

ACCT230
Online Quiz Ch11

By : Hana R. Hirzallah

Question 1
Correct
Mark 1 out of 1
Flag question

On June 8, Alton Co. issued an \$90,000, 6%, 120-day note payable to Seller Co. Assuming a 360-day year for your calculations, what is the maturity value of the note (NOTE AND INTEREST)?

- Select one:
- a. \$90,000
 - b. \$90,450
 - c. \$95,400
 - d. \$91,800 ✓

The correct answer is: \$91,800

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Question 2

Correct
Mark 1 out of 1
Flag question

Which of the following would most likely be classified as a current liability?

- Select one:
- a. Bonds Payable
 - b. Mortgage Payable
 - c. Two-year Notes Payable
 - d. Unearned Rent ✓

The correct answer is: Unearned Rent

Question 3

Correct

Mark 1 out of 1

Flag question

A tenant rented space in the company office building on September 1 at \$450 per month, paying six months' rent in advance. The Company bookkeeper recognized a current liability of \$2,700. The December 31, year-end adjusting entry would be

Select one:

- a. DR: Rent Revenue \$900; CR: Unearned Rent \$900.
- b. DR: Cash \$2,700; CR: Rent Rev \$1,800; CR: Unearned Rent \$900.
- c. DR: Unearned Rent \$1,800; CR: Rent Revenue, \$1,800. ✓
- d. DR: Unearned Rent \$1,350; CR: Rent Revenue \$1,350.

The correct answer is: DR: Unearned Rent \$1,800; CR: Rent Revenue, \$1,800.

Question 4

Correct

Mark 1 out of 1

Flag question

Cascade Company has total cash register receipts of \$16,274. This total includes a 3% sales tax. The entry to record the receipts will include a:

Select one:

- a. credit to Sales Taxes Payable for \$474. ✓
- b. debit to Sales Tax Expense for \$474.
- c. credit to Sales Revenue for \$16,274.
- d. debit to Sales Taxes Payable for \$474.

The correct answer is: credit to Sales Taxes Payable for \$474.

Question 5

Correct

Mark 1 out of 1

Flag question

A business borrowed \$40,000 on March 1 of the current year by signing a 30-day, 9% interest bearing note. When the note is paid on March 31, the entry to record the payment should include a

Select one:

- a. debit to Interest Expense \$300 ✓
- b. credit to Cash for \$43,600
- c. debit to Interest Payable \$300
- d. credit to Cash for \$40,000

The correct answer is: debit to Interest Expense \$300

Question 6

Correct

Mark 1 out of 1

Flag question

Lulzbot.com sells 6,000 units of its product for \$500 each. The selling price includes a one-year warranty on parts. It is expected that 3% of the units will be defective and that repair costs will average \$50 per unit. In the year of sale, warranty contracts are honored on 120 units for a total cost of \$6,000. What amount should Lulzbot.com accrue on December 31 for estimated warranty liability?

Select one:

- a. \$45,000.
- b. \$3,000. ✓
- c. \$9,000.
- d. \$6,000.

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The correct answer is: \$3,000.

Question 8

Correct

Mark 1 out of 1

Flag question

Universal Travel Inc. borrowed \$ 500,000 from Bank of Palestine, on November 1, 2016, and signed a 12-month note bearing interest at 6%. Interest is payable in full at maturity on October 31, 2017. In connection with this note, Universal Travel Inc. should report interest payable at December 31, 2016, in the amount of:

Select one:

- a. \$8,000.
- b. \$5,000. ✓
- c. \$25,000.
- d. \$30,000.

The correct answer is: \$5,000.

Question 9

Correct

Mark 1 out of 1

Flag question

Liabilities are classified on the balance sheet as current or:

Select one:

- a. accrued.
- b. deferred.
- c. long-term. ✓
- d. unearned.

The correct answer is: long-term.

Question 10

Correct

Mark 1 out of 1

Flag question

Noor Store has total receipts for the month of \$45,990 including sales taxes. If the sales tax rate is 5%, what are Noor store's sales revenue for the month?

Select one:

- a. \$48,290.
- b. \$43,800. ✓
- c. \$43,691.
- d. It cannot be determined.

The correct answer is: \$43,800.

Question 11

Correct

Mark 1 out of 1

Flag question

Grayson Bank agrees to lend the Trust Company \$100,000 on January 1. Trust Company signs a \$100,000, 8%, 9-month note. The entry made by Trust Company on January 1 to record the proceeds and issuance of the note is:

Select one:

- a. Dr: Notes Payable 100,000, and Interest payable 6,000, and Cr: Cash 106,000
- b. Dr: Interest Expense 8,000, Cash 92,000, and Cr; Notes payable 100,000
- c. Dr: Cash 108,000, and Cr: Interest expense 8,000, and Notes payable 100,000
- d. Dr: Cash 100,000, and Cr: Notes Payable 100,000 ✓

The correct answer is: Dr: Cash 100,000, and Cr: Notes Payable 100,000

Question 12

Correct

Mark 1 out of 1

Flag question

Current liabilities are

Select one:

- a. due and payable within one year ✓
- b. due, but not payable for more than one year
- c. due and receivable within one year
- d. due, but not receivable for more than one year

The correct answer is: due and payable within one year

Question 13

Correct

Mark 1 out of 1

Flag question

The current ratio measures:

Select one:

- a. Profitability.
- b. Capital structure.
- c. Efficiency.
- d. Liquidity. ✓

The correct answer is: Liquidity.

Question 14

Correct

Mark 1 out of 1

Flag question

A current liability is a debt that can reasonably expected to be paid

Select one:

- a. out of cash currently on hand.
- b. between 6 months and 18 months.
- c. within one year. ✓
- d. out of currently recognized revenues.

The correct answer is: within one year.

Question 15

Correct

Mark 1 out of 1

Flag question

On January 5, 2012, Garrett Company, a calendar-year company, issued \$500,000 of notes payable, of which \$100,000 is due on January 1 for each of the next five years. The proper balance sheet presentation on December 31, 2012, is

Select one:

- a. Current Liabilities, \$500,000.
- b. Current Liabilities, \$400,000; Long-term Debt, \$100,000.
- c. Current Liabilities, \$100,000; Long-term Debt, \$400,000. ✓
- d. Long-term Debt, \$500,000

The correct answer is: Current Liabilities, \$100,000; Long-term Debt, \$400,000.



Question 3

Correct

Mark 1 out of 1

Flag question

Which of the following statements characterizes the introduction stage of the PLC?

Select one:

- a. C) The company incurs minimal expenses.
- b. E) Promotional expenditures are zero
- c. A) There are increased marketing outlays.
- d. B) Profits are nonexistent. ✓
- e. D) The product achieves acceptance by most potential buyers.



Question 4

Correct

Mark 1 out of 1

Flag question

Most products in the marketplace are in the _____ stage of the product life cycle.

Select one:

- a. B) decline
- b. D) introduction
- c. A) growth
- d. C) maturity ✓
- e. E) development

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Question 5
Correct
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Flag question

_____ is the product life cycle period when sales growth slows because the product has achieved acceptance. Profits level off because marketing costs increase in the face of competition.

Select one:

- a. E) Growth
- b. C) Product development
- c. B) Maturity ✓
- d. D) Introduction
- e. A) Decline

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Question 6
Correct
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Flag question

At which stage in the PLC do profits increase as promotion costs are spread over a large volume, and as the firm enters new market segments?

Select one:

- a. C) decline
- b. A) maturity
- c. E) harvest
- d. B) introduction
- e. D) growth ✓

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Question 7
Correct
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Flag question

Apple's iPod has been called "one of the greatest consumer electronics hits of all time." iPods have been sold in huge numbers, and Apple captures a large share of the music player market. This success has attracted many large, resourceful competitors. The iPod is in the _____ stage of the product life cycle.

Select one:

- a. B) growth
- b. D) decline
- c. C) maturity ✓
- d. A) introduction
- e. E) adoption

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Question 8
Correct
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Flag question

The PLC concept can be applied by marketers as a useful framework for describing how _____.

Select one:

- a. D) concept testing is conducted
- b. A) competitors' moves are predicted
- c. E) product ideas are developed
- d. C) products and markets work ✓
- e. B) marketing strategies are developed

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Question 9
Correct
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Which of the following refers to the course that a product's sales and profits take over its lifetime?

Select one:

- a. A) total product process
- b. D) product life cycle ✓
- c. B) service life
- d. C) product mix
- e. E) marketing mix

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Question 10
Correct
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🚩 Flag question

When a product is in the maturity stage, the company should most likely consider _____.

Select one:

- a. D) liquidating the firm's assets
- b. C) divesting the product line
- c. A) harvesting the product or market
- d. B) modifying the product, market, or marketing mix ✓
- e. E) dropping the product from its market offerings