

The correct answer is: Expense recognition (Matching) principle.

#### Question 35

Correct

Mark 1.00 out of 1.00

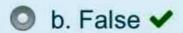
▼ Flag question

A company had the following <u>purchases</u> during its first year of operations: in January10 units at \$120, in February 20 units at \$125, in May 15 units at \$130, in September 12 units at \$135, and in November 10 units at \$140. On December 31, there were 26 units remaining in ending inventory. Using the *periodic* FIFO inventory costing method, what is the cost of the ending inventory?

Answer:

3540

The correct answer is: 3540

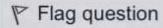


### The correct answer is: False

# Question 33

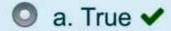
Correct

Mark 1.00 out of 1.00



Merchandise inventory refers to products that a company owns and plans to sell to customers.

Select one:



b. False

The correct answer is: True

Question 34

Correct

Mark 1.00 out of 1.00

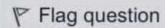


The correct answer is: Sales Discounts for \$50.

#### Question 21

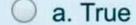
Correct

Mark 1.00 out of 1.00



Credit sales are recorded by crediting Accounts Receivable.

Select one:



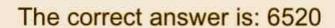


The correct answer is: False

# Question 22

Correct

Mark 1.00 out of 1.00



# Question 7

Correct

Mark 1.00 out of 1.00

Flag question

The expense recognition (matching) principle does not aim to record expenses in the same accounting period as the revenue earned as a result of these expenses.

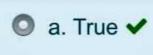
Select one:

- a. False
- b. True

The correct answer is: False

Question 8

Correct



b. False

The correct answer is: True

# Question 11

Correct

Mark 1.00 out of 1.00

Flag question

A perpetual inventory system continually updates accounting records for merchandising transactions.

Select one:



b. False

The correct answer is: True

# Question 12

Correct

Mark 1.00 out of 1.00

Flag question

# Grade 40.00 out of 40.00 (100%)

# Question 1

Correct

Mark 1.00 out of 1.00

Flag question

An advantage of FIFO is that it assigns the most recent costs to cost of goods sold, and does a better job of matching current costs with revenues on the income statement.

Select one:

- a. False
- b. True

The correct answer is: False

# Question 2

Correct

Mark 1.00 out of 1.00

Flag question

Earned.

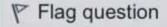
 d. Debit Unearned Legal Fees and credit Legal Fees Earned.

The correct answer is: Debit Unearned Legal Fees and credit Legal Fees Earned.

# Question 32

Correct

Mark 1.00 out of 1.00

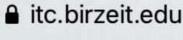


Adjusting entries are made after the preparation of financial statements.

Select one:

- a. True
- O b. False 🗸

The correct answer is: False





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The correct answers are: \$1,275, \$1,775, \$4,500, \$4,800

# Question 27

Correct

Mark 1.00 out of 1.00

Flag question

A check returned by the bank marked "NSF" means

Select one:

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

The correct answer is: not sufficient funds.

# Question 25

Correct

Mark 1.00 out of 1.00

A company has inventory of 10 units at a cost of \$10 each on June 1. On June 3, it purchased 20 units at \$12 each. 12 units are sold on June 5. Using the average-cost periodic inventory method, what is the cost of the ending inventory?

# Select one:

- a. \$130.
- b. \$136.
- O c. \$340.
- d. \$204.

Cash balance per company \$ 6,275 books on April 30 Deposits in transit at month-\$ 1,300 end Outstanding checks at month-\$ 620 end Bank charge for printing new \$ 45 checks Note receivable and interest collected by bank on \$ 770 Donahue's behalf A check paid to Donahue during the month by a customer 480 is returned by the bank as NSF

The adjusted cash balance per the books on April 30 is:

#### Answer:

6520

The correct answer is: 6520







 d. A decrease in the depositor's bank account.

The correct answer is: A decrease in the depositor's bank account.

# Question 17

Correct

Mark 1.00 out of 1.00

Flag question

Goods that are only partially completed in a manufacturing company:

### Select one:

- a. finished goods
- b. merchandise inventory
- c. raw materials
- d. work in process

The correct answer is: work in process

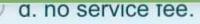










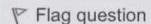


The correct answer is: not sufficient funds.

### Question 28

Correct

Mark 1.00 out of 1.00



Revenues, expenses, and withdrawals accounts, which are closed at the end of each accounting period are:

#### Select one:

- a. Real accounts.
- b. Temporary accounts.
- c. Permanent accounts.
- d. Closing accounts.

The correct answer is: Temporary accounts.



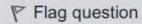
- c. debit to ivierchandise inventory
- d. debit to Sales

The correct answer is: credit to Merchandise Inventory

# Question 9

Correct

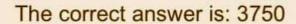
Mark 1.00 out of 1.00



On August 1, a two-year insurance policy was purchased for \$18,000 with coverage to begin immediately. What is the amount of insurance expense that would appear on the company's income statement for the first year ended December 31?

Answer:

3750



Question 34

Correct

Mark 1.00 out of 1.00

▼ Flag question

The broad principle that requires expenses to be reported in the same period as the revenues that were earned as a result of the expenses is the:

#### Select one:

- a. Cost principle.
- b. Cash basis of accounting.
- c. Recognition principle.
- d. Expense recognition (Matching)
  principle.

The correct answer is: Expense recognition (Matching) principle.

### The correct answer is: work in process

# Question 18

Correct

Mark 1.00 out of 1.00

▼ Flag question

Which of the following is not true about the Allowance for Doubtful Accounts?

#### Select one:

- a. It is used instead of reducing accounts receivable directly.
- b. It is a contra asset account.
- c. It is debited when uncollectible accounts are written off.
- d. It is a liability account.

The correct answer is: It is a liability account.

Question 19

Correct

Mark 1.00 out of 1.00

The correct answer is: 26000

#### Question 15

Correct

Mark 1.00 out of 1.00

▼ Flag question

The following information is available for Clancy Company: Beginning inventory 600 units at \$4; First purchase 900 units at \$6; Second purchase 500 units at \$7. Assume that Clancy uses a periodic inventory system and that there are 760 units left at the end of the month. Wha is the cost of goods sold under LIFO method.

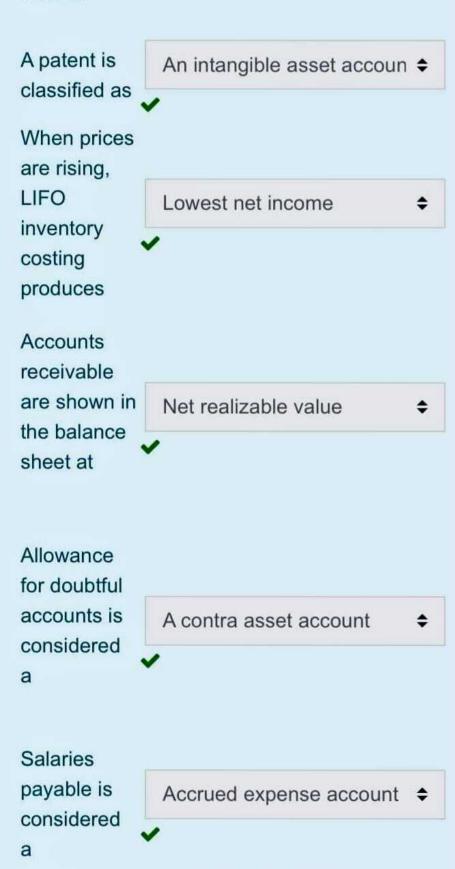
Answer:

7940

The correct answer is: 7940



Match the followings by pairing them together. Each answer can be chosen **ONLY ONCE**.



A current liability account

Unearned

revenue is

# itc.birzeit.edu



# Question 23

Correct

Mark 1.00 out of 1.00

Flag question

An aging of a company's accounts receivable indicates that \$13,000 are estimated to be uncollectible. If Allowance for Doubtful Accounts has a \$1,200 credit balance, the adjustment to record bad debts for the period will require a:

#### Select one:

- a. debit to Allowance for Doubtful Accounts for \$11,800.
- b. debit to Bad Debt Expense for \$13,000.
- c. credit to Allowance for Doubtful Accounts for \$13,000.
- d. debit to Bad Debt Expense for \$11,800.

The correct answer is: debit to Bad Debt Expense for \$11,800.





# .





### Question 22

Correct

Mark 1.00 out of 1.00

Flag question

A company has \$90,000 in outstanding accounts receivable and it uses the allowance method to account for uncollectible accounts. Experience suggests that 4% of outstanding receivables are uncollectible. The current balance (before adjustments) in the allowance for doubtful accounts is an \$800 debit. The journal entry to record the adjustment to the allowance account includes a debit to Bad Debts Expense for:

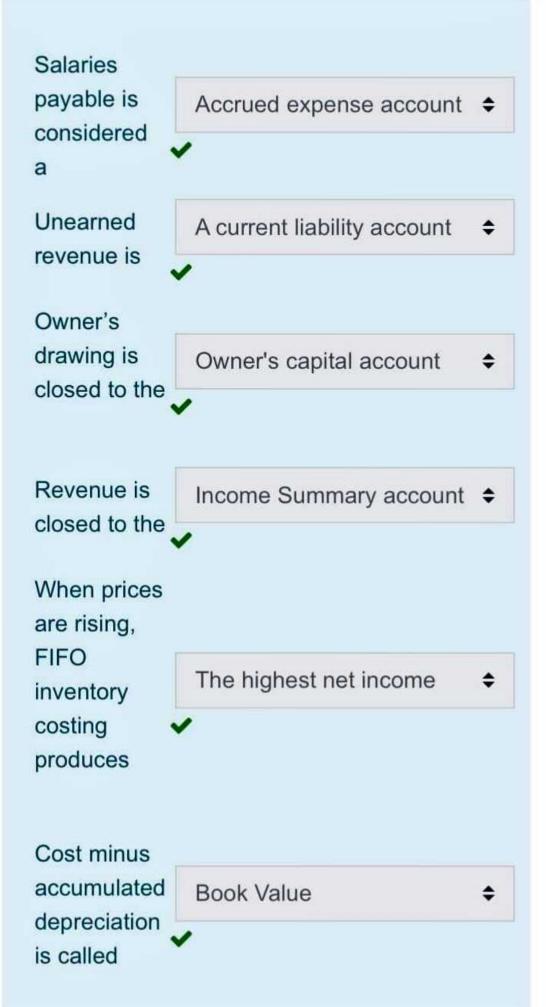
Answer:

4400



The correct answer is: 4400

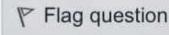




# Question 31

Correct

Mark 1.00 out of 1.00



If throughout an accounting period the fees for legal services paid in advance by clients are recorded in an account called Unearned Legal Fees, the end-of-period adjusting entry to record the portion of those fees that has been earned is:

# Select one:

- a. Debit Unearned Legal Fees and credit Accounts Receivable.
- b. Debit Cash and credit Unearned Legal Fees.
- c. Debit Cash and credit Legal Fees
  Earned.
- d. Debit Unearned Legal Fees and credit Legal Fees Earned.

The correct answer is: Debit Unearned Legal Fees and credit Legal Fees Earned.

# itc.birzeit.edu



# Question 19

Correct

Mark 1.00 out of 1.00

Flag question

On December 1, Milton Company borrowed \$300,000, at 8% annual interest, from the Tennessee National Bank. Interest is paid when the loan matures one year from the issue date. What is the adjusting entry for accruing interest that Milton would need to make on December 31, the calendar year-end?

#### Select one:

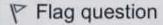
- a. Debit Interest Expense, \$4,000; credit Interest Payable, \$4,000.
- b. Debit Interest Expense, \$2,000; credit
  Cash, \$2,000.
- c. Debit Interest Expense, \$2,000; credit
  Interest Payable, \$2,000.
- d. Debit Interest Payable, \$2,000; credit Interest Expense, \$2,000.

The correct answer is: 3540

# Question 36

Correct

Mark 1.00 out of 1.00



Which of the following will not require a journal entry to the company's books?

### Select one:

- a. NSF Check.
- b. Collection of Note Receivable.
- c. Check Printing Charges.
- d. Deposits in Transit.

The correct answer is: Deposits in Transit.









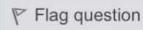


THE CORRECT ANSWEL IS. 1940

# Question 16

Correct

Mark 1.00 out of 1.00



Bank fees for check printing are recorded by the bank as:

#### Select one:

47

- a. An increase in the depositor's bank account.
- b. An increase in the bank's asset account.
- c. A decrease in the bank's asset account.
- d. A decrease in the depositor's bank account. <

The correct answer is: A decrease in the depositor's bank account.

Expense for \$11,800.

# Question 24

Correct

Mark 1.00 out of 1.00

Flag question

A broad principle that requires identifying the activities of a business with specific time periods such as months, quarters, or years is the:

#### Select one:

- a. Expense recognition (matching) principle.
- b. Going-concern assumption.
- c. Time period assumption.
- d. Operating cycle of a business.

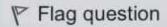
The correct answer is: Time period assumption.

The correct answer is: Debit Interest Expense, \$2,000; credit Interest Payable, \$2,000.

# Question 20

Correct

Mark 1.00 out of 1.00



The entry to record the receipt of payment within the discount period on a sale of \$2,500 with terms of 2/10, n/30 will include a debit to

#### Select one:

- a. Cash for \$2,500.
- b. Accounts Receivable for \$2,500.
- C. Sales Discounts for \$50.
- Od. Sales Revenue for \$2,500.

The correct answer is: Sales Discounts for \$50.



3750

The correct answer is: 3750

# Question 10

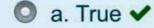
Correct

Mark 1.00 out of 1.00

Flag question

After adjustment, the balance in the Allowance for Doubtful Accounts has the effect of reducing Accounts Receivable to its estimated realizable value.

Select one:



b. False

The correct answer is: True

# Question 11

Correct











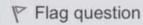


The correct answer is: Temporary accounts.

# Question 29

Correct

Mark 1.00 out of 1.00



The trial balance prepared after all closing entries have been journalized and posted is called the:

#### Select one:

- a. Post-closing trial balance.
- b. Adjusted trial balance.
- c. Work sheet.
- d. Unadjusted trial balance.

The correct answer is: Post-closing trial balance.







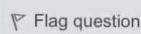


balance.

# Question 30

Correct

Mark 1.00 out of 1.00



A method of estimating bad debts expense that involves a detailed examination of outstanding accounts and the length of time past due is the:

#### Select one:

- a. Percentage of sales method.
- b. Direct write-off method.
- c. Aging of accounts receivable method.



d. Aging of investments method.

The correct answer is: Aging of accounts receivable method.













THE COHECT GHOWER IS. WZUT

# Question 26

Correct

Mark 1.00 out of 1.00

Flag question

All sales are made on credit. Based on past experience, the company estimates that 0.6% of net credit sales are uncollectible. What amount should be debited to Bad Debts Expense when the year-end adjusting entry is prepared?

#### Select one:

- a. \$4,500
- ob. \$1,275
- c. \$4,800 ✓
- od. \$1,775

The correct answers are: \$1,275, \$1,775, \$4,500, \$4,800