

ACCT130
Online Quiz Ch4

Nayef Shannak

Income Summary has a debit balance of \$17,000 in Browne Co. after closing revenues and expenses. The entry to close Income Summary is

Select one:

- a. debit Income Summary \$17,000, credit Owner's Drawings \$17,000.
- b. debit Income Summary \$17,000, credit Owner's Capital \$17,000.
- c. credit Income Summary \$17,000, debit Owner's Drawings \$17,000.
- d. credit Income Summary \$17,000, debit Owner's Capital \$17,000. ✓

Accumulated Depreciation appears on the

Select one:

- a. balance sheet in the current assets section
- b. balance sheet in the long-term liabilities section
- c. balance sheet in the property, plant and equipment section ✓
- d. income statement as an operating expense


Closing entries

Select one:

- a. need not be posted if the financial statements are prepared from the work sheet
- b. must be journalized and posted ✓
- c. need not be journalized if adjusting entries are prepared
- d. are not needed if adjusting entries are prepared

A post-closing trial balance will show

Select one:

- a. only permanent account balances.

- b. the amount of net income /loss for the period.
- c. zero balances for all accounts.
- d. only temporary account balances.

The final step in the accounting cycle is to prepare

Select one:

- a. adjusting entries.
- b. financial statements.
- c. a post-closing trial balance. ✓
- d. closing entries.

A post-closing trial balance will show

Select one:

- a. only temporary account balances.
- b. zero balances for all accounts.
- c. only permanent account balances. ✓
- d. the amount of net income (or loss) for the period.

Trademarks would appear in which balance sheet section:

Select one:

- a. Long-Term Investments.
- b. Property, Plant, and Equipment.
- c. Intangible Assets. ✓
- d. Current Assets.

The following accounts were taken from the records of a company as of December 31, 2019: Account Payable \$47,000, Account Receivable \$22,000, Building \$215,000, Cash \$15,000, Land \$76,000, Bonds \$35,000, Land (held for speculation) \$120,000, Goodwill \$28,000, Salaries & Wages Payable \$75,000, Accumulated Depreciation –Building \$92,000, Prepaid rent expense \$12,000, Unearned Service Revenue \$8,000, Patent \$50,000. Based on the above information, Total Long-term Liabilities is:

Select one:

- a. \$110,000. ✘
- b. \$43,000.
- c. \$35,000.
- d. \$82,000.

The correct answer is: \$35,000.

After closing entries are posted, the balance in the owner's capital account in the ledger will be equal to

Select one:

- a. the ending balance of owner's capital reported on the balance sheet.
- b. the net income for the period.
- c. the beginning owner's capital reported on the owner's equity statement. ✘
- d. zero.

The correct answer is: the ending balance of owner's capital reported on the balance sheet.

which of the following are temporary accounts of Gateaux Company.

Select one:

- a. Accumulated Depreciation
- b. Owner's Drawings
- c. Depreciation Expense
- d. Equipment