
ACCOUNTING I

Overview

The accurate keeping of financial records is an ongoing activity in all types of businesses. This event provides recognition for FBLA members who have an understanding of and skill in basic accounting principles and procedures. Students who have completed more than one year of accounting instruction are **not** eligible.

This is an individual online test.

Competencies and Task Lists

<http://www.fbla-pbl.org/docs/ct/FBLA/ACCOUNTING1.pdf>

Website Resources

- Accounting Handouts for Introductory Accounting
<http://www.bboinc.com/actghome/teacher.htm>
- Bean Counter's Bookkeeping & Accounting Quizzes, Games, and Lectures
<http://www.dwmbeancounter.com/BCTutorSite/Quizzes/BCOnlineQuiz.html>
- Beginning the Accounting Cycle:
http://www.dmac.edu/instructors/taprindle/welcome_files/301/solutions/smch03.pdf
- Careers in Accounting
<http://www.careers-in-accounting.com/>
- Investopedia
<http://www.investopedia.com/>
- Principles of Accounting
<http://principlesofaccounting.com/>
- UCD Accounting Glossary
<http://accounting.ucdavis.edu/refs/glossary.cfm?list=alpha&alpha=a>

ACCOUNTING I SAMPLE QUESTIONS

1. Each entry in the purchases journal is:
 - a. posted at the end of each week
 - b. posted daily
 - c. posted often
 - d. posted at the end of a month

Competency: Journalizing

2. The journal entry for a cash receipt on account is:
 - a. debit Cash; credit Accounts Payable
 - b. debit Accounts Payable; credit Accounts Receivable
 - c. debit Cash; credit Accounts Receivable
 - d. debit Accounts Payable; credit Cash

Competency: Journalizing

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3. A special journal used to record only sales on account is the:
- sales journal
 - purchases journal
 - cash receipts journal
 - cash journal

Competency: Journalizing

4. Which one of the following is **not** a closing entry for a corporation?
- closing entry for income statement accounts
 - closing entry for adjustments
 - closing entry for the dividends account
 - closing entry to record net income or net loss in the retained earnings account

Competency: Journalizing

5. The first digit in the account number 120 means that the account is in the ____ division of the general ledger.
- expense
 - asset
 - liability
 - revenue

Competency: Account Classification

6. A liability account that summarizes the amounts owed to all vendors is titled:
- Accounts Payable
 - Accounts Receivable
 - Purchases
 - Sales

Competency: Account Classification

7. Interest expense of a business is:
- a normal operations expense
 - a contra revenue account
 - an additional cost of merchandise
 - a financial expense

Competency: Account Classification

8. A schedule of accounts receivable is prepared:
- after all current entries are posted
 - at the beginning of the month
 - before all current entries are posted
 - before the special column totals are posted

Competency: Terminology, Concepts, and Practices

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9. Recording revenue from business activities and expenses associated with earning that revenue in the same accounting period is an application of the accounting concept:
- Going Concern
 - Accounting Period Cycle
 - Matching Expenses with Revenue
 - Consistent Reporting

Competency: Terminology, Concepts, and Practices

10. A form prepared showing the price deduction taken by the customer for returns and allowances is a:
- memorandum
 - purchases allowance
 - purchase invoice
 - debit memorandum

Competency: Terminology, Concepts, and Practices

11. Total sales less sales discount and sales returns and allowances is called:
- net income
 - net sales
 - net profit
 - net loss

Competency: Income Statement

12. An income statement reports a business's financial:
- condition on a specific date
 - progress on a specific date
 - condition over a specific period of time
 - progress over a specific period of time

Competency: Income Statement

13. If an analyzed item in an income statement remains the same, an increase in net sales will:
- decrease the component percentage
 - have no effect on the component percentage
 - increase the component percentage
 - cannot determine this without examining the income statement

Competency: Income Statement

14. A balance sheet reports all of the following **except**:
- a business owner's equity
 - a business's liabilities
 - a business's assets
 - a business's net income at the end of a fiscal year

Competency: Balance Sheet

15. The extent to which current assets exceed current liabilities by:

- a. current ratio
- b. acid test ratio
- c. liquidity ratio
- d. working capital ratio

Competency: Balance Sheet

16. How many hours were worked by an employee who arrived at 8:29 a.m. and departed at 12:02 p.m.?

- a. 3 hours and 33 minutes
- b. 3 hours and 30 minutes
- c. 3 hours
- d. 3 hours and 15 minutes

Competency: Worksheet

17. Changes recorded on a worksheet to update general ledger accounts at the end of a fiscal period are:

- a. adjustments
- b. revenues
- c. financial statements
- d. retained earnings

Competency: Worksheet

18. A net loss is entered in the worksheet's:

- a. Income Statement Debit and Balance Sheet Credit columns
- b. Income Statement Debit and Trial Balance Credit columns
- c. Income Statement Credit and Balance Sheet Debit columns
- d. Balance Sheet Debit and Trial Balance Credit columns

Competency: Worksheet

19. An endorsement on the back of a check consisting only of a signature is:

- a. an incorrect endorsement
- b. a special endorsement
- c. a restrictive endorsement
- d. a blank endorsement

Competency: Bank Reconciliation

20. A petty cash fund is replenished:

- a. daily
- b. quarterly
- c. monthly
- d. yearly

Competency: Bank Reconciliation

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21. Employers must pay payroll taxes for:
- federal income, federal unemployment, and state unemployment taxes
 - social security, Medicare, and sales taxes
 - federal income, social security, and Medicare taxes
 - social security, Medicare, federal unemployment, and state unemployment taxes

Competency: Payroll

22. When a semimonthly payroll is paid, the credit to Cash is equal to the:
- total deductions for income tax and social security and Medicare tax
 - net pay of all employees
 - total earnings of all employees
 - total deductions

Competency: Payroll

23. The Accumulated Earnings column of the employee earnings record:
- shows net pay for one quarter
 - is the total earnings since the first of the year
 - shows net pay for the year
 - is the gross earnings for one quarter

Competency: Payroll

24. An organization with legal rights of a person and which may be owned by many persons:
- partnership
 - sole proprietorship
 - proprietorship
 - corporation

Competency: Types of Ownership

25. A financial statement that summarizes the changes in a corporation's ownership for a fiscal period is:
- a balance sheet
 - a distribution of net income statement
 - an income statement
 - a statement of stockholders' equity

Competency: Types of Ownership

26. When a plant asset is sold for more than the asset's book value:
- cash received plus accumulated depreciation equals original cost plus loss on disposal
 - cash received plus accumulated depreciation plus loss on disposal equals original cost
 - cash received plus accumulated depreciation equals original cost plus gain on disposal
 - cash received plus accumulated depreciation plus gain on disposal equals original cost plus gain on disposal

Competency: Depreciation

27. The purpose of recording depreciation is to:

- a. earn revenue
- b. earn money to replace the asset
- c. record an expense in the periods in which the asset is used to earn revenue
- d. recover the cash spent on plant assets

Competency: Depreciation

28. The total depreciation expense for a fax machine purchased for \$700.00 with an estimated salvage value of \$100.00 is:

- a. \$100.00
- b. \$600.00
- c. \$800.00
- d. \$700.00

Competency: Depreciation

29. Ethics are:

- a. normal behavior
- b. rules for top management
- c. standards of moral conduct
- d. laws that can be enforced

Competency: Ethics

30. An example of ethical behavior is:

- a. accepting secret business gifts
- b. invading employee privacy
- c. using company resources for personal use
- d. keeping company information confidential

Competency: Ethics