

# Study Guide 9

Name	Perfect Score	Your Score
Identifying Accounting Terms	6 Pts.	
Analyzing Accounts Affected by Adjusting and Closing Entries	14 Pts.	
Analyzing Accounts After Closing Entries Are Posted	16 Pts.	
Analyzing Adjusting and Closing Entries	9 Pts.	
<b>Total</b>	<b>45 Pts.</b>	

## Part One—Identifying Accounting Terms

Directions: Select the one term in Column I that best fits each definition in Column II. Print the letter identifying your choice in the Answers column.

Column I	Column II	Answers
A. accounting cycle	1. Journal entries recorded to update general ledger accounts at the end of a fiscal period. (p. 192)	1. _____
B. adjusting entries	2. Accounts used to accumulate information from one fiscal period to the next. (p. 198)	2. _____
C. closing entries	3. Accounts used to accumulate information until it is transferred to the owner's capital account. (p. 197)	3. _____
D. permanent accounts	4. Journal entries used to prepare temporary accounts for a new fiscal period. (p. 197)	4. _____
E. post-closing trial balance	5. A trial balance prepared after the closing entries are posted. (p. 207)	5. _____
F. temporary accounts	6. The series of accounting activities included in recording financial information for a fiscal period. (p. 208)	6. _____

Name \_\_\_\_\_

### ***Part Three—Analyzing Accounts After Closing Entries Are Posted (p. 207)***

**Directions:** For each account listed below, decide whether the account will normally appear on a post-closing trial balance. Place a check mark in the proper Answers column to show your answer.

	<b><i>Appears on a Post-Closing Trial Balance</i></b>	
	<b>Yes</b>	<b>No</b>
1. Accounts Receivable—J. Land	1. _____	_____
2. Supplies Expense	2. _____	_____
3. Sales	3. _____	_____
4. Miscellaneous Expense	4. _____	_____
5. Prepaid Insurance	5. _____	_____
6. Petty Cash	6. _____	_____
7. Accounts Payable—AA Supplies	7. _____	_____
8. Rent Expense	8. _____	_____
9. Susan Ruff, Drawing	9. _____	_____
10. Supplies	10. _____	_____
11. Cash	11. _____	_____
12. Advertising Expense	12. _____	_____
13. Insurance Expense	13. _____	_____
14. Susan Ruff, Capital	14. _____	_____
15. Income Summary	15. _____	_____
16. Utilities Expense	16. _____	_____

## Part Two—Analyzing Accounts Affected by Adjusting and Closing Entries

**Directions:** Use the partial chart of accounts given below. For each adjusting or closing entry described, decide which accounts are debited and credited. Write the account numbers identifying your choice in the proper Answers column.

<b>Account Title</b>	<b>Acct. No.</b>
Supplies	150
Prepaid Insurance	160
Barbara Trevino, Capital	310
Barbara Trevino, Drawing	320
Income Summary	330
Sales	410
Advertising Expense	510
Insurance Expense	520
Supplies Expense	550

### Accounts to Be Debited      Credited

- |  |           |           |
|--|-----------|-----------|
| 1-2. Adjusting entry for Supplies. (p. 194)                        | 1. _____  | 2. _____  |
| 3-4. Adjusting entry for Prepaid Insurance. (p. 195)               | 3. _____  | 4. _____  |
| 5-6. Closing entry for Sales. (p. 199)                             | 5. _____  | 6. _____  |
| 7-8. Closing entry for all expense accounts. (p. 200)              | 7. _____  | 8. _____  |
| 9-10. Closing entry for Income Summary with a net income. (p. 201) | 9. _____  | 10. _____ |
| 11-12. Closing entry for Income Summary with a net loss. (p. 201)  | 11. _____ | 12. _____ |
| 13-14. Closing entry for owner's drawing account. (p. 202)         | 13. _____ | 14. _____ |

## Part Four—Analyzing Adjusting and Closing Entries

**Directions:** For each of the following items, select the choice that best completes the statement. Print the letter identifying your choice in the Answers column.

### Answers

1. Which accounting concept applies when a work sheet is prepared at the end of each fiscal cycle to summarize the general ledger information needed to prepare financial statements? (A) Business Entity (B) Accounting Period Cycle (C) Adequate Disclosure (D) Consistent Reporting. (p. 192) 1. \_\_\_\_\_
2. Which accounting concept applies when expenses are reported in the same fiscal period that they are used to produce revenue? (A) Business Entity (B) Going Concern (C) Matching Expenses with Revenue (D) Adequate Disclosure. (p. 194) 2. \_\_\_\_\_
3. Information needed for journalizing the adjusting entries is obtained from the (A) general ledger account Balance columns (B) income statement (C) work sheet's Adjustments columns (D) balance sheet. (p. 194) 3. \_\_\_\_\_
4. After adjusting entries are posted, the supplies account balance will be equal to (A) the value of supplies used during the fiscal period (B) the value of the supplies on hand at the end of the fiscal period (C) zero (D) none of these. (p. 194) 4. \_\_\_\_\_
5. When revenue is greater than total expenses, resulting in a net income, the income summary account has a (A) debit balance (B) credit balance (C) normal debit balance (D) normal credit balance. (p. 198) 5. \_\_\_\_\_
6. Information needed for recording the closing entries is obtained from the (A) general ledger accounts' Debit Balance columns (B) work sheet's Income Statement and Balance Sheet columns (C) balance sheet (D) income statement. (p. 198) 6. \_\_\_\_\_
7. Income summary is (A) an asset account (B) a liability account (C) a temporary account (D) a permanent account. (p. 199) 7. \_\_\_\_\_
8. After the closing entries are posted, the owner's capital account balance should be the same as (A) shown on the balance sheet for the fiscal period (B) shown in the work sheet's Balance Sheet Debit column (C) shown in the work sheet's Balance Sheet Credit column (D) shown in the work sheet's Income Statement Debit column. (p. 202) 8. \_\_\_\_\_
9. The accounts listed on a post-closing trial balance are (A) those that have balances after the closing entries are posted (B) all general ledger accounts (C) those that have no balances after adjusting and closing entries (D) those that appear in the work sheet's Trial Balance columns. (p. 207) 9. \_\_\_\_\_