

Check list

Video	Done	Comment
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		

1

Type of accounts:

1. **Temporary (مؤقتة)** : relates to a given accounting period.

Income statement accounts		+	Dividends
revenues	Expenses		

2. **Permanent (دائمة)** : relates to one or more future accounting periods.

All Assets	All Liabilities	Equity	Share capital	RE
------------	-----------------	--------	---------------	----

Closing entries: the transfer of net income or net loss and dividends to retained earnings.

- * Temporary accounts must be closed at the end of the period.
- * After closing entries all the temporary accounts will have zero balance.

close revenues and expenses through income summary account, which is new account created for closing.

close dividends through retained earning account.

close income summary through retained earnings account.

Example

Prepare the closing entries for these accounts.

Service revenue	500		Sales revenue	1000
Depreciation expense	200		Supplies expense	300
Retained Earnings	2100		DIV	250

Date	Account	DR	CR

Closing entries		
نصر الأيرادات	Revenue xx Income summary xx	
نصر المصاريف	Income summary xx Expense xx	
نصر الأرباح الموزعة	Retained earnings xx Dividends xx	
بعدها نصر IS ويعتمد نصره دبت او كردت		
if Revenues > Expense		
	Income summary xx Retained earnings xx	
if Expenses > Revenues		
	Retained earnings xx Income summary xx	

After closing entries, we do post-closing trial balance to provide evidences that the company has properly journalized and posted the closing entries

trial balance: a list of accounts and their balances.

1-Which of the following permanent account is changed during the closing process?

- a. Share Capital-Ordinary.
- b. Retained Earnings.**
- c. Unearned Service Revenue.
- d. None of these answer choices are correct.

2-The temporary account balances ultimately wind up in what account?

- a. Income Summary.
- b. Retained Earnings.**
- c. Share Capital-Ordinary.
- d. Comprehensive Income.

3-The permanent accounts appear on which financial statement?

- a. Statement of Financial Position.**
- b. Income Statement.
- c. Retained Earnings Statement.
- d. Statement of Cash Flows.

4-Closing entries are necessary for

- a. permanent accounts only.
- b. temporary accounts only.**
- c. both permanent and temporary accounts.
- d. permanent or real accounts only.

5-Each of the following accounts is closed to Income Summary **except**

- a. Expenses.
- b. Dividends.**
- c. Revenues.
- d. All of these answer choices are correct.

6-Closing entries are made

- a. in order to terminate the business as an operating entity.
- b. so that all assets, liabilities, and equity accounts will have zero balances when the next accounting period starts.
- c. in order to transfer net income (or loss) and dividends to Retained Earnings.**
- d. so that financial statements can be prepared.

7-Closing entries are

- a. an optional step in the accounting cycle.
- b. posted to the ledger accounts from the worksheet.
- c. made to close permanent or real accounts.
- d. journalized in the general journal.**

2

BE4-4 + BE4-5

The ledger of Kaya Company contains the following balances: Retained earnings 30,000\$ - Dividends 2,000\$ - service revenues 50,000\$ - salaries expense 27,000\$ - supplies expense 4,000 \$.

1- Prepare the closing entries at December 31.

2- Post closing entries account, T accounts.

Date	Account	DR	CR

1-The Income Summary account

- a. is a permanent account.
- b. appears on the statement of financial position.
- c. appears on the income statement.
- d. is a temporary account.**

2-If Income Summary has a credit balance after revenues and expenses have been closed into it, the closing entry for Income Summary will include a

- a. debit to Retained Earnings.
- b. debit to Dividends.
- c. credit to Retained Earnings.**
- d. credit to Dividends.

3-Closing entries are journalized and posted

- a. before the financial statements are prepared.
- b. after the financial statements are prepared.**
- c. at management's discretion.
- d. at the end of each interim accounting period.

4-Closing entries

- a. are prepared before the financial statements.
- b. reduce the number of permanent accounts.
- c. cause the revenue and expense accounts to have zero balances.**
- d. summarize the activity in every account.

5-Which of the following is a true statement about closing the books of a corporation?

- a. Expenses are closed to the Expense Summary account.
- b. Only revenues are closed to the Income Summary account.
- c. Revenues and expenses are closed to the Income Summary account.**
- d. Revenues, expenses, and the Dividends account are closed to the Income Summary account.

6-Closing entries may be prepared from all but which one of the following sources?

- a. Adjusted balances in the ledger
- b. Income statement and statement of financial position columns of the worksheet
- c. Statement of financial position**
- d. Income and retained earnings statements

7-In order to close the Dividends account, the

- a. income summary account should be debited.
- b. income summary account should be credited.
- c. retained earnings account should be credited.
- d. retained earnings account should be debited.**

8-The income statement for the month of June, 2014 of Taylor Enterprises contains the following information:

Revenues	£8,000
Expenses:	
Salaries and Wages Expense	£2,000
Rent Expense	1,500
Supplies Expense	300
Advertising Expense	200
Insurance Expense	<u>100</u>
Total expenses	<u>4,100</u>
Net income	<u>£3,900</u>

The entry to close the revenue account includes a

- debit to Income Summary for £3,900.
- credit to Income Summary for £3,900.
- debit to Income Summary for £8,000.
- credit to Income Summary for £8,000.**

The entry to close the expense accounts includes a

- debit to Income Summary for £3,900.
- credit to Rent Expense for £1,500.**
- credit to Income Summary for £4,100.
- debit to Salaries and Wages Expense for £2,000.

After the revenue and expense accounts have been closed, the balance in Income Summary will be

- £0.
- a debit balance of £3,900.
- a credit balance of £3,900.**
- a credit balance of £8,000.

The entry to close Income Summary to Retained Earnings includes

- a debit to Revenue for £8,000.
- credits to Expenses totalling £4,100.
- a credit to Income Summary for £3,900
- a credit to Retained Earnings for £3,900.**

At June 1, 2014, Taylor reported Retained Earnings of £35,000. The company paid no dividends during June. At June 30, 2014, the company will report Retained Earnings of

- £35,000.
- £43,000.
- £38,900.**
- £31,100.

3

E4-7

Rio Company had the following adjusted trial balance, June 30

<u>Account</u>	<u>debit</u>	<u>Credit</u>
Cash	3712	
Account receivable	3904	
Supplies	480	
Account payable		1792
Unearned revenue		160
Share capital		5000
Retained earnings		760
Dividends	300	
Service Revenue		4064
Salaries expense	1344	
Miscellaneous expense	256	
Supplies expense	2228	
Salaries payable		448
	<u>12224</u>	<u>12224</u>

Date	Account	DR	CR

1-In preparing closing entries

- a. each revenue account will be credited.
- b. each expense account will be credited.**
- c. the retained earnings account will be debited if there is net income for the period.
- d. the dividends account will be debited.

2-The most efficient way to accomplish closing entries is to

- a. credit the income summary account for each revenue account balance.
- b. debit the income summary account for each expense account balance.
- c. credit the dividends account balance directly to the income summary account.
- d. credit the income summary account for total revenues and debit the income summary account for total expenses.**

3-The closing entry process consists of closing

- a. all asset and liability accounts.
- b. out the retained earnings account.
- c. all permanent accounts.
- d. all temporary accounts.**

4-The final closing entry to be journalized is typically the entry that closes the

- a. revenue accounts.
- b. dividends account.**
- c. retained earnings account.
- d. expense accounts.

5-An error has occurred in the closing entry process if

- a. revenue and expense accounts have zero balances.
- b. the retained earnings account is credited for the amount of net income.
- c. the dividends account is closed to the retained earnings account.
- d. the statement of financial position accounts have zero balances.**

6-The Income Summary account is an important account that is used

- a. during interim periods.
- b. in preparing adjusting entries.
- c. annually in preparing closing entries.**
- d. annually in preparing correcting entries.

7-The balance in the income summary account before it is closed will be equal to

- a. the net income or loss on the income statement.**
- b. the beginning balance in the retained earnings account.
- c. the ending balance in the retained earnings account.
- d. zero.

4

E4-11

Selected accounts for Nina's salon are presented below. All June 30 posting are from closing entries

Prepare the closing entries that were made

dr <i>Salaries expense</i> cr		dr <i>Service Revenues</i> cr		dr <i>R/E</i> cr	
6/10 3200	6/30 8800	6/30 15100	6/15 6700	6/30 2500	6/1 12000
6/28 5600			6/24 8400		6/30 2000
<hr/>		<hr/>		<hr/>	
				Bal. 11,500	

dr <i>Supplies Expense</i> cr		dr <i>Rent expense</i> cr		dr <i>Dividends</i> cr	
6/12 600	6/30 1300	6/1 3000	6/30 3000	6/13 1000	6/30 2500
6/24 700				6/25 1500	
<hr/>		<hr/>		<hr/>	

Date	Account	DR	CR

1-The income statement for the year 2014 of Poole Co. contains the following information:

Revenues	\$75,000
Expenses:	
Salaries and Wages Expense	\$45,000
Rent Expense	16,000
Advertising Expense	6,000
Supplies Expense	6,000
Utilities Expense	2,500
Insurance Expense	<u>2,000</u>
Total expenses	<u>77,500</u>
Net income (loss)	<u><u>\$(2,500)</u></u>

The entry to close the revenue account includes a

- debit to Income Summary for \$2,500.
- credit to Income Summary for \$2,500.
- debit to Revenues for \$75,000.**
- credit to Revenues for \$75,000.

The entry to close the expense accounts includes a

- debit to Income Summary for \$2,500.
- credit to Income Summary for \$2,500.
- debit to Income Summary for \$77,500.**
- debit to Salaries and Wages Expense for \$45,000.

After the revenue and expense accounts have been closed, the balance in Income Summary will be

- \$0.
- a debit balance of \$2,500.**
- a credit balance of \$2,500.
- a credit balance of \$75,000.

The entry to close Income Summary to Retained Earnings includes

- a debit to Revenue for \$75,000.
- credits to Expenses totalling \$77,500.
- a credit to Income Summary for \$2,500.**
- a credit to Retained Earnings for \$2,500.

At January 1, 2014, Poole reported Retained Earnings of \$50,000. Dividends for the year totalled \$10,000. At December 31, 2014, the company will report Retained Earnings of

- a. \$17,500.
- b. \$37,500.**
- c. \$40,000.
- d. \$42,500.

After all closing entries have been posted, the Income Summary account will have a balance of

- a. \$0.**
- b. \$2,500 debit.
- c. \$2,500 credit.
- d. \$37,500 credit.

After all closing entries have been posted, the revenue account will have a balance of

- a. \$0.**
- b. \$75,000 credit.
- c. \$75,000 debit.
- d. \$2,500 credit.

2-After closing entries are posted, the balance in the retained earnings account in the ledger will be equal to

- a. the beginning retained earnings reported on the retained earnings statement.
- b. the amount of the retained earnings reported on the statement of financial position.**
- c. zero.
- d. the net income for the period.

3-A post-closing trial balance is prepared

- a. after closing entries have been journalized and posted.**
- b. before closing entries have been journalized and posted.
- c. after closing entries have been journalized but before the entries are posted.
- d. before closing entries have been journalized but after the entries are posted.

4-All of the following statements about the post-closing trial balance are correct **except** it

- a. shows that the accounting equation is in balance.
- b. provides evidence that the journalizing and posting of closing entries have been properly completed.
- c. contains only permanent accounts.
- d. proves that all transactions have been recorded.**

5-A post-closing trial balance will show

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

6-A post-closing trial balance should be prepared

- a. before closing entries are posted to the ledger accounts.
- b. **after closing entries are posted to the ledger accounts.**
- c. before adjusting entries are posted to the ledger accounts.
- d. only if an error in the accounts is detected.

7-A post-closing trial balance will show

- a. zero balances for all accounts.
- b. zero balances for statement of financial position accounts.
- c. **only statement of financial position accounts.**
- d. only income statement accounts.

8-The purpose of the post-closing trial balance is to

- a. prove that no mistakes were made.
- b. **prove the equality of the statement of financial position account balances that are carried forward into the next accounting period.**
- c. prove the equality of the income statement account balances that are carried forward into the next accounting period.
- d. list all the statement of financial position accounts in alphabetical order for easy reference.

9-The balances that appear on the post-closing trial balance will match the

- a. income statement account balances after adjustments.
- b. **statement of financial position account balances after closing entries.**
- c. income statement account balances after closing entries.
- d. statement of financial position account balances after adjustments.

10-Which account listed below would be double ruled in the ledger as part of the closing process?

- a. Cash
- b. Retained Earnings
- c. **Dividends**
- d. Accumulated Depreciation

11-A double rule applied to accounts in the ledger during the closing process implies that

- a. **the account is an income statement account.**
- b. the account is a statement of financial position account.
- c. the account balance is not zero.
- d. a mistake has been made, since double ruling is prescribed.

12-The heading for a post-closing trial balance has a date line that is similar to the one found on

- a. **a statement of financial position.**
- b. an income statement.
- c. a retained earnings statement.
- d. a worksheet.

13-Which account balance will change between the adjusted trial balance and the post-closing trial balance?

- a. **Retained Earnings**
- b. Share Capital-Ordinary
- c. Interest Payable
- d. Accumulated Depreciation

14-Which one of the following is usually prepared only at the end of a company's annual accounting period?

- a. Preparing financial statements
- b. Journalizing and posting adjusting entries
- c. **Journalizing and posting closing entries**
- d. Preparing an adjusted trial balance

15-The step in the accounting cycle that is performed on a periodic basis (i.e., monthly, quarterly) is

- a. analyzing transactions.
- b. **journalizing and posting adjusting entries.**
- c. preparing a post-closing trial balance.
- d. posting to ledger accounts.

16-Which one of the following is an optional step in the accounting cycle of a business enterprise?

- a. Analyze business transactions
- b. **Prepare a worksheet**
- c. Prepare a trial balance
- d. Post to the ledger accounts

17-The final step in the accounting cycle is to prepare

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

18-Which of the following steps in the accounting cycle would **not** generally be performed daily?

- a. Journalize transactions
- b. Post to ledger accounts
- c. **Prepare adjusting entries**
- d. Analyze business transactions

19-Which of the following steps in the accounting cycle may be performed most frequently?

- a. Prepare a post-closing trial balance
- b. Journalize closing entries
- c. Post closing entries
- d. **Prepare a trial balance**

20-Which of the following depicts the proper sequence of steps in the accounting cycle?

- a. Journalize the transactions, analyze business transactions, prepare a trial balance
- b. Prepare a trial balance, prepare financial statements, prepare adjusting entries
- c. **Prepare a trial balance, prepare adjusting entries, prepare financial statements**
- d. Prepare a trial balance, post to ledger accounts, post adjusting entries

21-The two optional steps in the accounting cycle are preparing

- a. a post-closing trial balance and reversing entries.
- b. a worksheet and post-closing trial balances.
- c. **reversing entries and a worksheet.**
- d. an adjusted trial balance and a post-closing trial balance.

22-The first required step in the accounting cycle is

- a. reversing entries.
- b. journalizing transactions in the book of original entry.
- c. **analyzing transactions.**
- d. posting transactions.

23- Use the following data, taken from the adjusted trial balance, for next two questions:

	<u>Debit</u>	<u>Credit</u>
Cash	€ 5,712	
Accounts Receivable	3,904	
Supplies	480	
Accounts Payable		€ 2,792
Unearned Service Revenue		160
Share Capital-Ordinary		5,000
Retained Earnings		1,760
Dividends	300	
Service Revenue		4,064
Salaries and Wages Expense	1,344	
Miscellaneous Expense	256	
Supplies Expense	2,228	
Salaries and Wages Payable		<u>448</u>
Total	<u>€14,224</u>	<u>€14,224</u>

24- What amount will be reflected for Retained Earnings in the Statement of Financial Position columns of the worksheet?

- a. €1,996
- b. €1,760**
- c. €1,696
- d. €2,060

25- What will be the total of the Statement of Financial Position credit column?

- a. €14,224
- b. €10,160
- c. €13,988
- d. €10,096**

5

The classified statement of financial position

Assets

non-current assets

Intangible Assets

Good will	XX
patents	XX
copy rights	XX
trade mark (name)	XX
capitalized development costs	XX

XX

Property, plant and equipment

Land	XX
Equipment	XX
buildings	XX
machinery	XX
furniture	XX
structures	XX
vehicles	XX

XX

Long term investment

Investment in shares	XX
Investment in real estate	XX

XX

Total non-current Assets

XX

مجموع كل الأقسام

تكملة

Current Assets

prepaid insurance	XX
supplies	XX
inventories	XX
notes receivable	XX
accounts receivable	XX
short term investment	XX
cash	XX

Total current assets

XX

Total Assets

XX

Equity and Liabilities

Equity

share capital	XX
retained earnings	XX
Total equity	XX

CA + NCA جمع

Liabilities

Noncurrent liabilities

mortgage note payable	XX
notes payable (long term)	XX

current liabilities

notes payable (short term)	XX
account payable	XX
salaries payable	XX
unearned revenue	XX
interest payable	XX

Total liabilities

XX

Total equity and liabilities

XX

مفروض مساوي total Assets

Current Assets are assets that a company expects to convert to cash or use up within one year.

Non-current liabilities are obligations that a company expects to pay after one year.

current liabilities are obligations that a company expects to pay within one year.

Operating cycle: the average time that it takes to purchase inventories, sell it on account, and then collect cash from customers

Liquidity: the ability to pay obligations expected to be due within next year.

Current assets > current liabilities paying the liabilities is favorable

Current liabilities > current assets Bankruptcy

The following information (in thousands) is for Zháng Office Supplies:

1-Zháng Office Supplies

Statement of Financial Position || december 31,2014

Trademark		¥140,000	Share Capital	¥240,000
Land	¥180,000		Retained Earnings	<u>500,000</u>
Building	¥200,000			¥740,000
Less:Accum.				
Depreciation	<u>(40,000)</u>	<u>160,000</u>		
Land Held for Investment			Accounts Payable	120,000
		150,000	Salaries Wages Payable	
Prepaid Insurance		60,000		20,000
Inventory		140,000	Mortgage Payable	<u>180,000</u>
Accounts Receivable		100,000		
Cash		<u>130,000</u>		<u>320,000</u>
Total Assets		<u>¥1,060,000</u>	Total Equity and Liabilities	<u>¥ 1,060,000</u>

The total amount of assets to be classified as current assets is

- ¥580,000.
- ¥430,000.**
- ¥360,000.
- ¥290,000.

The total amount of assets to be classified as property, plant, and equipment is

- ¥640,000.
- ¥340,000.**
- ¥490,000.
- ¥380,000.

The total amount of assets to be classified as investments is

- ¥0.
- ¥300,000.
- ¥150,000.**
- ¥360,000.

The total amount of liabilities to be classified as current liabilities is

- ¥140,000.**
- ¥120,000.
- ¥300,000.
- ¥320,000.

2-All of the following are property, plant, and equipment **except**

- a. **supplies.**
- b. machinery.
- c. land.
- d. buildings.

3-The first item listed under current liabilities is usually

- a. accounts payable.
- b. **notes payable.**
- c. salaries and wages payable.
- d. taxes payable.

4-Equipment is classified in the statement of financial position as

- a. a current asset.
- b. **property, plant, and equipment.**
- c. an intangible asset.
- d. a long-term investment.

5-A current asset is

- a. the last asset purchased by a business.
- b. an asset which is currently being used to produce a product or service.
- c. usually found as a separate classification in the income statement.
- d. **an asset that a company expects to convert to cash or use up within one year.**

6-An intangible asset

- a. **does not have physical substance, yet often is very valuable.**
- b. is worthless because it has no physical substance.
- c. is converted into a tangible asset during the operating cycle.
- d. cannot be classified on the statement of financial position because it lacks physical substance.

7-Liabilities are generally classified on a statement of financial position as

- a. small liabilities and large liabilities.
- b. present liabilities and future liabilities.
- c. tangible liabilities and intangible liabilities.
- d. **current liabilities and non-current liabilities.**

8-Which of the following would **not** be classified as a non-current liability?

- a. **Current maturities of long-term debt**
- b. Bonds payable
- c. Mortgage payable
- d. Lease liabilities

9-Which of the following liabilities are **not** related to the operating cycle?

- a. Salaries and wages payable
- b. Accounts payable
- c. Utilities payable
- d. **Bonds payable**

10-Intangible assets include each of the following **except**

- a. copyrights.
- b. goodwill.
- c. **land improvements.**
- d. patents.

11-It is **not** true that current assets are assets that a company expects to

- a. realize in cash within one year.
- b. sell within one year.
- c. use up within one year.
- d. **acquire within one year.**

12-The operating cycle of a company is the average time that is required to go from cash to

- a. sales in producing revenues.
- b. **cash in producing revenues.**
- c. inventory in producing revenues.
- d. accounts receivable in producing revenues.

13-On a classified statement of financial position, current assets are customarily listed

- a. in alphabetical order.
- b. with the largest dollar amounts first.
- c. **in the reverse order of liquidity.**
- d. in the order of acquisition.

14-Intangible assets are

- a. listed under current assets on the statement of financial position.
- b. not listed on the statement of financial position because they do not have physical substance.
- c. **non-current resources.**
- d. listed as a long-term investment on the statement of financial position.

15-The relationship between current assets and current liabilities is important in evaluating a company's

- a. profitability.
- b. **liquidity.**
- c. market value.
- d. accounting cycle.

16-The following items (in thousands) are taken from the financial statements of Huang Company for the year ending December 31, 2014:

Accounts payable	¥ 54,000
Accounts receivable	33,000
Accumulated depreciation—equipment	84,000
Advertising expense	63,000
Cash	45,000
Share capital-ordinary	126,000
Dividends	42,000
Depreciation expense	36,000
Equipment	630,000
Insurance expense	9,000
Note payable, due 6/30/15	210,000
Prepaid insurance (12-month policy)	18,000
Rent expense	51,000
Retained earnings (1/1/14)	180,000
Salaries and wages expense	96,000
Service revenue	399,000
Supplies	12,000
Supplies expense	18,000

What is the company's net income for the year ending December 31, 2014?

- a. ¥399,000
- b. ¥126,000**
- c. ¥84,000
- d. ¥36,000

What is the balance that would be reported for equity at December 31, 2014?

- a. ¥306,000
- b. ¥390,000**
- c. ¥432,000
- d. ¥474,000

What are total current assets at December 31, 2014?

- a. ¥78,000
- b. ¥96,000
- c. ¥108,000**
- d. ¥654,000

What is the book value of the equipment at December 31, 2014?

- a. ¥714,000
- b. ¥630,000
- c. ¥546,000**
- d. ¥510,000

What are total current liabilities at December 31, 2014?

- a. ¥54,000
- b. ¥210,000
- c. ¥264,000**
- d. ¥0

What are total non-current liabilities at December 31, 2014?

- a. ¥0**
- b. ¥210,000
- c. ¥264,000
- d. ¥270,000

What is total equity and liabilities at December 31, 2014?

- a. ¥528,000
- b. ¥570,000
- c. ¥654,000**
- d. ¥696,000

17-The sub-classifications for assets on the company's classified statement of financial position would include all of the following except

- a. Current Assets.
- b. Property, Plant, and Equipment.
- c. Intangible Assets.
- d. Long-term Assets.**

18-The current assets should be listed on Huang's statement of financial position in the following order

- a. accounts receivable, prepaid insurance, equipment, cash.
- b. accounts receivable, prepaid insurance, supplies, cash.
- c. prepaid insurance, supplies, accounts, receivable, cash.**
- d. equipment, supplies, prepaid insurance, accounts receivable, cash.

19-Which statement about long-term investments is not true?

- a. They will be held for more than one year.
- b. They are not currently used in the operation of the business.
- c. They include investments in shares of other companies and land held for future use.
- d. They can never include cash accounts.**

20-The most important information needed to determine if companies can pay their current obligations is the

- a. net income for this year.
- b. projected net income for next year.
- c. relationship between current assets and current liabilities.**
- d. relationship between short-term and non-current liabilities.

21-Which classification of assets will appear first in the Statement of Financial Position?

- a. Current Assets.
- b. Long-term investments.
- c. Property,Plant and Equipment.
- d. Intangible Assets.**

22-Which classification of assets will appear last in the Statement of Financial Position?

- a. Intangible Assets.
- b. Current Assets.**
- c. Long-term investments.
- d. Property,Plant and Equipment.

23-Which account will appear last under the current assets classification on the Statement of Financial Position?

- a. Accounts Receivable.
- b. Prepaid Expenses.
- c. Short-term investments.
- d. Cash.**

24-Which of the following classification appears last in the Statement of Financial Position?

- a. Non-current Liabilities.
- b. Equity.
- c. Current Liabilities.**
- d. Reserves.

25-Which of the following is in the proper position?

- a. Equity;Current Liabilities;Non-current Liabilities.
- b. Equity;Non-current Liabilities;Current Liabilities.**
- c. Current Liabilities;Non-current Liabilities;Equity.
- d. Non-Current Liabilities; Current Liabilities;Equity.

26-The following data (in thousands) is available for Chang Company.

	<u>Debit</u>	<u>Credit</u>
Mortgage payable		¥ 1,886
Prepaid expenses	¥ 1,760	
Equipment	23,000	
Patents	528	
Short-term investments	7,380	
Notes payable in 2014		962
Cash	5,336	
Accumulated depreciation		11,310
Accounts payable		2,888
Notes payable after 2014		736
Share capital-ordinary		20,000
Retained earnings		6,126
Accounts receivable	3,392	
Inventories	<u>2,512</u>	<u> </u>
Total	¥ <u>43,908</u>	¥ <u>43,908</u>

Total assets on the Statement of Financial Position for 2014 are:

- a. ¥43,908.
- b. ¥32,598.**
- c. ¥55,218.
- d. ¥30,838.

The subtotal of the last asset classification on the 2014 Statement of Financial Position is:

- a. ¥11,690.
- b. ¥18,620.
- c. ¥23,000.
- d. ¥20,380.**

The subtotal of the first asset classification on the 2014 Statement of Financial Position is:

- a. ¥20,380
- b. ¥18,620
- c. ¥528**
- d. ¥7,380

The subtotal of the last equity and liabilities classification on the 2014 Statement of Financial Position is:

- a. **¥3,850.**
- b. ¥2,622.
- c. ¥26,126.
- d. ¥2,888.

27-What is the order in which assets are generally listed on a classified statement of financial position?

- a. Current and long-term.
- b. Intangible assets; long-term investments; property, plant, and equipment; current.
- c. Long-term investments; property, plant, and equipment; intangible assets; current
- d. **Intangible assets; property, plant, and equipment; long-term investments; current.**

28-Which of the following is in the proper order?

- a. Cash; Short-term Investments; Accounts Receivable; Inventories; Supplies.
- b. Cash; Short-term Investments; Inventories; Accounts Receivable; Supplies.
- c. **Supplies; Inventories; Accounts Receivables; Short-term Investments; Cash.**
- d. Supplies; Accounts Receivables; Inventories; Short-term Investments; Cash.

29-Which of the following accounts does not appear in the Statement of Financial Position?

- a. Retained Earnings
- b. Unearned Revenues
- c. **Dividends**
- d. Share Capital-Ordinary

THE END
Good luck