



F O T A M A T

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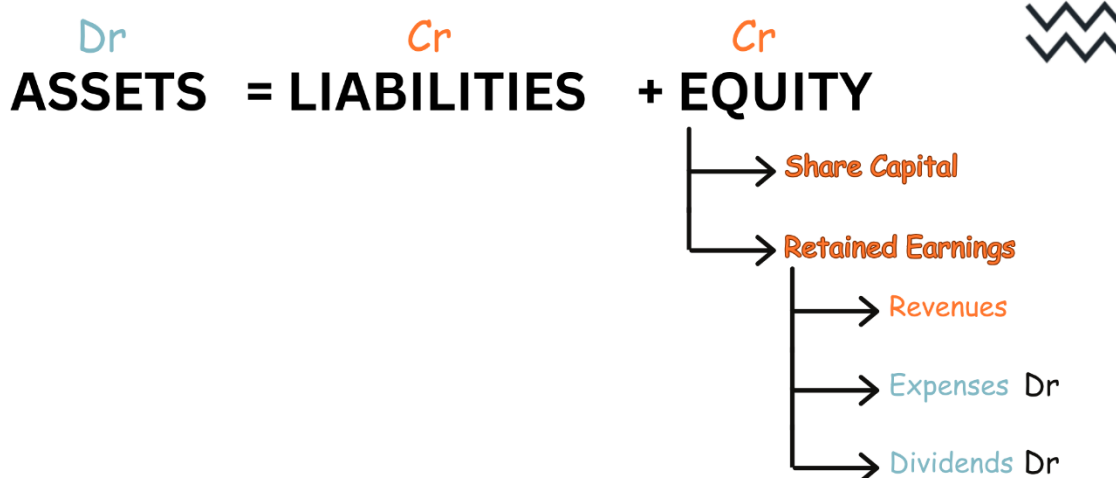
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1

- Dr doesn't mean +
- Cr doesn't mean -

- في حسابات طبيعتها دبت و حسابات كردت
- الي طبيعته دبت راح يزيد بالدبت و يقل بالكردت
- الي طبيعته كردت راح يزيد بالكردت و يقل بالدبت

Dr	Cr
All assets	All liabilities
Expenses	Equity
Dividends	Revenues
	Retained earnings



$$\text{End Equity} = \text{Beg. Equity} + \text{share capital} + \text{investment} + \text{revenues} - \text{expenses} - \text{dividends}$$

expenses - dividends

عكس ال equity لا المصروفات تاخذ من الحصة الي بالشركة و أيضاً الأرباح لمن نوزعها نسحبها من الشركة

1-An account consists of

- a. one part.
- b. two parts.
- c. three parts.**
- d. four parts.

2-The left side of an account is

- a. blank.
- b. a description of the account.
- c. the debit side.**
- d. the balance of the account.

3-The right side of an account

- a. is the correct side.
- b. reflects all transactions for the accounting period.
- c. shows all the balances of the accounts in the system.
- d. is the credit side.**

4-An account is a part of the financial information system and is described by all except which one of the following?

- a. An account has a debit and credit side.
- b. An account is a source document.**
- c. An account may be part of a manual or a computerized accounting system.
- d. An account has a title.

5-An account consists of

- a. a title, a debit balance, and a credit balance.
- b. a title, a left side, and a debit balance.
- c. a title, a debit side, and a credit side.**
- d. a title, a right side, and a debit balance.

6-Credits

- a. decrease both assets and liabilities.
- b. decrease assets and increase liabilities.**
- c. increase both assets and liabilities.
- d. increase assets and decrease liabilities.

7-A debit to an asset account indicates

- a. an error.
- b. a credit was made to a liability account.
- c. a decrease in the asset.
- d. an increase in the asset.**

2

account	Debit effect	Credit effect	Normal balance
Account payable			
Advertising expense			
Service revenue			
Accounts receivable			
Share capital			
dividends			

1-The normal balance of any account is the

- a. left side.
- b. right side.
- c. side which increases that account.**
- d. side which decreases that account.

2-An accounting convention is best described as

- a. an absolute truth.
- b. an accounting custom.**
- c. an optional rule.
- d. something that cannot be changed.

3-Which of the following is **not** true of the terms debit and credit?

- a. They can be abbreviated as Dr. and Cr.
- b. They can be interpreted to mean increase and decrease.**
- c. They can be used to describe the balance of an account.
- d. They can be interpreted to mean left and right.

4-Which of the following statements is true?

- a. Debits increase assets and increase liabilities.
- b. Credits decrease assets and decrease liabilities.
- c. Credits decrease assets and increase liabilities.**
- d. Debits decrease liabilities and decrease assets.

5-The best interpretation of the word credit is the

- a. offset side of an account.
- b. increase side of an account.
- c. right side of an account.**
- d. decrease side of an account.

6-In recording an accounting transaction in a double-entry system

- a. the number of debit accounts must equal the number of credit accounts.
- b. there must always be entries made on both sides of the accounting equation.
- c. the amount of the debits must equal the amount of the credits.**
- d. there must only be two accounts affected by any transaction.

7-Assets normally show

- a. credit balances.
- b. debit balances.**
- c. debit and credit balances.
- d. debit or credit balances.

3

On September 1, Ray Neal invested \$15,000 cash in the business, and Softbyte purchased computer equipment for \$7,000 cash.

Date	Accounts title	Debit	Credit

On July 1, Butler Company purchases a delivery truck costing \$14,000. It pays \$8,000 cash now and agrees to pay the remaining \$6,000 on account.

Date	Accounts title	Debit	Credit

On October 9, pioneer hires four employees to begin work on October 15. Each employee is to receive a weekly salary of \$500 for 5-day work, payable every 2 weeks – first payment made on October 26.

Date	Accounts title	Debit	Credit

1-An awareness of the normal balances of accounts would help you spot which of the following as an error in recording?

- a. A debit balance in the dividends account
- b. A credit balance in an expense account**
- c. A credit balance in a liabilities account
- d. A credit balance in a revenue account

2-The double-entry system requires that each transaction must be recorded

- a. in at least two different accounts.**
- b. in two sets of books.
- c. in a journal and in a ledger.
- d. first as a revenue and then as an expense.

3-Which one of the following represents the expanded basic accounting equation?

- a. $\text{Assets} = \text{Liabilities} + \text{Share Capital--Ordinary account} + \text{Retained Earnings} + \text{Dividends} - \text{Revenue} - \text{Expenses.}$
- b. $\text{Assets} + \text{Dividends} + \text{Expenses} = \text{Liabilities} + \text{Share Capital--Ordinary} + \text{Retained Earnings} + \text{Revenues.}$**
- c. $\text{Assets} - \text{Liabilities} - \text{Dividends} = \text{Share Capital--Ordinary} + \text{Retained Earnings} + \text{Revenues} - \text{Expenses.}$
- d. $\text{Assets} = \text{Revenues} + \text{Expenses} - \text{Liabilities.}$

4-A debit is **not** the normal balance for which account listed below?

- a. Dividends
- b. Cash
- c. Accounts Receivable
- d. Service Revenue**

5-Which of the following accounts does **not** have a normal credit balance?

- a. Share Capital--Ordinary
- b. Revenue account
- c. Liability account
- d. Dividends**

6-Which account below is **not** a subdivision of retained earnings?

- a. Dividends
- b. Revenues
- c. Expenses
- d. Share Capital-Ordinary**

7-Which of the following statements is **not** true?

- a. Expenses increase equity.**
- b. Expenses have normal debit balances.
- c. Expenses decrease equity.
- d. Expenses are a negative factor in the computation of net income.

Bolt Bill is a licensed CPA, He started his own business on April 1, 2012 . During the first month, the following transactions occurred during the month of April:

Apr. 1: Bolt invested \$20,000 cash in his own business.

2: Bolt hired a new secretary at a salary of \$2,000 per month.

3: Purchased \$2,000 of supplies on account from Zelda Co.

7: Paid office rent of \$900 cash for the month.

11: Completed a tax assignment for a client and bill the client \$5,100 for the service provided.

12: Received \$3,500 advance from a client on a management consulting service required.

20: Received \$4,000 in cash from a client for a service completed.

30: Paid the newly employed secretary a salary of \$2,000 for the month of May.

30: Paid 60% of balance due Zelda Co. (April 3)

Instructions:

a. Journalize a series of transactions.

Date	Accounts title	Debit	Credit

- b. Post the transactions to the ledger.
- c. Prepare Trial Balance on April 30, 2012.

1-Which one of the following is **not** a part of an account?

- a. Credit side
- b. Trial balance**
- c. Debit side
- d. Title

2-Which of the following is **incorrect** regarding a trial balance?

- a. It proves that the debits equal the credits after posting.
- b. It proves that the company has recorded all transactions.**
- c. A trial balance uncovers errors in journalizing and posting.
- d. A trial balance is useful in the preparation of financial statements.

3-A trial balance will **not** balance if

- a. a journal entry is posted twice.
- b. a wrong amount is used in journalizing.
- c. incorrect account titles are used in journalizing.
- d. a journal entry is only partially posted.**

4-The steps in preparing a trial balance include all of the following **except**

- a. listing the account titles and their balances.
- b. totaling the debit and credit columns.
- c. proving the equality of the two columns.
- d. transferring journal amounts to ledger accounts.**

5-A trial balance may balance even when each of the following occurs **except** when

- a. a transaction is not journalized.
- b. a journal entry is posted twice.
- c. incorrect accounts are used in journalizing.
- d. a transposition error is made.**

6-A list of accounts and their balances at a given time is called a(n)

- a. journal.
- b. posting.
- c. trial balance.**
- d. income statement.

7-A trial balance is a listing of

- a. transactions in a journal.
- b. the chart of accounts.
- c. general ledger accounts and balances.**
- d. the totals from the journal pages.

8-A trial balance would only help in detecting which one of the following errors?

- a. A transaction that is not journalized.
- b. A journal entry that is posted twice.
- c. Offsetting errors are made in recording the transaction.
- d. A transposition error when transferring the debit side of journal entry to the ledger.**

9-Customarily, a trial balance is prepared

- a. at the end of each day.
- b. after each journal entry is posted.
- c. at the end of an accounting period.**
- d. only at the inception of the business.

10-The trial balance

- a. is a listing of all the accounts and their balances in the order the accounts appear on the statement of financial position.
- b. has as its primary purpose to prove (check) that all journal entries were made for the period.
- c. can be used to uncover errors in journalizing and posting.**
- d. is used to prepare the statement of financial position while the general ledger is used to prepare the income statement.

11-Which of the following errors will prevent the trial balance from balance?

- a. A transaction is not journalized.
- b. Transposition error related to the statement of financial position.**
- c. A journal entry is posted twice.
- d. A journal entry to purchase \$100 worth of equipment is posted as a \$1,000 purchase.

12-The usual sequence of steps in the transaction recording process is:

- a. journal → analyze → ledger.
- b. analyze → journal → ledger.**
- c. journal → ledger → analyze.
- d. ledger → journal → analyze.

13-The first step in the recording process is to

- a. prepare financial statements.
- b. analyze each transaction for its effect on the accounts.**
- c. post to a journal.
- d. prepare a trial balance.

14-The final step in the recording process is to transfer the journal information to the

- a. trial balance.
- b. financial statements.
- c. ledger.**
- d. file cabinets.

15-The final step in the recording process is to

- a. analyze each transaction.
- b. enter the transaction in a journal.
- c. prepare a trial balance.
- d. transfer journal information to ledger accounts.**

16-After transaction information has been recorded in the journal, it is transferred to the

- a. trial balance.
- b. income statement.
- c. book of original entry.
- d. **ledger.**

17-The entire group of accounts maintained by a company is called the

- a. statement of cash flows.
- b. general journal.
- c. **general ledger.**
- d. trial balance.

18-An accounting record of the balances of all assets, liabilities, and equity accounts is called

- a. compound entry.
- b. general journal.
- c. **general ledger.**
- d. chart of accounts.

19-After a business transaction has been analyzed and entered in the book of original entry, the next step in the recording process is to transfer the information to

- a. the company's bank.
- b. equity.
- c. **ledger accounts.**
- d. financial statements.

20-Posting

- a. accumulates the effects of ledger entries and transfers them to the general journal.
- b. is done only for income statement activity; activity related to the statement of financial position does not require posting.
- c. is done only once per year.
- d. **is done by posting all the debits and credits of one entry before moving on to the next entry.**

21-The procedure of transferring journal entries to the ledger accounts is called

- a. journalizing.
- b. analyzing.
- c. reporting.
- d. **posting.**

22-Posting

- a. should be performed in account number order.
- b. **accumulates the effects of journalized transactions in the individual accounts.**
- c. involves transferring all debits and credits on a journal page to the trial balance.
- d. is accomplished by examining ledger accounts and seeing which ones need updating.

5

Problem (3): XYZ is a Utility Company. The owner, Roger Z. , established it on April 1, 2016. The following events occurred during the month of April:

- Apr. 1: Roger invested \$35,000 cash in the business.
- 4: Purchased land costing \$27,000 for cash.
- 8: Incurred advertising expense of \$1,800 on account.
- 11: Paid salaries to employees \$1,500.
- 12: Hired general manager at a salary of \$4,000 per month, effective April 30.
- 13: Paid \$1,500 cash for a one-year insurance policy.
- 17: Withdrew \$1,000 cash for personal use.
- 20: Received \$6,800 in cash from a client for registration fees.
- 25: Received \$1000 in advance from Delta Company for utility services that are expected to be completed 3 months from today.
- 30: Paid \$4,000 in cash as a salary they owe to the general manager (see April 12).
- 30: Paid \$900 on balance owed for advertising incurred on April 8.

Instructions:

Journalize a series of Transactions.

Date	Accounts title	Debit	Credit

1-The usual sequence of steps in the recording process is to analyze each transaction, enter the transaction in the

- a. **journal, and transfer the information to the ledger accounts.**
- b. ledger, and transfer the information to the journal.
- c. book of accounts, and transfer the information to the journal.
- d. book of original entry, and transfer the information to the journal.

2-Basic steps in the recording process include all of the following **except**

- a. **transfer the journal information to the appropriate account in the statement of financial position.**
- b. analyze each transaction for its effect on the accounts.
- c. enter the transaction information in a journal.
- d. All of these answer choices are correct.

3-If the sum of the debit column equals the sum of the credit column in a trial balance, it indicates

- a. no errors have been made.
- b. no errors can be discovered.
- c. that all accounts reflect correct balances.
- d. **the mathematical equality of the accounting equation.**

4-Evidence that would **not** help with determining the effects of a transaction on the accounts would be a(n)

- a. cash register sales tape.
- b. bill.
- c. **advertising brochure.**
- d. check.

5-An account will have a credit balance if the

- a. **credits exceed the debits.**
- b. first transaction entered was a credit.
- c. debits exceed the credits.
- d. last transaction entered was a credit.

6-A credit to a liability account

- a. **indicates an increase in the amount owed to creditors.**
- b. indicates a decrease in the amount owed to creditors.
- c. is an error.
- d. must be accompanied by a debit to an asset account.

7-The Dividends account

- a. appears on the income statement along with the expenses of the business.
- b. must show transactions every accounting period.
- c. is increased with debits and decreased with credits.**
- d. is not a proper subdivision of retained earnings.

An accountant has debited an asset account for \$1,000 and credited a liability account for \$500. Answer the next two questions

8-What can be done to complete the recording of the transaction?

- a. Nothing further must be done.
- b. Debit an equity account for \$500.
- c. Debit another asset account for \$500.
- d. Credit a different asset account for \$500.**

9-Which of the following would be an **incorrect** way to complete the recording of the transaction?

- a. Credit an asset account for \$500.
- b. Credit another liability account for \$500.
- c. Credit an equity account for \$500.
- d. Debit an equity account for \$500.**

10-At December 1, 2014, Gibson Company's accounts receivable balance was €2,400. During December, Gibson had credit revenues of €10,000 and collected accounts receivable of €8,000. At December 31, 2014, the accounts receivable balance is

- a. €2,400 debit.
- b. €4,400 debit.**
- c. €12,400 debit.
- d. €4,400 credit.

11-In the first month of operations, the total of the debit entries to the cash account amounted to \$700 and the total of the credit entries to the cash account amounted to \$500. The cash account has a

- a. \$500 credit balance.
- b. \$700 debit balance.
- c. \$200 debit balance.**
- d. \$200 credit balance.

12-Martin's Mail Service purchased equipment for \$4,000. Martin paid \$500 in cash and signed a note for the balance. Martin debited the Equipment account, credited Cash and

- a. nothing further must be done.
- b. debited the retained earnings account for \$3,500.
- c. credited another asset account for \$500.
- d. credited a liability account for \$3,500.**

13-Taylor Industries purchased supplies for £1,000. They paid £500 in cash and agreed to pay the balance in 30 days. The journal entry to record this transaction would include a debit to an asset account for £1,000, a credit to a liability account for £500. Which of the following would be the correct way to complete the recording of the transaction?

- a. **Credit an asset account for £500.**
- b. Credit another liability account for £500.
- c. Credit the retained earnings account for £500.
- d. Debit the retained earnings account for £500.

14-On January 14, Ericsson Industries purchased supplies of \$500 on account. The entry to record the purchase will include

- a. **a debit to Supplies and a credit to Accounts Payable.**
- b. a debit to Supplies Expense and a credit to Accounts Receivable.
- c. a debit to Supplies and a credit to Cash.
- d. a debit to Accounts Receivable and a credit to Supplies.

15-On June 1, 2014, Alma Inc. reported a cash balance of €12,000. During June, Alma made deposits of €3,000 and made disbursements totalling €16,000. What is the cash balance at the end of June?

- a. €1,000 debit balance
- b. €15,000 debit balance
- c. **€1,000 credit balance**
- d. €4,000 credit balance

16-When a company pays dividends

- a. **the dividend doesn't have to be cash, it could be another asset.**
- b. the dividends account will be increased with a credit.
- c. the retained earnings account will be directly increased with a debit.
- d. the dividends account will be decreased with a debit.

17-At January 31, 2014, the balance in Bota Inc.'s supplies account was \$500. During February, Bota purchased supplies of \$600 and used supplies of \$800. At the end of February, the balance in the supplies account should be

- a. \$500 debit.
- b. \$700 credit.
- c. \$1,100 debit.
- d. **\$300 debit.**

18-The recording process occurs

- a. once a year.
- b. once a month.
- c. **repeatedly during the accounting period.**
- d. infrequently in a manual accounting system.

6

The trial balance of Drysdale Company shown below does not balance.

DRYSDALE COMPANY

Trial Balance

June 30, 2014

	Debit	Credit
Cash	£ 2,600	
Accounts Receivable	7,600	
Supplies	600	
Equipment	8,300	
Accounts Payable		£ 9,766
Share Capital-Ordinary		1,952
Dividends	1,500	
Service Revenue		15,200
Salaries and Wages Expense	3,800	
Maintenance and Repairs Expense	1,600	
Totals	<u>£26,000</u>	<u>£26,918</u>

An examination of the ledger and journal reveals the following errors:

- Each of the above listed accounts has a normal balance per the general ledger.
- Cash of £170 received from a customer on account was debited to Cash £710 and credited to Accounts Receivable £710.
- A dividend of £300 was posted as a credit to Dividends, £300 and credit to Cash £300.
- A debit of £120 was not posted to Salaries and Wages Expense.
- The purchase of equipment on account for £700 was recorded as a debit to Maintenance and Repairs Expense and a credit to Accounts Payable for £700.
- Services were performed on account for a customer, £310, for which Accounts Receivable was debited £310 and Service Revenue was credited £31.
- A payment on account for £225 was credited to Cash for £225 and credited to Accounts Payable for £252.

Instructions

Prepare a correct trial balance.

1-At January 1, 2014, LeAnna Industries reported retained earnings of \$195,000. During 2014, LeAnna had a net loss of \$45,000 and paid dividends of \$30,000. At December 31, 2014, the amount of retained earnings is

- a. \$195,000.
- b. \$210,000.
- c. \$150,000.
- d. \$120,000.**

2-Omega Company pays its employees twice a month, on the 7th and the 21st. On June 21, Omega Company paid employee salaries of \$4,000. This transaction would

- a. increase equity by \$4,000.
- b. decrease the balance in Salaries and Wages Expense by \$4,000.
- c. decrease net income for the month by \$4,000.**
- d. be recorded by a \$4,000 debit to Salaries and Wages Payable and a \$4,000 credit to Salaries and Wages Expense.

3-In the first month of operations for Widget Industries, the total of the debit entries to the cash account amounted to £9,000 (£5,000 investment by the owners and revenues of £4,000). The total of the credit entries to the cash account amounted to £5,000 (purchase of equipment £2,000 and payment of expenses £3,000). At the end of the month, the cash account has a(n)

- a. £3,000 credit balance.
- b. £3,000 debit balance.
- c. £4,000 debit balance.**
- d. £4,000 credit balance.

4-Rusthe Company showed the following balances at the end of its first year:

Cash	\$ 17,000
Prepaid insurance	1,400
Accounts receivable	7,000
Accounts payable	5,600
Notes payable	8,400
Share capital-ordinary	2,800
Dividends	1,400
Revenues	45,000
Expenses	35,000

What did Rusthe Company show as total credits on its trial balance?

- a. \$63,200
- b. \$61,800**
- c. \$60,400
- d. \$64,600

5-During February 2014, its first month of operations, the owner of Alona Enterprises invested cash of \$75,000. Alona had cash revenues of \$12,000 and paid expenses of \$21,000. Assuming no other transactions impacted the cash account, what is the balance in Cash at February 28?

- a. \$9,000 credit
- b. \$66,000 debit**
- c. \$87,000 debit
- d. \$54,000 credit

6-If a company has overdrawn its bank balance, then

- a. its cash account will show a debit balance.
- b. its cash account will show a credit balance.**
- c. the cash account debits will exceed the cash account credits.
- d. it cannot be detected by observing the balance of the cash account.

7-Which of the following accounts is reported in the equity section of the statement of financial position?

- a. Dividends
- b. Share capital—ordinary**
- c. Revenues
- d. All of these answer choices are correct.

8-Which of the following statements is false?

- a. Revenues increase equity.
- b. Revenues have normal credit balances.
- c. Revenues are a positive factor in the computation of net income.
- d. Revenues are increased by debits.**

9-Sternberg Company purchases equipment for \$1,200 and supplies for \$400 from Tran Co. for \$1,600 cash. The entry for this transaction will include a

- a. debit to Equipment \$1,200 and a debit to Supplies Expense \$400 for Tran.
- b. credit to Cash for Tran.
- c. credit to Accounts Payable for Sternberg.
- d. debit to Equipment \$1,200 and a debit to Supplies \$400 for Sternberg.**

10-Wiser Inc. paid cash dividends of \$300. The entry for this transaction will include a debit of \$300 to

- a. Dividends.**
- b. Supplies Expense.
- c. Shareholders' Expense.
- d. Salaries and Wages Expense.

11-On October 3, Josh Antonio, a carpenter, received a cash payment for services previously billed to a client. Josh paid his telephone bill, and he also bought supplies on credit. For the three transactions, at least one of the entries will include a

- credit to Retained Earnings.
- credit to Notes Payable.
- debit to Accounts Receivable.
- credit to Accounts Payable.**

12-Accounts maintained within the ledger that appear on the statement of financial position include all of the following except

- Salaries and Wages Expense.**
- Interest Payable.
- Supplies.
- Share Capital-Ordinary.

13-Which of the following journal entries is recorded correctly and in the standard format?

- | | | |
|----|----------------------------------|-------|
| a. | Salaries and Wages Expense | 600 |
| | Cash | 1,500 |
| | Rent Expense | 900 |
| b. | Salaries and Wages Expense | 600 |
| | Rent Expense | 900 |
| | Cash | 1,500 |
| c. | Cash | 1,500 |
| | Salaries and Wages Expense | 600 |
| | Rent Expense | 900 |
| d. | Salaries and Wages Expense | 600 |
| | Rent Expense | 900 |
| | Cash | 1,500 |

14-Pastorek Company purchased equipment for \$1,800 cash. As a result of this event,

- equity decreased by \$1,800.
- total assets increased by \$1,800.
- total assets remained unchanged.**
- total liabilities increased by \$1,800.

15-Management could determine the amounts due from customers by examining which ledger account?

- a. Service Revenue
- b. Accounts Payable
- c. Accounts Receivable**
- d. Supplies

16-Robitaille Company received a cash advance of \$500 from a customer. As a result of this event,

- a. assets increased by \$500.**
- b. equity increased by \$500.
- c. liabilities decreased by \$500.
- d. revenues increased by \$500.

17-The usual ordering of accounts in the general ledger is

- a. assets, liabilities, share capital—ordinary, retained earnings, dividends, revenues, and expenses.**
- b. assets, liabilities, dividends, share capital—ordinary, retained earnings, expenses, and revenues.
- c. liabilities, assets, share capital—ordinary, retained earnings, revenues, expenses, and dividends.
- d. Share capital—ordinary, retained earnings, assets, liabilities, dividends, expenses, and revenues.

18-Root Company provided consulting services and billed the client \$2,500. As a result of this event,

- a. assets remained unchanged.
- b. assets increased by \$2,500.
- c. equity increased by \$2,500.
- d. Both assets and equity increased by \$2,500.**

19-Which of the following statements is true regarding debits and credits?

- a. On the income statement, debits are used to increase account balances, whereas on the statement of financial position, credits are used to increase account balances.
- b. The basic equation on the statement of financial position is $\text{Assets} + \text{Liabilities} = \text{Equity}$.
- c. The rules for debit and credit and the normal balance of Share Capital—Ordinary are the same as for liabilities.**
- d. On the income statement, revenues are increased by debits whereas on the statement of financial position retained earnings is increased by a credit.

20-Revenues are

- a. impacted by debits and credits in the same way that expenses are impacted by debits and credits.
- b. a subdivision of equity, providing information about why equity increased.**
- c. reported on the statement of financial position as a current item.
- d. All of these answer choices are correct.

21-A T-account is

- a. **a way of depicting the basic form of an account.**
- b. what the computer uses to organize bytes of information.
- c. a special account used instead of a trial balance.
- d. used for accounts that have both a debit and credit balance.

22-A journal provides

- a. the balances for each account.
- b. information about a transaction in several different places.
- c. a list of all accounts used in the business.
- d. **a chronological record of transactions.**

23-Which of the following is **false** about a journal?

- a. It discloses in one place the complete effects of a transaction.
- b. It provides a chronological record of transactions.
- c. It helps to prevent or locate errors because debit and credit amounts for each entry can be readily compared.
- d. **It keeps in one place all the information about changes in specific account balances.**

24-The name given to entering transaction data in the journal is

- a. chronicling.
- b. listing.
- c. posting.
- d. **journalizing.**

25-A journal is **not** useful for

- a. disclosing in one place the complete effect of a transaction.
- b. **preparing financial statements.**
- c. providing a record of transactions.
- d. locating and preventing errors.

26-In recording business transactions, evidence that an accounting transaction has taken place is obtained from

- a. **business documents.**
- b. the taxing authority.
- c. the public relations department.
- d. the IASB.

27-Which of the following statements is false concerning use of currency signs?

- a. Currency signs do not appear in journals or ledgers.
- b. Currency signs are generally only shown for the first item in a column and for the column total.
- c. **Currency signs are not typically used in the trial balance.**
- d. All of these answer choices are correct.

28-The chart of accounts is a

- a. list of accounts and their balances at a given time.
- b. device used to prove the mathematical accuracy of the ledger.
- c. listing of the accounts and the account numbers which identify their location in the ledger.**
- d. required step in the recording process.

29-The standard format of a journal would **not** include

- a. a reference column.
- b. an account title column.
- c. a T-account.**
- d. a date column.

30-A complete journal entry does **not** show

- a. the date of the transaction.
- b. the new balance in the accounts affected by the transaction.**
- c. a brief explanation of the transaction.
- d. the accounts and amounts to be debited and credited.

31-Transactions in a journal are initially recorded in

- a. account number order.
- b. dollar amount order.
- c. alphabetical order.
- d. chronological order.**

32-For the basic accounting equation to stay in balance, each transaction recorded must

- a. affect two or less accounts.
- b. affect two or more accounts.**
- c. always affect exactly two accounts.
- d. affect the same number of asset and liability accounts.

33-Compound entries

- a. would include an entry to record the purchase of a computer for cash.
- b. include at least two debits or two credits.**
- c. require that all credits be listed before the debits for entries affecting the statement of financial position.
- d. should be broken into their component parts and recorded as simple entries.

34-When three or more accounts are required in one journal entry, the entry is referred to as a

- a. compound entry.**
- b. triple entry.
- c. multiple entry.
- d. simple entry.

35-On June 1, 2014 Quang Le buys a copier machine for his business and finances this purchase with cash and a note. When journalizing this transaction, he will

- a. use two journal entries.
- b. make a compound entry.**
- c. make a simple entry.
- d. list the credit entries first, which is proper form for this type of transaction.

36-When only two accounts are required in one journal entry, the entry is referred to as a

- a. balanced entry.
- b. simple entry.**
- c. posting.
- d. nominal entry.

37-Another name for the journal is the

- a. listing.
- b. book of original entry.**
- c. book of accounts.
- d. book of source documents.

38-During 2014, its first year of operations, Yaspo's Bakery had revenues of \$100,000 and expenses of \$55,000. The business paid dividends of \$30,000. What is the amount of equity at December 31, 2014?

- a. \$0
- b. \$30,000 debit
- c. \$15,000 credit**
- d. \$45,000 credit

39-At October 1, 2014, Padilla Industries had an accounts payable balance of \$60,000. During the month, the company made purchases on account of \$50,000 and made payments on account of \$80,000. At October 31, 2014, the accounts payable balance is

- a. \$60,000.
- b. \$20,000.
- c. \$30,000.**
- d. \$80,000.

40-On July 7, 2014, Anaya Enterprises performed cash services of \$1,400. The entry to record this transaction would include

- a. a debit to Service Revenue of \$1,400.
- b. a credit to Accounts Receivable of \$1,400.
- c. a debit to Cash of \$1,400.**
- d. a credit to Accounts Payable of \$1,400.

41-At September 1, 2014, Crews Co. reported equity of £204,000. During the month, Crews generated revenues of £30,000, incurred expenses of £18,000, purchased equipment for £7,500 and paid dividends of £3,000. What is the amount of equity at September 30, 2014?

- a. £204,000
- b. £12,000
- c. £205,500
- d. **£213,000**

42-Which of the following rules is **incorrect**?

- a. Credits decrease the dividends account.
- b. **Debits increase the share capital-ordinary account.**
- c. Credits increase revenue accounts.
- d. Debits decrease liability accounts.

43-An account is an individual accounting record of increases and decreases in specific

- a. liabilities.
- b. assets.
- c. expenses.
- d. **assets, liabilities, and equity items.**

44-A debit is **not** the normal balance for which of the following?

- a. Asset account
- b. Dividends account
- c. Expense account
- d. **Share capital-ordinary account**

حل ذاتي – ثم تأكد من حلك في الصفحة التالية**Ex. Practice**

Journalize the following business transactions in general journal form. Identify each transaction by number.

1. The company issues ordinary shares in exchange for £25,000 cash.
2. Purchased £400 of supplies on credit.
3. Purchased equipment for £10,000, paying £3,000 in cash and signed a 30-day, £7,000, note payable.
4. Real estate commissions billed to clients amount to £4,000.
5. Paid £700 in cash for the current month's rent.
6. Paid £200 cash on account for supplies purchased in transaction 2.
7. Received a bill for £600 for advertising for the current month.
8. Paid £2,200 cash for salaries.
9. The company paid dividends of £1,200.
10. Received a check for £3,000 from a client in payment on account for commissions billed in transaction 4.

#	Account title	Dr	cr
1	Cash Share capital	25000	25000
2	Supplies Accounts payable	400	400
3	Equipment Cash Note payable	10000	3000 7000
4	Accounts receivable Service revenue	4000	4000
5	Rent expense Cash	700	700
6	Accounts payable Cash	200	200
7	Advertising expense Account payable	600	600
8	Salaries expense Cash	2200	2200
9	Dividends Cash	1200	1200
10	Cash Accounts receivable	3000	3000