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| 1. The purchase of an asset (like Equipment) on account will   |  |  |  | | --- | --- | --- | |  | a. | increase total liabilities and decrease total assets. | |  | b. | have no effect on total assets or total liabilities. | |  | c. | increase total assets and increase total liabilities. | |  | d. | increase total assets and increase owner's equity. | |  | e. | increase total assets and decrease owner's equity. |  |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Understanding | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 10/3/2013 1:25 PM | |

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| 2. Which of the following equations is the fundamental accounting equation?   |  |  |  | | --- | --- | --- | |  | a. | Assets − Liabilities = Owner's Equity | |  | b. | Assets = Liabilities + Owner's Equity | |  | c. | Assets + Liabilities = Owner's Equity | |  | d. | Assets − Owner's Equity = Liabilities | |  | e. | Assets + Owner's Equity = Liabilities |  |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: GAAP United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Applying | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 3. Amounts owed by a business are referred to as   |  |  |  | | --- | --- | --- | |  | a. | assets. | |  | b. | equities. | |  | c. | liabilities. | |  | d. | capital. | |  | e. | expenses. |  |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: GAAP United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Remembering | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 4. When an owner withdraws cash from the business, it results in a decrease in:   |  |  |  | | --- | --- | --- | |  | a. | Cash and Accounts Receivable. | |  | b. | Cash and Contingent Liabilities. | |  | c. | Cash and Capital. | |  | d. | Cash and Accounts Payable. | |  | e. | Cash and Long-term Liabilities. |  |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - AACSB: Analytic | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Understanding | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 1/7/2017 9:57 PM | |

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| 5. Which of the following is *not* considered an account?   |  |  |  | | --- | --- | --- | |  | a. | Equipment | |  | b. | Revenues | |  | c. | Accounts Payable | |  | d. | Cash | |  | e. | Accounts Receivable |  |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: GAAP United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Remembering | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 6. If an owner invests his or her computer, printer, and cash in the business, there is an increase in:   |  |  |  | | --- | --- | --- | |  | a. | Cash and Accounts Payable. | |  | b. | Computer Equipment, Accounts Payable, and Drawing. | |  | c. | Cash and Drawing. | |  | d. | Computer Equipment and Expenses. | |  | e. | Computer Equipment, Cash, and Capital.   |  | | --- | |  | |  |  |  | | --- | --- | | *ANSWER:* | e | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Understanding | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 1/7/2017 9:56 PM | |

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| 7. The owner of a business invested $5,000 in the business. What are the effects on the fundamental accounting equation?   |  |  |  | | --- | --- | --- | |  | a. | Assets increase $5,000; liabilities, no effect; owner's equity increases $5,000 | |  | b. | Assets increase $5,000; liabilities decrease $5,000; owner's equity increases $5,000 | |  | c. | Assets increase $5,000; liabilities increase $5,000; owner's equity, no effect | |  | d. | Assets increase $5,000; liabilities, no effect; owner's equity decreases $5,000 | |  | e. | Assets decrease $5,000; liabilities, no effect; owner's equity increases $5,000 |  |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - AACSB: Analytic | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Applying | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 8. The purchase of an asset for cash will   |  |  |  | | --- | --- | --- | |  | a. | increase total assets and decrease total liabilities. | |  | b. | have no effect on total assets or total liabilities. | |  | c. | increase total assets and increase total liabilities. | |  | d. | increase total assets and increase total owner's equity. | |  | e. | increase total assets and decrease total owner's equity. |  |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - AACSB: Analytic | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Applying | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 9. Over a period of time, if total assets increase by $27,000 and total liabilities increase by $7,000, then owner's equity will be increased by   |  |  |  | | --- | --- | --- | |  | a. | $7,000. | |  | b. | $34,000. | |  | c. | $27,000. | |  | d. | $20,000. | |  | e. | none of these. |  |  |  | | --- | --- | | *ANSWER:* | d | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - AACSB: Analytic | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Applying | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 10. When the rent for the business is paid with a check,   |  |  |  | | --- | --- | --- | |  | a. | Cash is decreased and Rent Expense is decreased. | |  | b. | Cash is decreased and Rent Income is increased. | |  | c. | Cash is decreased and Rent Expense is increased. | |  | d. | Cash is decreased and Accounts Payable is decreased. | |  | e. | Cash is increased and Rent Expense is decreased. |  |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - AACSB: Analytic | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Applying | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 11. A business received $600 cash from charge customers to apply on account. The effect of the transaction is an increase in an asset and a(n)   |  |  |  | | --- | --- | --- | |  | a. | increase in revenue. | |  | b. | decrease in capital. | |  | c. | decrease in a liability. | |  | d. | decrease in an asset. | |  | e. | increase in capital. |  |  |  | | --- | --- | | *ANSWER:* | d | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - AACSB: Analytic | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Applying | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 12. Which of the following is a form of revenue?   |  |  |  | | --- | --- | --- | |  | a. | A check paying a mortgage | |  | b. | A credit purchase invoice | |  | c. | Credit sales to charge customers | |  | d. | A cash purchase invoice | |  | e. | A check paying utilities |  |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-3 - LO: 1-3 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: GAAP United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Understanding | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 13. The purchase of supplies for cash will   |  |  |  | | --- | --- | --- | |  | a. | increase Supplies and decrease Cash. | |  | b. | increase Supplies Expense and decrease Cash. | |  | c. | decrease Cash and increase Accounts Payable. | |  | d. | increase Supplies Expense and increase Accounts Payable. | |  | e. | decrease Cash and increase Capital. |  |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - AACSB: Analytic | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Applying | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 14. Which of the following transactions does *not* include an increase to expenses?   |  |  |  | | --- | --- | --- | |  | a. | Received and paid the phone bill | |  | b. | Paid monthly rent | |  | c. | Received cash for services performed | |  | d. | Paid the week's wages | |  | e. | Bought advertising for cash |  |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - AACSB: Analytic | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Applying | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 15. The owner’s right, claim, or financial interest is referred to as   |  |  |  | | --- | --- | --- | |  | a. | assets. | |  | b. | business entity. | |  | c. | equity. | |  | d. | revenues. |  |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: GAAP United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Remembering | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 16. Michael has $120,000 invested in his business. The business owes creditors $20,000. Determine the amount of assets in the business.   |  |  |  | | --- | --- | --- | |  | a. | $140,000 | |  | b. | $120,000 | |  | c. | $100,000 | |  | d. | $20,000 |  |  |  | | --- | --- | | *ANSWER:* | a | | *RATIONALE:* | Assets = Liabilities + Owner's Equity           = $20,000 + $120,000 = $140,000 | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Applying | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 1/7/2017 9:55 PM | |

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| 17. Rob Cougar Landscaping has assets of $70,000 and equity of $30,000. Determine the amount of liabilities in the business.   |  |  |  | | --- | --- | --- | |  | a. | $100,000 | |  | b. | $50,000 | |  | c. | $40,000 | |  | d. | None of the answers listed |  |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - AACSB: Analytic | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Applying | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 18. The deposit of cash by the owner in the name of the business would involve   |  |  |  | | --- | --- | --- | |  | a. | increasing an asset and increasing a liability. | |  | b. | increasing an asset and increasing owner’s equity. | |  | c. | decreasing an asset and increasing owner’s equity. | |  | d. | increasing an asset and increasing revenue. |  |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - AACSB: Analytic | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Applying | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 19. Clean and Fresh Laundromat has assets of $120,000 and liabilities of $35,000. Determine the amount of owner’s equity.   |  |  |  | | --- | --- | --- | |  | a. | $42,500 | |  | b. | $155,000 | |  | c. | $85,000 | |  | d. | None of the answers listed |  |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - AACSB: Analytic | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Applying | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 20. When a business pays a creditor on account,   |  |  |  | | --- | --- | --- | |  | a. | total assets increase. | |  | b. | total assets decrease. | |  | c. | total liabilities increase. | |  | d. | owner’s equity decreases. |  |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - AACSB: Analytic | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Applying | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 21. The borrowing of money will   |  |  |  | | --- | --- | --- | |  | a. | increase owner’s equity. | |  | b. | decrease assets. | |  | c. | decrease liabilities. | |  | d. | increase liabilities. |  |  |  | | --- | --- | | *ANSWER:* | d | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - AACSB: Analytic | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Applying | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 22. Otto Company paid a credit on account, $1,500. Which of the following is true in regards to the fundamental accounting equation?   |  |  |  | | --- | --- | --- | |  | a. | Assets increased by $1,500. | |  | b. | Liabilities increased by $1,500. | |  | c. | Liabilities decreased by $1,500. | |  | d. | Owner’s equity increased by $1,500. | |  | e. | Owner’s equity decreased by $1,500. |  |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - AACSB: Analytic | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Applying | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 23. The amounts that the business entity owes its creditors are referred to as   |  |  |  | | --- | --- | --- | |  | a. | assets. | |  | b. | liabilities. | |  | c. | owner’s equity. | |  | d. | revenues. | |  | e. | expenses. |  |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: GAAP United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Remembering | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 24. Which of the following is an example of an asset?   |  |  |  | | --- | --- | --- | |  | a. | Prepaid Insurance | |  | b. | Accounts Payable | |  | c. | Capital | |  | d. | Outstanding Rent |  |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - AACSB: Analytic | | *STATE STANDARDS:* | United States - AK - ACBSP: GAAP United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Remembering | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 1/7/2017 9:54 PM | |

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| 25. An example of a liability is   |  |  |  | | --- | --- | --- | |  | a. | Cash. | |  | b. | Prepaid Insurance. | |  | c. | Rent Expense. | |  | d. | Accounts Payable. |  |  |  | | --- | --- | | *ANSWER:* | d | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: GAAP United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Remembering | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 26. Accounts Receivable is a(n)   |  |  |  | | --- | --- | --- | |  | a. | asset. | |  | b. | liability. | |  | c. | revenue. | |  | d. | expense. |  |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: GAAP United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Remembering | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 27. Prepaid Insurance is a(n)   |  |  |  | | --- | --- | --- | |  | a. | asset. | |  | b. | liability. | |  | c. | revenue. | |  | d. | expense. |  |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: GAAP United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Remembering | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 28. Accounts Payable is a(n)   |  |  |  | | --- | --- | --- | |  | a. | asset. | |  | b. | liability. | |  | c. | revenue. | |  | d. | expense. |  |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: GAAP United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Remembering | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 29. A one-owner business is called a   |  |  |  | | --- | --- | --- | |  | a. | corporation. | |  | b. | partnership. | |  | c. | sole-ownership. | |  | d. | sole-proprietorship. |  |  |  | | --- | --- | | *ANSWER:* | d | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: GAAP United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Remembering | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 30. The \_\_\_\_\_\_\_\_\_\_\_\_\_ means that a business is separated from its owners.   |  |  |  | | --- | --- | --- | |  | a. | stand-alone entity concept | |  | b. | equity concept | |  | c. | separate entity concept | |  | d. | fair value concept | |  | e. | none of the answers listed |  |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: GAAP United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Remembering | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 31. Bendada deposited $25,000 in a bank account in the name of the business. Which of the following is true in regards to the fundamental accounting equation?   |  |  |  | | --- | --- | --- | |  | a. | Assets increase by $25,000. | |  | b. | Liabilities increase by $25,000. | |  | c. | Assets decrease by $25,000. | |  | d. | Owner’s Equity decreases by $25,000. | |  | e. | Liabilities decrease by $25,000. |  |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - AACSB: Analytic | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Applying | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 32. Newton Company bought equipment, paying cash, $25,000. Which of the following is true in regards to the fundamental accounting equation?   |  |  |  | | --- | --- | --- | |  | a. | Total assets increased by $25,000. | |  | b. | Total liabilities increased by $25,000. | |  | c. | Total liabilities decreased by $25,000. | |  | d. | Total Owner’s Equity increased by $25,000. | |  | e. | Total assets are unaffected. |  |  |  | | --- | --- | | *ANSWER:* | e | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - AACSB: Analytic | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Applying | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 33. Newton Company purchases equipment on account. What are the effects on the fundamental accounting equation?   |  |  |  | | --- | --- | --- | |  | a. | Assets increase; liabilities, no effect; owner’s equity increases. | |  | b. | Assets increase; liabilities decrease; owner’s equity increases. | |  | c. | Assets increase; liabilities increase; owner’s equity decreases. | |  | d. | Assets increase; liabilities increase; owner’s equity, no effect. | |  | e. | Assets increase; liabilities decrease; owner’s equity, no effect. |  |  |  | | --- | --- | | *ANSWER:* | d | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - AACSB: Analytic | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Applying | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 34. Petkus Company paid Perkins Products, a creditor, on account, $7,500. What are the effects on the fundamental account equation?   |  |  |  | | --- | --- | --- | |  | a. | Assets increase $7,500; liabilities, no effect; owner’s equity increases $7,500. | |  | b. | Assets decrease $7,500; liabilities, no effect; owner’s equity decreases $7,500. | |  | c. | Assets increase $7,500; liabilities decrease $7,500; owner’s equity, no effect. | |  | d. | Assets decrease $7,500; liabilities decrease $7,500; owner’s equity, no effect. | |  | e. | Assets decrease $7,500; liabilities increase $7,500; owner’s equity, no effect. |  |  |  | | --- | --- | | *ANSWER:* | d | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - AACSB: Analytic | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Applying | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 35. The liability account \_\_\_\_\_\_\_\_\_\_\_\_\_\_ is used for short-term liabilities or charge accounts, usually due within 30 days.   |  |  |  | | --- | --- | --- | |  | a. | Short-term Payable | |  | b. | Liability Payable | |  | c. | Accounts Payable | |  | d. | Accounts Receivable |  |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: GAAP United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Remembering | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 36. Jerry Frost invested equipment in his business having a fair market value of $23,500. What are the effects on the fundamental accounting equation?   |  |  |  | | --- | --- | --- | |  | a. | Assets increase $23,500; liabilities, no effect; owner’s equity increases $23,500. | |  | b. | Assets increase $23,500; liabilities decrease $23,500; owner’s equity increases $23,500. | |  | c. | Assets increase $23,500; liabilities increase $23,500; owner’s equity, no effect. | |  | d. | Assets decrease $23,500; liabilities, no effect; owner’s equity decreases $23,500. | |  | e. | Assets decrease $23,500; liabilities, no effect; owner’s equity increases $23,500. |  |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - AACSB: Analytic | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Applying | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 37. Which of the following is true?   |  |  |  | | --- | --- | --- | |  | a. | Double-entry accounting requires that each transaction be recorded in at least one account. | |  | b. | Every transaction is recorded as an increase and/or decrease in two or more accounts. | |  | c. | Double-entry accounting requires that each transaction be recorded in only two accounts. | |  | d. | After a transaction has been recorded it is acceptable for the accounting equation to be out of balance. |  |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Understanding | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 38. Which of the following represents the costs that relate to earning revenue?   |  |  |  | | --- | --- | --- | |  | a. | Owner's Equity | |  | b. | Expenses | |  | c. | Drawing | |  | d. | Assets |  |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-3 - LO: 1-3 | | *NATIONAL STANDARDS:* | United States - AACSB: Analytic | | *STATE STANDARDS:* | United States - AK - ACBSP: GAAP United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Remembering | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 1/7/2017 9:52 PM | |

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| 39. When a company pays salaries to an assistant,   |  |  |  | | --- | --- | --- | |  | a. | assets increase. | |  | b. | expenses increase. | |  | c. | liabilities increase. | |  | d. | owner’s equity increase. |  |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-3 - LO: 1-3 | | *NATIONAL STANDARDS:* | United States - AACSB: Analytic | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Applying | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 40. Professional Fees is a(n)   |  |  |  | | --- | --- | --- | |  | a. | asset. | |  | b. | liability. | |  | c. | revenue. | |  | d. | expense. |  |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-3 - LO: 1-3 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: GAAP United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Remembering | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 41. Wages Expense is a(n)   |  |  |  | | --- | --- | --- | |  | a. | asset. | |  | b. | liability. | |  | c. | revenue. | |  | d. | expense. |  |  |  | | --- | --- | | *ANSWER:* | d | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-3 - LO: 1-3 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: GAAP United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Remembering | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 42. The purchase of office equipment on account would involve a(n)   |  |  |  | | --- | --- | --- | |  | a. | increasing an asset and increasing a liability. | |  | b. | decreasing an asset and increasing an asset. | |  | c. | decreasing an asset and increasing an expense. | |  | d. | increasing an asset and increasing an expense. |  |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-1 - LO: 1-1 CACC.NSMB.13.1-3 - LO: 1-3 | | *NATIONAL STANDARDS:* | United States - AACSB: Analytic | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Applying | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 43. Expenses are recorded   |  |  |  | | --- | --- | --- | |  | a. | when they are paid. | |  | b. | when they are incurred. | |  | c. | in advance or when they are due. | |  | d. | none of the answers listed. |  |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-3 - LO: 1-3 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Understanding | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 44. Expenses incurred by a business results in:   |  |  |  | | --- | --- | --- | |  | a. | a decrease in its liabilities. | |  | b. | a decrease in the owner's equity. | |  | c. | an increase in the drawing. | |  | d. | an increase in the assets. |  |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-3 - LO: 1-3 | | *NATIONAL STANDARDS:* | United States - AACSB: Analytic | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Understanding | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 1/6/2017 7:29 AM | |

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| 45. The effect of expenses on the fundamental accounting equation is a(n)   |  |  |  | | --- | --- | --- | |  | a. | increase to assets. | |  | b. | decrease to owner’s equity. | |  | c. | increase to liabilities. | |  | d. | increase to owner’s equity. |  |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-3 - LO: 1-3 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Understanding | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 46. The \_\_\_\_\_\_\_\_\_\_\_\_\_ is the official list of accounts for the business.   |  |  |  | | --- | --- | --- | |  | a. | chart of accounts | |  | b. | account list | |  | c. | account title | |  | d. | fundamental accounting equation |  |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-3 - LO: 1-3 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: GAAP United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Remembering | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 47. Ott Company sold services for cash. What are the effects on the fundamental accounting equation?   |  |  |  | | --- | --- | --- | |  | a. | Assets increase; liabilities, no effect; owner’s equity increases. | |  | b. | Assets decrease; liabilities, no effect; owner’s equity increases. | |  | c. | Assets increase; liabilities, no effect; owner’s equity decreases. | |  | d. | Assets increase; liabilities, increase; owner’s equity, no effect. |  |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - AACSB: Analytic | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Applying | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 48. Jamie’s Lighting Company paid rent for the month, $2,500. What are the effects on the fundamental accounting equation?   |  |  |  | | --- | --- | --- | |  | a. | Assets increase $2,500; liabilities, no effect; owner’s equity increases $2,500. | |  | b. | Assets decrease $2,500; liabilities, no effect; owner’s equity increases $2,500. | |  | c. | Assets decrease $2,500; liabilities, decrease $2,500; owner’s equity, no effect. | |  | d. | Assets decrease $2,500; liabilities, no effect; owner’s equity decreases $2,500. |  |  |  | | --- | --- | | *ANSWER:* | d | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - AACSB: Analytic | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Applying | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 49. Graves Company bought supplies on credit, $1,800. What are the effects on the fundamental accounting equation?   |  |  |  | | --- | --- | --- | |  | a. | Assets increase $1,800; liabilities, no effect; owner’s equity increases $1,800. | |  | b. | Assets decrease $1,800; liabilities, no effect; owner’s equity decreases $1,800. | |  | c. | Assets, no effect; liabilities, increase $1,800; owner’s equity decreases $1,800. | |  | d. | Assets increase $1,800; liabilities, increase $1,800; owner’s equity, no effect. |  |  |  | | --- | --- | | *ANSWER:* | d | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - AACSB: Analytic | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Applying | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 50. Magna Company paid $2,400 for a 6-month liability insurance policy. At the time of payment, this transaction should be recorded as   |  |  |  | | --- | --- | --- | |  | a. | Insurance Expense, $2,400. | |  | b. | Prepaid Insurance, $2,400. | |  | c. | Insurance Expense, $400. | |  | d. | Prepaid Insurance, $400. |  |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - AACSB: Analytic | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Applying | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 51. Azure Company would record its rent bill for the month, which amounts to $920, as a(n):   |  |  |  | | --- | --- | --- | |  | a. | increase in cash. | |  | b. | decrease in accounts payable. | |  | c. | increase in expenses. | |  | d. | decrease in drawing. |  |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Applying | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 1/6/2017 7:27 AM | |

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| 52. The account \_\_\_\_\_\_\_\_\_\_\_\_ is used to record amounts due from charge customers.   |  |  |  | | --- | --- | --- | |  | a. | cash | |  | b. | accounts payable | |  | c. | accounts receivable | |  | d. | revenue |  |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: GAAP United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Remembering | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 53. Pidcoke Company sold services on account, $23,000. This transactions should be recorded as a(n)   |  |  |  | | --- | --- | --- | |  | a. | increase to cash. | |  | b. | decrease to revenue. | |  | c. | increase to accounts receivable. | |  | d. | increase to accounts payable. |  |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - AACSB: Analytic | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Applying | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 54. When a company receives cash on account from a credit customer, the company should record a(n)   |  |  |  | | --- | --- | --- | |  | a. | increase to Accounts Receivable. | |  | b. | decrease to Cash. | |  | c. | increase to Revenue. | |  | d. | decrease to Accounts Receivable. |  |  |  | | --- | --- | | *ANSWER:* | d | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - AACSB: Analytic | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Applying | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 55. A(n) \_\_\_\_\_\_\_\_\_\_\_\_\_\_ is money paid directly to the owner.   |  |  |  | | --- | --- | --- | |  | a. | expense | |  | b. | capital investment | |  | c. | withdrawal | |  | d. | none of the answers listed |  |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: GAAP United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Remembering | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 56. D. Hoffman withdrew $20,000 for personal use from his business. This transaction should be recorded as a(n):   |  |  |  | | --- | --- | --- | |  | a. | increase in liabilities. | |  | b. | increase in revenue. | |  | c. | decrease in expenses. | |  | d. | decrease in owner's equity. |  |  |  | | --- | --- | | *ANSWER:* | d | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Applying | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 1/7/2017 9:41 PM | |

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| 57. The expanded accounting equation is   |  |  |  | | --- | --- | --- | |  | a. | assets = liabilities +  capital + drawing + revenue – expenses | |  | b. | assets = liabilities – capital + drawing – revenue + expenses | |  | c. | assets = liabilities + capital – drawing + revenue – expenses | |  | d. | assets + capital = liabilities – drawing + revenue – expenses |  |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: GAAP United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Understanding | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 3/5/2014 6:38 PM | |

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| 58. Harry Dental Clinic has the following accounts and balances:  Cash, $2,000 Accounts Receivable, $1,250 Professional Equipment, $10,200 Office Equipment, $5,500 Accounts Payable, $3,500 P. Palmer, Capital, $10,000  P. Palmer, Drawing, $1,000 Professional fee earned, $18,000 Rent Expense, $12,350 Wage Expense, $1,200  What is the amount of assets in the accounting equation?   |  |  |  | | --- | --- | --- | |  | a. | $10,250 | |  | b. | $12,350 | |  | c. | $18,950 | |  | d. | $16,530 |  |  |  | | --- | --- | | *ANSWER:* | c | | *RATIONALE:* | Assets = Cash + Accounts Receivable + Professional Equipment + Office Equipment  Assets = $2,000 + $1,250 + $10,200 + $5,500 = $18,950 | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-2 - LO: 1-2 CACC.NSMB.13.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Applying | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 1/7/2017 9:37 PM | |

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| 59. Palmer Hand Clinic has the following accounts and balances:  Cash, $2,350 Accounts Receivable, $280 Professional Equipment, $1,200 Office Equipment, $6,700 Accounts Payable, $4,380 P. Palmer, Capital, $2,000 Income from Services, $6,000 Rent Expense, $1,850  What is the amount of owner’s equity?   |  |  |  | | --- | --- | --- | |  | a. | $6,150 | |  | b. | $2,000 | |  | c. | $8,000 | |  | d. | $4,150 |  |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-2 - LO: 1-2 CACC.NSMB.13.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - AACSB: Analytic | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Applying | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 60. Palmer Hand Clinic has the following accounts and balances:  Cash, $2,350 Accounts Receivable, $280 Professional Equipment, $1,200 Office Equipment, $6,700 Accounts Payable, $4,380 P. Palmer, Capital, $2,000 Income from Services, $6,000 Rent Expense, $1,850  What is the amount of liabilities?   |  |  |  | | --- | --- | --- | |  | a. | $6,230 | |  | b. | $1,850 | |  | c. | $4,380 | |  | d. | $6,150 |  |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *QUESTION TYPE:* | Multiple Choice | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-2 - LO: 1-2 CACC.NSMB.13.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - AACSB: Analytic | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Applying | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 61. Capital represents the owner's investment, or equity, in a business.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | True / False | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: GAAP United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Remembering | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 62. Accounts Receivable is considered an asset.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | True / False | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: GAAP United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Remembering | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 63. Assets are things of value owned by a business entity.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | True / False | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: GAAP United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Remembering | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 64. Liabilities represent amounts owed to creditors.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | True / False | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: GAAP United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Remembering | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 65. In the fundamental accounting equation, assets are added to liabilities.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | True / False | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: GAAP United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Remembering | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 66. Both sides of the fundamental accounting equation must always be equal.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | True / False | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: GAAP United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Remembering | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 67. The fundamental accounting equation would remain in balance if equal amounts were added to both sides of the equation.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *QUESTION TYPE:* | True / False | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Understanding | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 3/5/2014 6:40 PM | |

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| 68. Double-entry accounting means that, for each transaction, an amount must be added to or subtracted from each side of the equation.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | True / False | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: GAAP United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Remembering | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 69. Business transactions are expressed in terms of money.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | True / False | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: GAAP United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Remembering | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 70. Equipment is listed as an asset because it is used up in a relatively long period of time.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *QUESTION TYPE:* | True / False | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: GAAP United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Understanding | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 71. The liability created when supplies are bought on account is called an account payable.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | True / False | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: GAAP United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Remembering | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 72. Every transaction is recorded in terms of increases and/or decreases in two or more accounts.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *QUESTION TYPE:* | True / False | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Understanding | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 73. An owner can invest cash or other assets of value in the business.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | True / False | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Remembering | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 74. The first step in analyzing a transaction is to determine what accounts are involved.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | True / False | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Remembering | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 75. An exchange of assets has no effect on the totals of the accounting equation.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *QUESTION TYPE:* | True / False | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-3 - LO: 1-3 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Understanding | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 76. The owner's Drawing account is listed with the other expenses of a business.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | True / False | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-3 - LO: 1-3 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: GAAP United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Remembering | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 77. A withdrawal by the owner is recorded as a deduction from assets and an increase in expenses.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *QUESTION TYPE:* | True / False | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-1 - LO: 1-1 CACC.NSMB.13.1-3 - LO: 1-3 | | *NATIONAL STANDARDS:* | United States - AACSB: Analytic | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Applying | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 78. When a business receives cash, it is always recorded as an increase to Cash and a decrease to an Expense.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *QUESTION TYPE:* | True / False | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-2 - LO: 1-2 CACC.NSMB.13.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - AACSB: Analytic | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Applying | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 79. List and explain the four items under the umbrella of owner's equity, including whether it increases or decreases overall equity.   |  |  | | --- | --- | | *ANSWER:* | Investment − Owner provides an asset to business (increase) Revenue − Amounts earned by business (increase) Expenses − Costs of doing business (decrease) Drawing − Owner withdraws from business (decrease) | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *QUESTION TYPE:* | Subjective Short Answer | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-1 - LO: 1-1 CACC.NSMB.13.1-3 - LO: 1-3 | | *NATIONAL STANDARDS:* | United States - AACSB: Communication | | *STATE STANDARDS:* | United States - AK - ACBSP: GAAP United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Understanding | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 80. What is the fundamental accounting equation, including examples of each item of the equation?   |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | *ANSWER:* | |  |  |  |  |  | | --- | --- | --- | --- | --- | | Assets | = | Liabilities | + | Owner's Equity | | ↓ |  | ↓ |  | ↓ | | Cash |  | Accounts Payable |  | Owner, Capital | | Accounts Receivable |  |  |  | Owner, Drawing | | Prepaid Insurance |  |  |  |  | | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *QUESTION TYPE:* | Subjective Short Answer | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-1 - LO: 1-1 | | *NATIONAL STANDARDS:* | United States - AACSB: Communication | | *STATE STANDARDS:* | United States - AK - ACBSP: GAAP United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Understanding | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 81. Explain the separate entity concept, including why it is important to accounting.   |  |  | | --- | --- | | *ANSWER:* | This concept means that a business is separated from its owners, creditors, and customers. The business is treated as a separate economic or accounting entity. | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *QUESTION TYPE:* | Subjective Short Answer | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - AACSB: Communication | | *STATE STANDARDS:* | United States - AK - ACBSP: GAAP United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Understanding | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 82. T. Richtor established her own business, called Richtor's Self-Storage. Use the account headings presented below in the expanded accounting equation to record the monthly transactions.  ​   |  |  | | --- | --- | | Assets | = | | Cash + Accounts Receivable + Supplies + Prepaid Insurance + Office Equipment |  |   ​  ​   |  |  |  | | --- | --- | --- | | Liabilities | + | Owner's Equity | | Accounts Payable |  | T. Richtor, Capital - T. Richtor, Drawing + Revenue - Expenses |   ​  ​   |  |  | | --- | --- | | a. | Deposited $12,000 in a bank account in the name of the business. | | b. | Bought office equipment on account from Molly Company, $3,100. | | c. | Paid rent for the month, $2,400. | | d. | Bought supplies for cash, $450. | | e. | Paid wages, $980. | | f. | Received cash for storage services, $3,600. | | g. | Received and paid the utility bill, $252. | | h. | Paid Lar's Graphics for advertising, $428. (The bill was not previously recorded.) | | i. | Paid for a one-year liability insurance policy, $835. | | j. | Billed customers for storage services on account, $3,370. | | k. | Received cash for storage services, $2,300. | | l. | Paid wages, $990. | | m. | Paid Molly Company $1,100 as partial payment on the office equipment bought in transaction b. | | n. | Richter withdrew $1,200 for personal use. |   *Instructions:*   |  |  | | --- | --- | | 1. | Record the transactions in columnar form, write plus and minus signs, and show the balance after each transaction to be sure that the equation remains in balance. | | 2. | Write the proof of totals at the bottom to show that one side of the equation equals the other side. |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  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> | | e. | −980 |  |  |  |  |  |  |  |  |  | > | | Bal. | 8,170 |  |  | + | 450 |  |  | + | 3,100 | = | > | | f. | +3,600 |  |  |  |  |  |  |  |  |  | > | | Bal. | 11,770 |  |  | + | 450 |  |  | + | 3,100 | = | > | | g. | −252 |  |  |  |  |  |  |  |  |  | > | | Bal. | 11,518 |  |  | + | 450 |  |  | + | 3,100 | = | > | | h. | −428 |  |  |  |  |  |  |  |  |  | > | | Bal. | 11,090 |  |  | + | 450 |  |  | + | 3,100 | = | > | | i. | −835 |  |  |  |  |  | 835 |  |  |  | > | | Bal. | 10,255 |  |  | + | 450 | + | 835 | + | 3,100 | = | > | | j. |  |  | +3,370 |  |  |  |  |  |  |  | > | | Bal. | 10,255 | + | 3,370 | + | 450 | + | 835 | + | 3,100 | = | > | | k. | +2,300 |  |  |  |  |  |  |  |  |  | > | | Bal. | 12,555 | + | 3,370 | + | 450 | + | 835 | + | 3,100 | = | > | | l. | −990 |  |  |  |  |  |  |  |  |  | > | | Bal. | 11,565 | + | 3,370 | + | 450 | + | 835 | + | 3,100 | = | > | | m. | −1,100 |  |  |  |  |  |  |  |  |  | > | | Bal. | 10,465 | + | 3,370 | + | 450 | + | 835 | + | 3,100 | = | > | | n. | −1,200 |  |  |  |  |  |  |  |  |  | > | | Bal. | 9,265 | + | 3,370 | + | 450 | + | 835 | + | 3,100 | = | > |   ​   |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | < | |  | | **Liabilities** | | **+** | | **Owner's Equity** | | | | < |  | Accounts |  | T. 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Richtor, |  |  |  |  | | < |  | Payable | + | Capital | − | Drawing | + | Revenue | − | Expenses | | < | a. |  | + | 12,000 |  |  |  |  |  |  | | < | b. | 3,100 |  |  |  |  |  |  |  |  | | < | Bal. | 3,100 | + | 12,000 |  |  |  |  |  |  | | < | c. |  |  |  |  |  |  | (Rent) |  | +2,400 | | < | Bal. | 3,100 | + | 12,000 |  |  |  |  | − | 2,400 | | < | d. |  |  |  |  |  |  |  |  | ​ | | < | Bal. | 3,100 | + | 12,000 |  |  |  |  | − | 2,400 | | < | e. |  |  |  |  |  |  | (Wages) |  | +980 | | < | Bal. | 3,100 | + | 12,000 |  |  |  |  | − | 3,380 | | < | f. |  |  |  |  |  |  | +3,600 |  |  | | < | Bal. | 3,100 | + | 12,000 |  |  | + | 3,600 | − | 3,380 | | < | g. |  |  |  |  |  |  | (Utilities) |  | +252 | | < | Bal. | 3,100 | + | 12,000 |  |  | + | 3,600 | − | 3.632 | | < | h. |  |  |  |  |  |  | (Advert.) |  | +428 | | < | Bal. | 3,100 | + | 12,000 |  |  | + | 3,600 | − | 4,060 | | < | i. |  |  |  |  |  |  |  |  |  | | < | Bal. | 3,100 | + | 12,000 |  |  | + | 3,600 | − | 4,060 | | < | j. |  |  |  |  |  |  | +3,370 |  |  | | < | Bal. | 3,100 | + | 12,000 |  |  | + | 6,970 | − | 4,060 | | < | k. |  |  |  |  |  |  | +2,300 |  |  | | < | Bal. | 3,100 | + | 12,000 |  |  | + | 9,270 | − | 4,060 | | < | l. |  |  |  |  |  |  | (Wages) |  | +990 | | < | Bal. | 3,100 | + | 12,000 |  |  | + | 9,270 | − | 5,050 | | < | m. | –1,100 |  |  |  |  |  |  |  |  | | < | Bal. | 2,000 | + | 12,000 |  |  | + | 9,270 | − | 5,050 | | < | n. |  |  |  |  | −1,200 |  |  |  |  | | < | Bal. | 2,000 | + | 12,000 | − | −1,200 | + | 9,270 | − | 5,050 |   ​   |  |  |  |  |  | | --- | --- | --- | --- | --- | | **Left Side of Equals Sign:** |  |  | **Right Side of Equals Sign:** |  | | **Cash** | $ 9,265 |  | **Accounts Payable** | $ 2,000 | | **Accounts Receivable** | 3,370 |  | **T. Richtor, Capital** | 12,000 | | **Supplies** | 450 |  | **T. Richtor, Drawing** | −1,200 | | **Prepaid Insurance** | 835 |  | **Revenue** | 9,270 | | **Office Equipment** | 3,100 |  | **Expenses** | −5,050 | |  | $17,020 |  |  | $17,020 | |  |  |  |  |  | | | *POINTS:* | 1 | | *DIFFICULTY:* | Challenging | | *QUESTION TYPE:* | Subjective Short Answer | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - AACSB: Analytic | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Applying | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 3/25/2014 11:27 PM | |

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| 83. On September 1 of this year, B. Rourk established Rourk Delivery Service. During the month, the company had the following transactions:   |  |  | | --- | --- | | a. | B. Rourk invested $24,000 in the business (increase Cash; increase B. Rourk, Capital). | | b. | Bought two used delivery vans from The Van Lot for $20,000 and paid $5,000 as a down payment (increase Delivery Equipment, $20,000; decrease Cash, $5,000; increase Accounts Payable, $15,000). | | c. | Received $2,500 in cash for delivery services (increase Cash; increase Delivery Service Income). | | d. | Received bill from *Central News* for advertising, $350 (increase Advertising Expense; decrease Cash). | | e. | Billed Hager Surgical Supply for delivery services provided, $620 (increase Accounts Receivable; increase Delivery Service Revenue). | | f. | Received and paid telephone bill, $100 (decrease Cash; decrease Telephone Expense). | | g. | Rourk invested in his business office equipment having a fair market value of $960 (increase Office Equipment; decrease Cash). | | h. | Received and paid bill for gas and oil, $150 (decrease Cash; increase Maintenance Expense). | | i. | Paid $350 to *Central News* to pay account in full (increase Advertising Expense; increase Cash). | | j. | Received $2,900 cash for delivery services performed (increase Cash; increase Delivery Service Revenue). | | k. | Rourk withdrew $1,100 for personal use (decrease Cash; increase Wages Expense). | | l. | Received $400 from Hager Surgical Supply to apply on account (increase Cash; increase Delivery Service Revenue). | | m. | Paid wages to part-time employee, $800 (increase Wages Expense; decrease Cash). |   *Instructions:* Find six errors that were made in recording the transactions, and state how they should have been recorded.   |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | *ANSWER:* | |  |  | | --- | --- | | (1) | Transaction d should have been recorded as an increase to Accounts Payable, not a decrease to Cash. | | (2) | Transaction f should have been recorded as a decrease to Cash and an increase to Telephone Expense. | | (3) | Transaction g should have been recorded as an increase to B. Rourk, Capital, not a decrease to Cash. | | (4) | Transaction i should have been recorded as a decrease to Accounts Payable and a decrease to Cash, not an increase to Advertising Expense or an increase to Cash. | | (5) | Transaction k should have been recorded as an increase to B. Rourk, Drawing, not an increase to Wages Expense. | | (6) | Transaction l should have been recorded as a decrease to Accounts Receivable, not an increase to Delivery Service Revenue. | | | *POINTS:* | 1 | | *DIFFICULTY:* | Challenging | | *QUESTION TYPE:* | Subjective Short Answer | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-4 - LO: 1-4 | | *NATIONAL STANDARDS:* | United States - AACSB: Analytic | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Analyzing | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 3/5/2014 6:47 PM | |

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| 84. J. Scott established his own business, called Live Long Medicos. Using the fundamental accounting equation, record the transactions provided below:   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | Assets | = | Liabilities | + | Owners Equity | Accounts Used |   a) Owner deposited $15,000 in a bank account in the name of the business. b) Company bought equipment worth $3,250, paying cash. c) J. Scott invested personal equipment with fair market value of $5,400 in the business. d) Company bought supplies worth $1,250 on account from a creditor. e) Company paid $750 to the creditor from transaction d. f) Owner paid $1,000 for personal expenses.  *Instructions:*   |  |  | | --- | --- | | 1. | Record the transactions in columnar form, write plus and minus signs, and show the balance after each transaction to be sure that the equation remains in balance. List the account titles needed to record each transaction. | |  |  | | 2. | Write the proof of totals at the bottom to show that one side of the equation equals the other side. | |  |  | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | *ANSWER:* | |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | ​ | Assets | = | Liabilities | + | Owners Equity | Accounts Used | | a) | +15,000 | = | ​ | ​ | +15,000 | Cash, J. Scott, Capital | | b) | –3,250 | = | ​ | ​ | ​ | Cash | | ​ | +3,250 | = | ​ | ​ | ​ | Equipment | | Bal. | 15,000 | = | ​ | ​ | 15,000 | ​ | | c) | +5,400 | = | ​ | ​ | +5,400 | Equipment, J. Scott, Capital | | ​ | 20,400 | = | ​ | ​ | 20,400 | ​ | | d) | +1,250 | = | +1,250 | ​ | ​ | Supplies, Accounts Payable | | ​ | 21,650 | ​ | 1,250 | ​ | 20,400 | ​ | | e) | –750 | = | –750 | ​ | ​ | Cash, Accounts Payable | | ​ | 20,900 | ​ | 500 | ​ | 20,400 | ​ | | f) | Not a business transaction, no entry | ​ | ​ | ​ | ​ | ​ |   ​   |  |  |  |  |  | | --- | --- | --- | --- | --- | | Assets | = | Liabilities | + | Owners Equity | | 20,900 | = | 500 | + | 20,400 | | 20,900 | = | 20,900 | | |   ​ | | *POINTS:* | 1 | | *DIFFICULTY:* | Moderate | | *QUESTION TYPE:* | Subjective Short Answer | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-2 - LO: 1-2 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: Recording Transactions United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Applying | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 1/7/2017 9:22 PM | |

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| *Match the terms below with the correct definitions.*   |  |  | | --- | --- | | a. | Creditor | | b. | Fundamental accounting equation | | c. | Expenses | | d. | Accounts | | e. | Owner's equity | | f. | Accounts receivable | | g. | Asset | | h. | Cash | | i. | Business entity |  |  |  | | --- | --- | | *DIFFICULTY:* | Easy | | *QUESTION TYPE:* | Matching | | *HAS VARIABLES:* | False | | *LEARNING OBJECTIVES:* | CACC.NSMB.13.1-1 - LO: 1-1 CACC.NSMB.13.1-2 - LO: 1-2 CACC.NSMB.13.1-3 - LO: 1-3 | | *NATIONAL STANDARDS:* | United States - AACSB: Reflective Thinking | | *STATE STANDARDS:* | United States - AK - ACBSP: GAAP United States - AK - AICPA-FN: Measurement | | *KEYWORDS:* | Bloom's: Remembering | | *DATE CREATED:* | 7/23/2013 2:37 PM | | *DATE MODIFIED:* | 7/23/2013 2:37 PM | |

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| 85. Costs that relate to the earning of revenue   |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | |

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| --- | --- | --- | --- | --- |
| 86. Assets minus liabilities   |  |  | | --- | --- | | *ANSWER:* | e | | *POINTS:* | 1 | |

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| --- | --- | --- | --- | --- |
| 87. Represents amount owed by charge customers   |  |  | | --- | --- | | *ANSWER:* | f | | *POINTS:* | 1 | |

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| --- | --- | --- | --- | --- |
| 88. One to whom money is owed   |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | |

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| --- | --- | --- | --- | --- |
| 89. A business enterprise, separate and distinct from the person who supplies its assets (economic unit in itself)   |  |  | | --- | --- | | *ANSWER:* | i | | *POINTS:* | 1 | |

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| 90. Something a company owns of value   |  |  | | --- | --- | | *ANSWER:* | g | | *POINTS:* | 1 | |

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| 91. Categories under the main headings Assets, Liabilities, Owner's Equity   |  |  | | --- | --- | | *ANSWER:* | d | | *POINTS:* | 1 | |

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| --- | --- | --- | --- | --- |
| 92. Company's asset account from which bills are paid   |  |  | | --- | --- | | *ANSWER:* | h | | *POINTS:* | 1 | |

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| --- | --- | --- | --- | --- |
| 93. Expresses the relationship between assets, liabilities, and owner's equity   |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | |