

ACCT230
Online Quiz Ch14

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Question 1

Correct

Mark 1.00 out of 1.00

Flag question

Which of the following is the appropriate general journal entry to record the declaration of a cash dividends?

Select one:

- a. DR: Paid-in capital AND CR: Dividends Payable
- b. DR: Dividends Payable AND CR: Cash
- c. DR: Retained earnings AND CR: Cash
- d. DR: Cash Dividends AND CR: Dividends Payable ✓

Question 2

Correct

Mark 1.00 out of 1.00

Flag question

A prior period adjustment should be reported as an adjustment to the retained earnings balance at the beginning of the period in which the adjustment was made.

Select one:

- a. FALSE
- b. TRUE ✓

Question 3

Correct

Mark 1.00 out of 1.00

Flag question

The cumulative effect of the declaration and payment of a cash dividend on a company's financial statements is to

Select one:

- a. increase total assets and stockholders' equity.
- b. decrease total assets and stockholders' equity. ✓
- c. decrease total liabilities and stockholders' equity.
- d. increase total expenses and total liabilities.

Question 4

Correct

Mark 1.00 out of 1.00

Flag question

Cash dividends are normally paid on shares of treasury stock.

Select one:

- a. FALSE ✓
- b. TRUE

Question 6

Correct

Mark 1.00 out of 1.00

Flag question

Income statements for corporations are the same as the statements for proprietorships except for the reporting of

Select one:

- a. gross profit.
- b. income tax expense. ✓
- c. other revenues and gains.
- d. income from operations.

Question 7

Correct

Mark 1.00 out of 1.00

Flag question

A detailed stockholders' equity section in the balance sheet will list the names of individuals who are eligible to receive dividends on the date of record.

Select one:

- a. FALSE ✓
- b. TRUE

Question 8

Correct

Mark 1.00 out of 1.00

Flag question

When a corporation completes a 3-for-1 stock split

Select one:

- a. the number of issued and outstanding shares increase
- b. the par value per share is decreased
- c. all answers are correct ✓
- d. the market price per share of the stock is decreased

Question 9

Correct

Mark 1.00 out of 1.00

Flag question

On the dividend record date,

Select one:

- a. a dividend becomes a current obligation.
- b. no entry is required. ✓
- c. an entry may be required if it is a stock dividend.
- d. Dividends Payable is debited.

Question 10

Correct

Mark 1.00 out of 1.00

Flag question

Which one of the following events would not require a formal journal entry on a corporation's books?

Select one:

- a. 2 for 1 stock split ✓
- b. \$1 per share cash dividend
- c. 100% stock dividend
- d. 2% stock dividend