

Study Guide 4

Name	Perfect Score	Your Score
Identifying Accounting Terms	11 Pts.	
Identifying Accounting Concepts and Practices	19 Pts.	
Analyzing a General Journal	10 Pts.	
Analyzing Recording Transactions in a General Journal	10 Pts.	
Total	50 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. check	1. A form for recording transactions in chronological order. (p. 64)	1. _____
B. double-entry accounting	2. Recording transactions in a journal. (p. 64)	2. _____
C. entry	3. Information for each transaction recorded in a journal. (p. 66)	3. _____
D. general journal	4. A journal with two amount columns in which all kinds of entries can be recorded. (p. 66)	4. _____
E. invoice	5. The recording of debit and credit parts of a transaction. (p. 66)	5. _____
F. journal	6. A business paper from which information is obtained for a journal entry. (p. 66)	6. _____
G. journalizing	7. A business form ordering a bank to pay cash from a bank account. (p. 67)	7. _____
H. memorandum	8. A form describing the goods or services sold, the quantity, and the price. (p. 67)	8. _____
I. receipt	9. An invoice used as a source document for recording a sale on account. (p. 67)	9. _____
J. sales invoice	10. A business form giving written acknowledgment for cash received. (p. 68)	10. _____
K. source document	11. A form on which a brief message is written describing a transaction. (p. 68)	11. _____

Part Two—Identifying Accounting Concepts and Practices

Directions: Place a *T* for True or an *F* for False in the Answers column to show whether each of the following statements is true or false.

	Answers
1. Transactions are recorded in a journal in one place and in order by date. (p. 66)	1. _____
2. For each transaction in a journal, both debit and credit parts are recorded. (p. 66)	2. _____
3. Examples of source documents include checks, sales invoices, memorandums, and letters. (p. 66)	3. _____
4. The source document for cash payments is a sales invoice. (p. 67)	4. _____
5. The objective evidence accounting concept requires that there be proof that a transaction did occur. (p. 68)	5. _____
6. A calculator tape is the source document for daily sales. (p. 68)	6. _____
7. A check is an example of a source document when items are paid in cash. (p. 70)	7. _____
8. The year is written only once on a journal page. (p. 69)	8. _____
9. The month is written once for each transaction on a journal page. (p. 69)	9. _____
10. Journal entries have three parts: date, debit part, and credit part. (p. 69)	10. _____
11. The source document used when supplies are bought on account is a memorandum. (p. 73)	11. _____
12. The source document used when supplies bought on account are paid for is a check. (p. 74)	12. _____
13. The abbreviation for the source document <i>calculator tape</i> is CT. (p. 76)	13. _____
14. The abbreviation for the source document <i>sales invoice</i> is SI. (p. 77)	14. _____
15. The source document used when cash is received from sales is a calculator tape. (p. 76)	15. _____
16. Decreases in the owner's capital account are recorded as credits. (p. 78)	16. _____
17. A general journal page is complete when there is insufficient space to record any more entries. (p. 82)	17. _____
18. Each journal entry requires at least two lines. (p. 82)	18. _____
19. In correcting an error in accounting work, simply draw a line through the incorrect item and write the correct item above the canceled item. (p. 84)	19. _____

Name _____

Part Three—Analyzing a General Journal

Directions: The columns of the journal below are identified with capital letters. For each of the following items, decide which column is being described. Print the letter identifying your choice in the Answers column.

GENERAL JOURNAL										PAGE	
	DATE			ACCOUNT TITLE	DOC. NO.	POST. REF.	DEBIT		CREDIT		
	A	B	C		D	E	F	G	H	I	
1											1
2											2

Answers

- | | |
|---|-----------|
| 1. Write the year for the first entry on a journal page. (p. 69) | 1. _____ |
| 2. Write the name of the month for the first entry. (p. 69) | 2. _____ |
| 3. Write the day of the month for an entry. (p. 69) | 3. _____ |
| 4. Write the title of the account to be debited. (p. 69) | 4. _____ |
| 5. Write the source document number for an entry. (p. 69) | 5. _____ |
| 6. Write the title of the account to be credited. (p. 69) | 6. _____ |
| 7. Write the credit amount when cash is received from the owner as an investment. (p. 69) | 7. _____ |
| 8. Write the debit amount when cash is received from sales. (p. 76) | 8. _____ |
| 9. Write the amount credited to Sales. (p. 76) | 9. _____ |
| 10. Write the amount debited to Rent Expense. (p. 78) | 10. _____ |

Part Four—Analyzing Recording Transactions in a General Journal

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

- | | Answers |
|---|----------------|
| 1. Preparing a source document for each transaction is an application of the accounting concept (A) Business Entity (B) Unit of Measurement (C) Objective Evidence (D) Going Concern. (p. 66) | 1. _____ |
| 2. A general journal entry includes (A) the debit and credit parts of a transaction (B) the date, debit, and credit parts of a transaction (C) the date, debit, credit, and source document (D) none of the above. (p. 69) | 2. _____ |
| 3. The entry to record receipt of cash from the owner as an investment is (A) debit Capital, credit Cash (B) debit Cash, credit Capital (C) debit Cash, credit Accounts Payable (D) none of the above. (p. 69) | 3. _____ |
| 4. The account debited when cash is paid for supplies is (A) Supplies (B) Cash (C) Supplies Expense (D) none of the above. (p. 70) | 4. _____ |
| 5. When cash is paid for insurance, (A) the prepaid insurance account is decreased (B) the prepaid insurance account is credited (C) the balance of the prepaid insurance account is increased (D) none of the above. (p. 72) | 5. _____ |
| 6. When supplies are bought on account, the account debited is (A) Cash (B) Supplies (C) Capital (D) none of the above. (p. 73) | 6. _____ |
| 7. The source document for a payment of cash for the electric bill is (A) a receipt (B) a check (C) a memorandum (D) any of the above. (p. 78) | 7. _____ |
| 8. If there is only one blank line remaining on a journal page, (A) the journal entry is split (B) a new account is opened (C) a new page is started (D) none of the above. (p. 82) | 8. _____ |
| 9. If an error is discovered in a general journal entry, (A) cancel the error by drawing a neat line through the error (B) correct the entry by writing the correct item above the canceled error (C) do not erase the incorrect item (D) all of the above. (p. 84) | 9. _____ |
| 10. Words in accounting are (A) written in full when space permits (B) abbreviated wherever possible (C) printed rather than written (D) none of the above. (p. 84) | 10. _____ |