

# Study Guide 6

Name	Perfect Score	Your Score
Identifying Accounting Terms	12 Pts.	
Analyzing Transactions in a Cash Control System	12 Pts.	
Identifying Accounting Concepts and Practices	20 Pts.	
<b>Total</b>	<b>44 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.

<b>Column I</b>	<b>Column II</b>	<b>Answers</b>
A. bank statement	1. A bank account from which payments can be ordered by a depositor. (p. 120)	1. _____
B. blank endorsement	2. A signature or stamp on the back of a check, transferring ownership. (p. 121)	2. _____
C. checking account	3. An endorsement consisting only of the endorser's signature. (p. 121)	3. _____
D. debit card	4. An endorsement indicating a new owner of a check. (p. 121)	4. _____
E. dishonored check	5. An endorsement restricting further transfer of a check's ownership. (p. 121)	5. _____
F. electronic funds transfer	6. A check with a future date on it. (p. 122)	6. _____
G. endorsement	7. A report of deposits, withdrawals, and bank balances sent to a depositor by a bank. (p. 125)	7. _____
H. petty cash	8. A check that a bank refuses to pay. (p. 130)	8. _____
I. petty cash slip	9. A computerized cash payments system that uses electronic impulses to transfer funds. (p. 132)	9. _____
J. postdated check	10. A bank card that, when making purchases, automatically deducts the amount of the purchase from the checking account of the cardholder. (p. 133)	10. _____
K. restrictive endorsement	11. An amount of cash kept on hand and used for making small payments. (p. 135)	11. _____
L. special endorsement	12. A form showing proof of a petty cash payment. (p. 136)	12. _____

Name \_\_\_\_\_

### Part Three—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.

	<b>Answers</b>
1. Because cash transactions occur more frequently than other transactions, the chances for making recording errors affecting cash are less. (p. 118)	1. _____
2. When a deposit is made in a bank account, the bank issues a receipt. (p. 120)	2. _____
3. There are four types of endorsements commonly used: blank, special, original, and restrictive. (p. 121)	3. _____
4. A check with a blank endorsement can be cashed by anyone who has the check. (p. 121)	4. _____
5. When writing a check, the first step is to prepare the check stub. (p. 122)	5. _____
6. Most banks do not look at the date the check is written and will withdraw money from the depositor's account anytime. (p. 122)	6. _____
7. The amount of a check is written twice on each check. (p. 122)	7. _____
8. A check that contains errors must be marked with the word VOID and another check must be written. (p. 123)	8. _____
9. An outstanding check is one that has been issued but not yet reported on a bank statement by the bank. (p. 125)	9. _____
10. An important aspect of cash control is verifying that the information on a bank statement and a checkbook are in agreement. (p. 126)	10. _____
11. Banks deduct service charges from customers' checking accounts without requiring customers to write a check for the amount. (p. 127)	11. _____
12. Not only do banks charge a fee for handling a dishonored check, but they also deduct the amount of the check from the account as well. (p. 130)	12. _____
13. The journal entry for a payment on account using electronic funds transfer is exactly the same as when the payment is made by check. (p. 132)	13. _____
14. The source document for an electronic funds transfer is a memorandum. (p. 132)	14. _____
15. The source document for a debit card purchase is a memorandum. (p. 133)	15. _____
16. Encore Music maintains a petty cash fund for making large cash payments without writing checks. (p. 135)	16. _____
17. Using a petty cash fund usually decreases the number of checks that have to be written. (p. 135)	17. _____
18. A memorandum is the source document for the entry to record establishing a petty cash fund. (p. 135)	18. _____
19. Anytime a payment is made from the petty cash fund, a petty cash slip is prepared showing proof of a petty cash payment. (p. 136)	19. _____
20. When the petty cash fund is replenished, the balance of the petty cash account increases. (p. 137)	20. _____

## Part Two—Analyzing Transactions in a Cash Control System

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

### Account Titles

- |                                   |                                    |
|-----------------------------------|------------------------------------|
| A. Cash                           | D. Supplies                        |
| B. Petty Cash                     | E. Accounts Payable—Super Supplies |
| C. Accounts Receivable—B. Johnson | F. Miscellaneous Expense           |

<b>Transactions</b>	<b>Debit</b>	<b>credit</b>
1-2. Received bank statement showing bank service charge. (p. 128)	1. _____	2. _____
3-4. Received notice from a bank of a dishonored check from B. Johnson. (p. 131)	3. _____	4. _____
5-6. Paid cash on account to Super Supplies using EFT. (p. 132)	5. _____	6. _____
7-8. Purchased supplies using a debit card. (p. 133)	7. _____	8. _____
9-10. Paid cash to establish a petty cash fund. (p. 135)	9. _____	10. _____
11-12. Paid cash to replenish a petty cash fund: \$12.00, supplies; \$3.50, miscellaneous expense. (p. 137)	11. _____	12. _____