

ACCT130
Online Quiz Ch1

Nayef Shannak

A Net Loss will be recorded in a period when

Select one:

- a. Expenses exceed Revenues. ✓
- b. Revenues exceed Expenses.
- c. Assets exceed Owner's equity.
- d. Liabilities exceed Assets

Financial statements combining the operations of Target and Walmart would violate the

Select one:

- a. historical cost principle.
- b. monetary unit assumption.
- c. both the historical cost principle and the monetary unit assumption.
- d. economic entity assumption. ✓

The initials GAAP stand for

Select one:

- a. Generally Accepted Accounting Practices
- b. Generally Accepted Plans
- c. Generally Accepted Accounting Principles ✓
- d. General Accounting Procedures

As of April 30, 2017, Marcus Tools has assets of \$90,000, and liabilities of \$62,000. How much is the owner's equity for Marcus Tools as of April 30, 2017?

Select one:

- a. \$152,000.
- b. \$28,000. ✓
- c. \$90,000.
- d. \$62,000.

If the assets of a business increased \$89,000 during a period of time and its liabilities increased \$67,000 during the same period, equity in the business must have:

Select one:

- a. Increased \$89,000.
- b. Increased \$22,000. ✓
- c. Decreased \$22,000.
- d. Decreased \$156,000.

Which of the following groups are considered to be internal users of accounting information?

Select one:

- a. Employees and customers
- b. Employees and managers ✓
- c. Government and banks
- d. Customers and suppliers

The accounting assumption that requires every business to be accounted for separately from other business entities, including its owner or owners is known as the:

Select one:

- a. Time-period assumption.
- b. Economic entity assumption. ✓
- c. None of the above
- d. Cost principle

If total liabilities decreased by \$30,000 and owner's equity decreased by \$15,000 during a period of time, then total assets must change by what amount and direction during that same period?

Select one:

- a. \$45,000 increase
- b. \$15,000 increase
- c. \$45,000 decrease ✓
- d. \$15,000 decrease

A business paid \$7,000 to a creditor in payment of an amount owed. The effect of the transaction on the accounting equation was to

Select one:

- a. decrease an asset, decrease a liability ✓
- b. increase an asset, increase owner's equity
- c. increase an asset, increase a liability
- d. increase one asset, decrease another asset

Which of the following Accounts is not a balance sheet account?

Select one:

- a. Note Payable.
- b. Cash.
- c. Equipment. ✗
- d. Service Revenue.

The correct answer is: Service Revenue.