

**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 objective test.

**Competencies and Task Lists**

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

**Web Site Resources**

- Accounting Companion (Financial Accounting)  
<http://myphlip.pearsoncmg.com/cw/mplistres5.cfm?vbookid=97>
- Accounting Handouts for Introductory Accounting  
<http://www.bboinc.com/actghome/teacher.htm>
- ANET-Accounting Education Resources  
<http://accountingeducation.com/>
- Bean Counter's Bookkeeping & Accounting Quizzes, Games, and Lectures  
<http://www.dwmbeancounter.com/BCTutorSite/Quizzes/BCOnlineQuiz.html>
- Beginning the Accounting Cycle:  
[http://www.dmacc.edu/instructors/taprinde/welcome\\_files/301/solutions/smch03.pdf](http://www.dmacc.edu/instructors/taprinde/welcome_files/301/solutions/smch03.pdf)
- Careers in Accounting  
<http://www.careers-in-accounting.com/>
- UCD Accounting Glossary  
<http://accounting.ucdavis.edu/refs/glossary.cfm?list=alpha&alpha=a>

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**ACCOUNTING I SAMPLE QUESTIONS**

1. A working paper used to summarize the general ledger information needed to prepare financial statements is called a:
  - a. ledger account form
  - b. source document
  - c. worksheet
  - d. journal
2. Information for the worksheet is gathered from the:
  - a. balance sheet
  - b. income statement
  - c. general ledger accounts
  - d. journal
3. Roscoe's employer pays time-and-a-half for all hours worked in excess of 8 hours per day and double time for all hours worked on Sundays. Roscoe's regular hourly rate is \$9 per hour. During the week, Roscoe worked the following hours: Monday, 8; Tuesday, 8; Wednesday, 9; Thursday, 10; Friday, 8; Sunday, 6. Total gross wages are:
  - a. \$481.50
  - b. \$522.00
  - c. \$508.50
  - d. \$441.00

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4. Conforming or adapting one's actions to another's wishes, to a rule, or to necessity is known as:
    - a. code provision
    - b. code of ethics
    - c. compliance
    - d. credo
  
  5. Where does the authority for the functions and responsibilities of information management originate?
    - a. public law only
    - b. United States code only
    - c. public law and federal statutes
    - d. United States code and public law
  
  6. When a journal entry is posted to the general ledger, the date recorded in the general ledger account is:
    - a. the current date
    - b. the date of the journal entry
    - c. the date of the transaction
    - d. the date on which the posting is completed
  
  7. Describe the effect of the following journal entry on working capital: debit Accumulated Depreciation, Equipment, \$1,000; credit Equipment, \$1,000.
    - a. working capital is not affected
    - b. working capital increases
    - c. working capital decreases
    - d. net income decreases
  
  8. To check the equality of the ledger accounts after posting has been completed:
    - a. a trial balance is prepared
    - b. the journal is proved
    - c. an income statement is prepared
    - d. a balance sheet is prepared
  
  9. Which type of an account is Income Summary?
    - a. liability
    - b. revenue
    - c. equity
    - d. asset
  
  10. Vertical analysis can result from comparing each item on:
    - a. a balance sheet with the amount of total assets on the balance sheet
    - b. an income statement with the amount of assets on the balance sheet
    - c. balance sheets from two different periods with each other
    - d. balance sheets from two different companies for two different periods with each other
  
  11. A business owned by two or more persons is a:
    - a. charter corporation
    - b. sole proprietorship
    - c. corporation
    - d. partnership

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12. Merchandise with an invoice price of \$4,000 is purchased on June 2 subject to terms of 2/10, n/30, FOB destination. Transportation costs paid by the seller totaled \$150. What is the cost of the merchandise if paid on June 12, assuming the discount is taken?
- a. \$4,150
  - b. \$4,067
  - c. \$4,070
  - d. \$3,920
13. When must each employer furnish each employee with an annual statement of earnings and withholdings?
- a. by January 15 of the following year
  - b. with their next paycheck
  - c. by January 31 of the following year
  - d. by December 31 of the current year
14. A business has the following expense accounts: 510, Advertising Expense; 520, Miscellaneous Expense; 530, Repair Expense. A new account titled Utilities Expense is added. The account number for this new account is:
- a. 525
  - b. 550
  - c. 540
  - d. 515
15. A lost check with a blank endorsement can be cashed by:
- a. no one
  - b. only the person who endorsed the check
  - c. only the person whose name follows the words "Pay to the order of."
  - d. anyone who has the check
16. Which one of the following is a disadvantage of the corporate form of business ownership?
- a. double taxation
  - b. difficulty in transferring ownership
  - c. mutual agency
  - d. limited liability
17. Items reported on a corporation income statement that are **not** reported on a partnership income statement include:
- a. other revenue, other expense, and federal income tax
  - b. federal income tax payable and cash over and short
  - c. net sales, net purchases, and federal income tax
  - d. federal income tax
18. The financial statement that presents a summary of revenues and expenses of a business for a specific period of time, such as a month or year, is called a(n):
- a. balance sheet
  - b. prior period statement
  - c. statement of owner's equity
  - d. income statement
19. All the following are financial statements of a sole proprietorship **except**:
- a. income statement
  - b. statement of cash flows
  - c. statement of owner's equity
  - d. balance sheet

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20. The receipt of cash on account from a customer should be recorded as a debit to Cash and a credit to:
- Accounts Payable
  - Fees Income
  - Owner's Capital
  - Accounts Receivable
21. The asset a business enterprise creates when it maintains accounts for its charge customers is:
- Accounts Payable
  - Accounts Receivable
  - Equipment Receivable
  - Cash
22. Technology:
- has replaced accounting
  - has closely linked accounting with consulting, planning, and other financial services
  - has not changed the work that accountants do
  - in accounting has replaced the need for decision makers
23. Social responsibility:
- is a concern for the impact of our actions on society as a whole
  - is required by the SEC
  - requires that all businesses conduct social audits
  - is a code that helps in dealing with confidential information
24. What is depreciation?
- a decrease in the fair market value of an asset
  - added to the cost of equipment on the balance sheet
  - a method of saving cash to replace plant assets
  - an expense that is incurred during an accounting period
25. The owner's Capital account is found in the:
- trial balance credit column, adjusted trial balance credit column, and balance sheet credit column of a worksheet
  - balance sheet debit column only of a work sheet
  - trial balance credit column and income statement debit column of a worksheet
  - trial balance credit column, adjustments credit column, adjusted trial balance credit column, and balance sheet credit column of a worksheet
26. All of the following are items that cause a difference between the bank balance and the book balance **except**:
- deposits in transit
  - cancelled checks
  - NSF checks
  - bank service charges
27. In a bank reconciliation, a \$400 NSF check is:
- added to the checkbook balance
  - deducted from the checkbook balance
  - deducted from the bank balance
  - added to the bank balance

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28. Which one of the following assets is **not** depreciated?
- a. computers
  - b. land
  - c. buildings
  - d. store fixtures
29. On a classified balance sheet, Prepaid Insurance is classified as:
- a. property and equipment
  - b. an equity account
  - c. a current liability
  - d. a current asset
30. All of the following represent advantages of corporations over other forms of business ownership **except**:
- a. ease of transferring ownership
  - b. continuity of existence
  - c. unlimited stockholders' liability
  - d. separate legal entity