

Study Guide 3

Name	Perfect Score	Your Score
Identifying Accounting Terms	5 Pts.	
Analyzing Transactions into Debit and Credit Parts	20 Pts.	
Identifying Changes in Accounts	15 Pts.	
Total	40 Pts.	

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. chart of accounts	1. An accounting device used to analyze transactions. (p. 42)	1. _____
B. credit	2. The side of the account that is increased. (p. 42)	2. _____
C. debit	3. An amount recorded on the left side. (p. 42)	3. _____
D. normal balance	4. An amount recorded on the right side. (p. 42)	4. _____
E. T account	5. A list of accounts used by a business. (p. 45)	5. _____

Part Two—Analyzing Transactions into Debit and Credit Parts

Directions: Analyze each of the following transactions into debit and credit parts. Print the letter identifying your choice in the proper Answers columns.

Account Titles

- | | | |
|----------------------------------|---|-----------------------------|
| A. Cash | D. Prepaid Insurance | G. Barbara Treviño, Drawing |
| B. Accounts Receivable—Kids Time | E. Accounts Payable—Ling Music Supplies | H. Sales |
| C. Supplies | F. Barbara Treviño, Capital | I. Rent Expense |

Answers

	Debit	Credit
1-2. Received cash from owner as an investment. (p. 45)	1. _____	2. _____
3-4. Paid cash for supplies. (p. 46)	3. _____	4. _____
5-6. Paid cash for insurance. (p. 47)	5. _____	6. _____
7-8. Bought supplies on account from Ling Music Supplies. (p. 48)	7. _____	8. _____
9-10. Paid cash on account to Ling Music Supplies. (p. 49)	9. _____	10. _____
11-12. Received cash from sales. (p. 51)	11. _____	12. _____
13-14. Sold services on account to Kids Time. (p. 52)	13. _____	14. _____
15-16. Paid cash for rent. (p. 53)	15. _____	16. _____
17-18. Received cash on account from Kids Time. (p. 54)	17. _____	18. _____
19-20. Paid cash to owner for personal use. (p. 55)	19. _____	20. _____

Name _____

Part Three—Identifying Changes in Accounts

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. The values of all things owned (assets) are on the account equation's (A) left side (B) right side (C) credit side (D) none of these. (p. 40) 1. _____
2. The values of all equities or claims against the assets (liabilities and owner's equity) are on the account equation's (A) left side (B) right side (C) debit side (D) none of these. (p. 40) 2. _____
3. An amount recorded on the left side of a T account is a (A) debit (B) credit (C) normal balance (D) none of these. (p. 42) 3. _____
4. An amount recorded on the right side of a T account is a (A) debit (B) credit (C) normal balance (D) none of these. (p. 42) 4. _____
5. The normal balance side of any asset account is the (A) debit side (B) credit side (C) right side (D) none of these. (p. 42) 5. _____
6. The normal balance side of any liability account is the (A) debit side (B) credit side (C) left side (D) none of these. (p. 42) 6. _____
7. The normal balance side of an owner's capital account is the (A) debit side (B) credit side (C) left side (D) none of these. (p. 42) 7. _____
8. Debits must equal credits (A) in a T account (B) on the equation's left side (C) on the equation's right side (D) in all transactions. (p. 45) 8. _____
9. Decreases in an asset account are shown on a T account's (A) debit side (B) credit side (C) balance side (D) none of these. (p. 45) 9. _____
10. Decreases in any liability account are shown on a T account's (A) debit side (B) credit side (C) right side (D) none of these. (p. 49) 10. _____
11. Increases in an owner's capital account are shown on a T account's (A) debit side (B) credit side (C) left side (D) none of these. (p. 51) 11. _____
12. Increases in a revenue account are shown on a T account's (A) debit side (B) credit side (C) left side (D) none of these. (p. 51) 12. _____
13. The normal balance side of any revenue account is the (A) debit side (B) credit side (C) left side (D) none of these. (p. 51) 13. _____
14. The normal balance side of any expense account is the (A) debit side (B) credit side (C) right side (D) none of these. (p. 53) 14. _____
15. The normal balance side of an owner's drawing account is the (A) debit side (B) credit side (C) left side (D) none of these. (p. 55) 15. _____