

ACCT130
Online Quiz

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Helena company issued a one-year, 7%, \$300,000 note on May 1, 2016. Interest expense for the year ended December 31, 2016 was

Select one:

- a. \$14,000.
- b. \$ 7,000.
- c. \$21,000
- d. \$28,000.

Correct Answer is option c.

A debit balance in Cash Over and Short is reported as a

Select one:

- a. miscellaneous asset.
- b. miscellaneous expense.
- c. contra asset.
- d. miscellaneous revenue.

Ans: d. miscellaneous revenue.

In preparing a bank reconciliation, outstanding checks are

Select one:

- a. deducted from the balance per bank.
- b. added to the balance per books.
- c. deducted from the balance per books.
- d. added to the balance per bank.

Ans: a. deducted from the balance per bank.

Each of the following items affect the cash balance per books except

Select one:

- a. NSF checks.
- b. bank service charges.
- c. outstanding checks.
- d. notes collected by the bank.

Ans: c. outstanding checks.

A check returned by the bank marked "NSF" means

Select one:

- a. not sufficient funds.
- b. no signature found.
- c. not satisfactorily filled-out.
- d. no service fee.

Ans: a. not sufficient funds.

On a bank reconciliation, outstanding checks are

Select one:

- a. added to the book balance.
- b. added to the bank balance.
- c. deducted from the book balance.
- d. deducted from the bank balance.

Ans: d. deducted from the bank balance.

At April 30, Dunkin' Donuts has the following bank information: cash balance per bank \$2,500; outstanding checks \$385; deposits in transit \$260;

credit memo for interest \$50; bank service charge \$15.

What is the company adjusted cash balance on April 30?

Select one:

- a. \$2,440
- b. \$2,660
- c. \$2,375
- d. \$2,500

Ans: c. \$2,375

A credit memorandum would be issued by the bank for

Select one:

- a. a bank service charge.
- b. the issuance of traveler's checks.
- c. the collection of a notes receivable.
- d. the wiring of funds.
- c. the collection of a notes receivable.

A \$100 petty cash fund has cash of \$9 and receipts of \$85. The journal entry to replenish the account would include a credit to

Select one:

- a. Cash for \$85.
- b. Cash Over and Short for \$6.
- c. Cash for \$91.
- d. Petty Cash for \$85.

Ans: Cash for \$91

An adjusting entry is not required for

Select one:

- a. collection of a note by the bank.
- b. NSF checks.
- c. bank service charges.
- d. outstanding checks.
- d. outstanding checks.

If the bank statement shows a balance of \$75,000, outstanding checks are \$54,000, a deposit of \$15,000 was in transit at month end,

and a check of \$4,000 was incorrectly charged by the bank against the account,

the correct balance in the bank account at month end is

Select one:

- a. \$118,000.
- b. \$75,000.
- c. \$40,000.
- d. \$37,000.
- c. \$40,000.

Zamn Café has the following information in completing its March bank reconciliation: outstanding checks \$1,700;

deposits in transit \$2,600; NSF check \$130; bank service charge \$40; cash balance per books \$8,800. As a result of this reconciliation, Smothers will

Select one:

- a. increase its cash account by \$90.
- b. reduce its cash account by \$170.
- c. reduce its cash account by \$40.
- d. reduce its cash account by \$900.
- b. reduce its cash account by \$170.

If a check correctly written and paid by the bank for \$724 is incorrectly recorded on the company's books for \$742,

the appropriate treatment on the bank reconciliation would be to

Select one:

- a. deduct \$724 from the bank's balance.
- b. add \$18 to the book's balance.
- c. deduct \$724 from the book's balance.
- d. add \$18 to the bank's balance.
- b. add \$18 to the book's balance.

A \$100 petty cash fund has cash of \$15 and receipts of \$86. The journal entry to replenish the account would include a

Select one:

- a. credit to Petty Cash for \$1.
- b. debit to Cash for \$86.
- c. credit to Cash Over and Short for \$1.
- d. credit to Cash for \$86.
- c. credit to Cash Over and Short for \$1.

Deposits in transit

Select one:

- a. have been recorded by the bank but not yet by the company.
- b. have been recorded on the company's books but not yet by the bank.
- c. are checks from customers which have not yet been received by the company.
- d. have not been recorded by the bank or the company.
- b. have been recorded on the company's books but not yet by the bank.

An accountant has recently received the following information related to Hoffman Company's December 31, 2019, balance sheet.

What Is the Value of the Current asset?

Prepaid insurance

\$ 2,300

Accounts receivable

\$1,100

Cash

800

Inventory

3,400

Equipment

2,700

Acc Dep - Equipment

10,700

CopyRight

16,000

Short term Investment

9,300

Select one:

a. \$16,900

b. \$7,600

c. \$10,700

d. \$23,600

Ans: a. \$16,900