

Overview

The accurate keeping of financial records is a vital ongoing activity in all types of businesses. This event provides recognition for FBLA members who have demonstrated an understanding of and skill in accounting principles and procedures as applied to sole proprietorships, partnerships, and corporations.

This event consists of two parts: an objective test taken at the NLC and a skills production test taken prior to the NLC.

Competencies and Task Lists

<http://www.fbla-pbl.org/docs/ct/FBLA/ACCOUNTING2.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
- Careers in Accounting
<http://www.careers-in-accounting.com/>
- UCD Accounting Glossary
<http://accounting.ucdavis.edu/refs/glossary.cfm?list=alpha&alpha=a>

ACCOUNTING II SAMPLE QUESTIONS

1. What is the time value of money?
 - a. the time that it takes coins to increase in value
 - b. the amount of the dividend divided by the time invested
 - c. the value of time in inflation
 - d. the increase of an amount of money due to earned interest or dividends
2. Which one of the following is **not** one of the three subsidiary ledgers used in a manufacturing business?
 - a. overhead ledger
 - b. materials ledger
 - c. cost ledger
 - d. finished goods ledger
3. The depreciation system used by many businesses for tax purposes is:
 - a. Accelerated Cost Recovery System
 - b. Modified Accelerated Cost Recovery System
 - c. Modified Actual Cost Recovery System
 - d. Modified Adjusted Cost Recovery System

-
4. What term is best defined as the decrease in the value of a plant asset because of the removal of a natural resource?
 - a. disposal
 - b. devaluation
 - c. depreciation
 - d. depletion
 5. A form of balance sheet that lists the Liabilities and the Owner's Equity sections below the Assets section is called:
 - a. journal form
 - b. account form
 - c. current form
 - d. report form
 6. After the accounts are closed and the journal entries have been posted, the following account would **not** have a balance:
 - a. supplies
 - b. accounts payable
 - c. miscellaneous expense
 - d. accumulated depreciation
 7. The journal entry to close the Income Summary account (showing a loss) includes:
 - a. debiting the capital account and crediting Income Summary
 - b. debiting the drawing account and crediting Income Summary
 - c. debiting Income Summary and crediting the drawing account
 - d. debiting Income Summary and crediting the capital account
 8. The Fair Labor Standards Act provides the following minimum rate to be paid to employees for all hours worked over 40 hours per week:
 - a. same rate as the regular rate
 - b. one and one-half times the regular rate
 - c. two times the regular rate
 - d. two and one-half times the regular rate
 9. A common approach to keeping a record of each customer's accounts receivable is to use a:
 - a. controlling account
 - b. subsidiary accounts receivable ledger
 - c. sales journal
 - d. general journal
 10. Assume the gross amount of an invoice is \$150 and a discount of 10% is allowed. The amount to be entered in the accounting records would be:
 - a. \$135
 - b. \$165
 - c. \$150
 - d. \$140
 11. What does it mean when the terms on an invoice are 4/15, n/30?
 - a. 15 percent will be allowed if payment is made with four days from the date of the invoice
 - b. 4 percent will be allowed if payment is made by the fifteenth of the month
 - c. 15 percent will be allowed if payment is made by the fourth day after the date of the invoice
 - d. 4 percent will be allowed if payment is made within fifteen days from the date of the invoice

-
12. The following indicates that a shipment is free on board at the destination of the shipment and the seller will pay the transportation costs.
 - a. FOB destination
 - b. FOB shipping point
 - c. 4/10, EOM
 - d. COD

 13. What accounting term is defined as transferring information from the journal to the ledger?
 - a. balancing
 - b. journalizing
 - c. entering
 - d. posting

 14. Bond Department shows gross sales of \$116,000 and cost of goods sold of \$38,000. What is the gross profit of Bond Department?
 - a. \$87,000
 - b. \$154,000
 - c. \$78,000
 - d. not enough information given

 15. In comparison with the single proprietorship form of organization, the partnership form offers the following advantage(s):
 - a. combination of ability and experience of the partners
 - b. legal liability of each partner for all the debts of the partnership
 - c. simple transfer of interest in the partnership to outsiders
 - d. limited life

 16. Because corporations are chartered either with perpetual life or with provision for renewal if the charter specifies a limit, irrespective of the deaths of any stockholders or disposal of their stock, corporations are said to have the characteristic of:
 - a. limited liability of owners
 - b. taxation of corporate earnings
 - c. transferable ownership units
 - d. unlimited life

 17. A form issued by the corporation that shows the name of the stockholder and the number of shares owned is called:
 - a. articles of incorporation
 - b. charter
 - c. stock certificate
 - d. proxy

 18. Most corporations must estimate their annual income taxes and make:
 - a. semiannual payments
 - b. monthly payments
 - c. quarterly payments
 - d. annual payments

 19. How do corporate dividends declared affect the Statement of Stockholders Equity?
 - a. They are added to Capital Stock.
 - b. They are subtracted from Capital Stock.
 - c. They are added to Stockholders' Equity.
 - d. They are subtracted from Retained Earnings.

-
20. A debt to equity ratio of 1 indicates:
- the assets equal the equities
 - the business cannot pay its debts
 - the business is in danger of being closed
 - the liabilities equal the equities
21. What term is defined as a comparison of the relationship between one item on a current financial statement and the same item on a previous fiscal period's financial statement?
- comparative analysis
 - ratio analysis
 - fiscal analysis
 - trend analysis
22. Which set of account numbers would be unique to a departmentalized business?
- 4115-1 and 4115-2
 - 130 and 140
 - 250 and 270
 - 21101 and 21102
23. Which one of the following is the best description of the departmental margin?
- revenue earned by one department less its cost of merchandise sold less its direct expenses
 - revenue earned by all departments less total cost of merchandise sold
 - revenue earned by one department plus its cost of merchandise sold less its direct expenses
 - revenue earned by all departments less one department's cost of merchandise sold and direct expenses
24. Which professional accounting organization provides the guiding principles for ethical decision making by accountants?
- Internal Revenue Service
 - Securities and Exchange Commission
 - American Accounting Association
 - American Institute of Certified Public Accountants
25. During a period of decreasing prices, which inventory valuing method usually results in the highest reported net income?
- FIFO
 - LIFO
 - weighted-average
 - lower of cost or market
26. What is the multi-columnar form used to prepare all general ledger accounts for the end-of-the-fiscal-period statements?
- worksheet
 - trial balance
 - ledger summary sheet
 - accounts summary statement
27. Which one of the following is **not** a method commonly used to calculate the distribution of partnership earnings?
- percentage of goodwill
 - fixed percentage
 - interest on equity
 - percentage of total equity

-
28. What are the principles for right and wrong that guide an individual in making decisions?
- civility
 - ethics
 - business loyalty
 - expectations
29. During the budgeting process, which budget schedule is prepared first?
- selling expenses budget schedule
 - administrative expenses budget schedule
 - purchases budget schedule
 - sales budget schedule
30. What is the amount of sales called when net sales are equal to total costs?
- breakeven point
 - contribution margin
 - total variable expenses
 - total fixed expenses
-

ACCOUNTING II SAMPLE PRODUCTION TEST

Instructions

Students will have one hour to complete the production test and they may use any accounting or spreadsheet software to complete the problems.

Students are allowed to bring in prepared templates for testing which may include, but not limited to a general journal, bank reconciliation, financial statements, and a worksheet.

JOB 1: BALANCE SHEET

Using the following data, prepare a balance sheet as of December 31, 2010, for a sole proprietorship called Pierce Company.

Accounts Payable	\$ 800
Building Not Currently Used	9,500
Carol Pierce, Capital	21,300
Copyrights	2,500
Bonds Payable (due in 20 years)	6,500
Accounts Receivable	1,500
Cash	2,600
Unearned Revenue	400
Short-Term Investments	1,000
Land	8,000
Equipment	3,500
Long-term Investments	400

Print Job 1 Print balance sheet.