sell.

*ANSWER:* q

*POINTS:* 1

64. Focusing on tax planning, preparing tax returns, and dealing with the Internal Revenue Service and other governmental agencies.

*ANSWER:* z

*POINTS:* 1

65. Generally supervises the work of accounting clerks, helps with daily accounting work, and summarizes accounting information.

*ANSWER:* f

*POINTS:* 1