
Student Name: _____

Teacher: _____ Date: _____

District: Granville

Assessment: 9_12 Business and IT BA10 - Accounting I Test 4

Description: Final Exam Review Ch 1-10

Form: 501

1. What is an example of an account that has a normal debit balance?

- A. Mary Johnson, Capital**
- B. Accounts Payable/Ray's Office Equipment**
- C. Rent Expense**
- D. Sales**

2. Sales is classified as:

- A. assets.**
- B. expenses.**
- C. liabilities.**
- D. revenue.**

3. What is an example of an account that has a normal credit balance?

- A. Cash**
- B. Joan Brown, Drawing**
- C. Supplies**
- D. Tyler Jackson, Capital**

4. What is the effect when \$300 cash is paid to Accounts Payable/Bob's Office Supply?

- A. Assets decrease \$300 and owner's equity decreases \$300.**
- B. Assets increase \$300 and owner's equity increases \$300.**
- C. Assets increase \$300 and liabilities decreases \$300.**
- D. Assets decrease \$300 and liabilities decrease \$300.**

5. What is the effect when \$200 cash is paid to an advertising agency for advertisements for the business?
- A. Assets decrease \$200 and owner's equity decreases \$200.
 - B. Assets increase \$200 and owner's equity increases \$200.
 - C. Assets increase \$200 and owner's equity decreases \$200.
 - D. Liabilities increase \$200 and owner's equity decreases \$200.
6. The transaction, RECEIVED CHECK FROM FRANK HARPER, OWNER, AS AN INVESTMENT, would result in which journal entry?
- A. Debit Cash and credit Frank Harper, Capital
 - B. Debit Cash and credit Frank Harper, Drawing
 - C. Debit Frank Harper, Capital and credit Cash
 - D. Debit Frank Harper, Drawing and credit Cash
7. The transaction, PAID CASH FOR ELECTRIC BILL (UTILITIES EXPENSE) would result in which journal entry?
- A. Debit Cash and credit Utilities Expense
 - B. Debit Cash and credit Ted Bright, Drawing
 - C. Debit Ted Bright, Drawing and credit Cash
 - D. Debit Utilities Expense and credit Cash
8. The transaction, SOLD SERVICES ON ACCOUNT TO BETH PARKER, would result in which journal entry?
- A. Debit Accounts Receivable/Beth Parker and credit Cash
 - B. Debit Accounts Receivable/Beth Parker and credit Sales
 - C. Debit Cash and credit Accounts Receivable/Beth Parker
 - D. Debit Cash and credit Sales
9. The transaction, RECEIVED CHECK FROM PARKER, INC., IN PAYMENT ON ITS ACCOUNT, would result in which journal entry?
- A. Debit Accounts Receivable/Parker INC., and credit Cash
 - B. Debit Cash and credit Accounts Receivable/Parker, INC.
 - C. Debit Cash and credit Supplies
 - D. Debit Supplies and credit Cash
10. The transaction, PAID CASH FOR RENT, would result in which journal entry?
- A. Debit Cash and credit Miscellaneous Expense
 - B. Debit Cash and credit Rent Expense
 - C. Debit Miscellaneous Expense and credit Cash
 - D. Debit Rent Expense and credit Cash

11. Sharon takes responsibility and initiative for her own work at Accounting Temps. This is an example of which 21st Century Skill?
- A. Information and communication
 - B. Interpersonal
 - C. Self-direction
 - D. Thinking and problem-solving
12. Lisa is applying for a position in a small insurance agency. The company is looking to hire an individual that can convert their manual accounting system to a computerized system. She listed on her application that she has an accounting degree as well as an emphasis in computerized systems. This is classified as which skill?
- A. Basic Skills
 - B. Workplace Skills
 - C. Foundations Skills
 - D. Communication Skills
13. Mary has applied for a position as an accounting clerk for a local company. She listed as her qualifications that she is a problem-solver and needs little direction to complete assigned tasks. This is classified as which skill?
- A. 21st Century Skills
 - B. Workplace Skills
 - C. Foundation Skills
 - D. Communication Skills
14. Jamie is an accountant. She knows that she is expected to produce accurate financial reports from her audit. She knows when she submits her report to her superiors her friend will suffer consequences for misappropriation of funds. Jamie submits an accurate report and follows which key principle for ethics in accounting?
- A. Competence
 - B. Confidentiality
 - C. Independence
 - D. Objectivity
15. John has applied for a position as Chief Financial Officer for a Fortune 500 company. He listed as his qualifications that he is a problem-solver and has the ability to plan and resolve issues. This is classified as which skill?
- A. 21st Century Skills
 - B. Workplace Skills
 - C. Foundation Skills
 - D. Communication Skills

16. What is the correct journal entry for the transaction, RECEIVED BIKE RENTAL FEES, \$375?
- A. Debit Cash and credit Rental Fees
 - B. Debit Miscellaneous Expense and credit Cash
 - C. Debit Rental Fees and credit Cash
 - D. Debit Rental Fees and credit Miscellaneous Expense
17. A journal's column totals are General Debit, \$500; General Credit, \$200; Sales Credit, \$350; Cash Debit, \$1,000; Cash Credit, \$950. This means that the:
- A. Cash debit column is incorrect.
 - B. General credit column is incorrect.
 - C. Journal does not prove.
 - D. Journal proves.
18. What is the correct journal entry for the transaction, PAID CASH FOR AN OFFICE DESK, \$250?
- A. Debit Cash and credit Office Equipment
 - B. Debit Cash and debit Office Equipment
 - C. Debit Computer Supplies and credit Cash
 - D. Debit Office Equipment and credit Cash
19. What is the correct journal entry for the transaction, PAID CASH TO JOHN SMITH, OWNER FOR PERSONAL USE, \$500?
- A. Debit Cash and credit John Smith, Capital
 - B. Debit Cash and credit John Smith, Drawing
 - C. Debit John Smith, Capital, and credit Cash
 - D. Debit John Smith, Drawing and credit Cash
20. What is the correct journal entry for the transaction, BOUGHT SUPPLIES ON ACCOUNT FROM JONES SUPPLY COMPANY, \$250?
- A. Debit Accounts Payable/Jones Supply Company and credit Cash
 - B. Debit Supplies and credit Accounts Payable/Jones Supply Company
 - C. Debit Account Payable/Jones Supply Company and credit Supplies
 - D. Debit Supplies and credit Cash
21. If the beginning supplies balance is \$2,200, and the ending supplies balance is \$700, the correct adjustment on the work sheet is to debit:
- A. Supplies and credit Supplies Expense \$700.
 - B. Supplies and credit Supplies Expense \$1,500.
 - C. Supplies Expense and credit Supplies \$700.
 - D. Supplies Expense and credit Supplies \$1,500.

Please use the following passage for this question.

Scenario 2.02 B

Jackson Company has Sales of \$7,500. The company has the following expenses:

Advertising Expense - \$1,300

Insurance Expense - \$850

Rent Expense - \$900

Supplies Expense - \$250

Utilities Expense - \$175

22. In Scenario 2.02 B, what is the component percentage for Rent Expense?

- A. 12%**
- B. 2.5%**
- C. 2.3%**
- D. 16%**

23. On a worksheet, the Income Statement credit total is \$2,150 and the Income Statement debit total is \$2,400. The company has a:

- A. Net income of \$4,550.**
- B. Net income of \$250.**
- C. Net loss of \$4,550.**
- D. Net loss of \$250.**

Please use the following passage for this question.

Figure 2.02 - C

Maxwell Company				
Work Sheet				
For the Month Ended April 30, 2XXX				
Account Title	Income Statement		Balance Sheet	
	Debit	Credit	Debit	Credit
Cash			1,000.00	
Accounts Receivable			90.00	
Supplies			610.00	
Prepaid Insurance			1,200.00	
Accounts Payable				975.00
Amos Maxwell, Capital				1,025.00
Amos Maxwell, Drawing			100.00	
Sales		3,000.00		
Advertising Expense	450.00			
Insurance Expense	300.00			
Miscellaneous Expense	200.00			
Rent Expense	800.00			
Supplies Expense	250.00			
	2,000.00	3,000.00	3,000.00	2,000.00
Net Income	1,000.00			1,000.00
	3,000.00	3,000.00	3,000.00	3,000.00

24. Sam is preparing a Balance Sheet from the Work Sheet in Group Material 2.02 C. What are the Total Liabilities for the Balance Sheet?

- A. \$975
- B. \$1,075
- C. \$1,125
- D. \$2,000

25. When preparing an Income Statement, after all account total debits and credits are entered correctly, verified and totaled, what is the next step?

- A. Add each column to verify that debits equal credits.
- B. Write each column's total below the single line.
- C. Double rule across both amount columns.
- D. Single rule across both amount columns below the last amounts.

26. On the last day of April, Jack prepared the adjusting entries for his company. He has written "Adjusting Entries" in the Account Title column and recorded April 30 in the date column. What will Jack do NEXT?

- A. Record the credit amount in the General Credit column**
- B. Record the debit amount in the General Debit column**
- C. Write the title of the account credited in the Account Title column**
- D. Write the title of the account debited in the Account Title column**

27. The Sales account has a balance of \$3,875. To close the Sales account, debit:

- A. Sales \$3,875 and credit Income Summary \$3,875.**
- B. Income Summary \$3,875 and credit Sales \$3,875.**
- C. Sales \$3,875 and credit Owner's Equity \$3,875.**
- D. Owner's Equity \$3,875 and credit Sales \$3,875.**

28. When closing the Advertising Expense account, debit:

- A. Owner's Equity and credit Advertising Expense**
- B. Advertising Expense and credit Income Summary.**
- C. Income Summary and credit Advertising Expense**
- D. Advertising Expense and credit Owner's Equity.**

Please use the following passage for this question.

Group Material 2.03 B

Coleman Industries				
Work Sheet				
For the Month Ended September 30, 2XXX				
Account Title	Income Statement		Balance Sheet	
	Debit	Credit	Debit	Credit
Anthony Coleman, Capital				1,875.00
Anthony Coleman, Drawing			325.00	
Income Summary				
Sales		7,225.00		
Advertising Expense	550.00			
Insurance Expense	375.00			
Miscellaneous Expense	225.00			
Rent Expense	1,100.00			
Supplies Expense	350.00			
	2,600.00	7,225.00	7,225.00	2,600.00
Net Income	4,625.00			4,625.00
	7,225.00	7,225.00	7,225.00	7,225.00

29. Group Material 2.03 B contains a partial worksheet. The correct closing entry for the owner's drawing account is to debit:

- A. Anthony Coleman, Capital \$325 and credit Anthony Coleman Drawing \$325.
- B. Amos Maxwell, Drawing \$325 and credit Income Summary \$325.
- C. Amos Maxwell, Drawing \$325 and credit Amos Maxwell, Capital \$325.
- D. Income Summary \$325 and credit Anthony Coleman, Drawing \$325.

30. Adam is preparing the Post-Closing Trial Balance. He has recorded all the account balances in the correct column. What will he do NEXT?

- A. Rule a single line below the last amount in each column
- B. Write the account balance in either the debit or credit column
- C. Write the account titles of all general ledger accounts that have balances in the Account Title column
- D. Write the heading

31. Marvin's Motorcycles paid \$125 cash for supplies from Stewart's Supplies. What is the journal entry for Marvin's Motorcycles to record this transaction?
- A. Debit Cash, \$125; credit Supplies Expense, \$125.
 - B. Debit Cash, \$125; credit Supplies, \$125.
 - C. Debit Supplies Expense, \$125; credit Cash, \$125.
 - D. Debit Supplies, \$125; credit Cash, \$125.
32. Jacob Doe Tractor purchased store supplies on account from Tractor Supply for \$942. What is the journal entry for Jacob Doe Tractor to record this transaction?
- A. Debit Accounts Payable/Tractor Supply, \$942; Credit Supplies, \$942.
 - B. Debit Accounts Receivable/Tractor Supply, \$942; Credit Supplies \$942.
 - C. Debit Supplies, \$942; Credit Accounts Payable/Tractor Supply, \$942.
 - D. Debit Supplies, \$942; Credit Accounts Receivable/Tractor Supply, \$942.
33. Gill's Grills purchased store supplies on account from Sellers Warehouse for \$829. What is the journal entry for Gill's Grills to record this transaction?
- A. Debit Accounts Payable/Sellers Warehouse, \$829; Credit Supplies, \$829.
 - B. Debit Accounts Receivable/Sellers Warehouse, \$829; Credit Supplies \$829.
 - C. Debit Supplies, \$829; Credit Accounts Payable/Sellers Warehouse, \$829.
 - D. Debit Supplies, \$829; Credit Accounts Receivable/Sellers Warehouse, \$829.
34. Corrugated Box Company paid cash to Paper Supply, \$686; covering Purchase Invoice No. 88 for \$700, less a 2% discount, \$14.00. What is the journal entry for Corrugated Box Company to record this transaction?
- A. Debit Accounts Payable/ Paper Supply, \$686; credit Cash, \$686.
 - B. Debit Accounts Payable/ Paper Supply, \$700; credit Cash, \$700.
 - C. Debit Accounts Payable/ Paper Supply, \$700; credit Purchases Discount \$14 and credit Cash \$686.
 - D. Debit Purchases Discount \$14 and debit Cash \$686; credit Accounts Payable/ Paper Supply \$700.
35. The Lil Kids Candy store purchased jelly beans (merchandise) on account from Jelly Belly Supply for \$250. What is the journal entry for Lil Kids Candy to record this transaction?
- A. Debit Accounts Payable/Jelly Belly Supply, \$250; Credit Purchases, \$250.
 - B. Debit Accounts Receivable/Jelly Belly Supply, \$250; Credit Purchases \$250
 - C. Debit Purchases, \$250; Credit Accounts Payable/Jelly Belly Supply, \$250.
 - D. Debit Purchases, \$250; Credit Accounts Receivable/Jelly Belly Supply, \$250.

36. The Wayback Antique Supply sold Old Treasures, merchandise on account for \$137, plus sales tax of \$8. What is the journal entry for Wayback Antique Supply to record this transaction?
- A. Debit Accounts Receivable/Old Treasures, \$145; Credit Purchases, \$137, Sales Tax Payable, \$8.
 - B. Debit Accounts Receivable/Old Treasures, \$145; Credit Sales \$137, Sales Tax Payable, \$8.
 - C. Debit Purchases, \$137, Sales Tax Payable, \$8; Credit Accounts Receivable/ Old Treasures, \$145.
 - D. Debit Sales, \$137, Sales Tax Payable, \$8; Credit Accounts Receivable/Old Treasures, \$145.
37. Fast Freddy Furniture received \$175 cash from Wayne Sweeny for payment on account. What is the journal entry for Fast Freddy Furniture to record this transaction?
- A. Debit Accounts Receivable/Wayne Sweeny, \$175; credit Cash, \$175.
 - B. Debit Sales, \$175; credit Cash, \$175.
 - C. Debit Cash, \$175; credit Accounts Receivable/Wayne Sweeny, \$175.
 - D. Debit Cash, \$175; credit Sales, \$175
38. The Toy Box sold merchandise for cash to Great Gift Boxes for \$265, plus sales tax of \$20. What is the journal entry for The Toy Box to record this transaction?
- A. Debit Cash, \$285; Credit Sales, \$265, Sales Tax Payable, \$20.
 - B. Debit Cash, \$285; Credit Accounts Receivable/Great Gift Boxes, \$285.
 - C. Debit Accounts Receivable/Great Gift Boxes, \$285; Credit Cash, \$285.
 - D. Debit Sales, \$265, Sales Tax Payable, \$20; Credit Cash, \$285.
39. The All Wet Pet House sold Quiet Pets, fish on account for \$145, plus sales tax of \$10. What is the journal entry for The All Wet Pet House to record this transaction?
- A. Debit Accounts Receivable/Quiet Pets, \$155; Credit Sales, \$145, Sales Tax Payable, \$10.
 - B. Debit Accounts Receivable/Quiet Pets, \$155; Credit Purchases \$155.
 - C. Debit Sales, \$145, Sales Tax Payable, \$10; Credit Accounts Receivable/Quiet Pets, \$155.
 - D. Debit Purchases, \$155; Credit Accounts Receivable/Quiet Pets, \$155.
40. Patty's Party Favors accepted returned merchandise purchased on account by The Wedding Planners for, \$613, plus sales tax of \$48. What is the journal entry for Patty's Party Favors to record this transaction?
- A. Debit Accounts Receivable/The Wedding Planners, \$661; Credit Sales Returns and Allowances, \$613, Sales Tax Payable, \$48.
 - B. Debit Accounts Payable/The Wedding Planners, \$661; Credit Purchases Returns and Allowances, \$661.
 - C. Debit Sales Returns and Allowances, \$613, Sales Tax Payable, \$48; Credit Accounts Receivable/The Wedding Planners, \$661.
 - D. Debit Sales Returns and Allowances, \$613, Sales Tax Payable, \$48; Credit Accounts Payable/The Wedding Planners, \$661.

41.

Betsy's Wholesale
Cash Receipts Journal

Page No. 3

Date	Account Title	Doc No.	Post Ref.	GENERAL		Accounts Receivable Credit	Sales Credit	Sales Tax Payable Credit	Sales Discount Debit	Cash Debit
				Debit	Credit					
Mar 5	Sue Sews	R43				544.00				544.00
Mar 7	Pick up Stitch	R44				325.00				325.00

Figure 3.03 H

Betsy's Wholesale received \$544 payment on account from Sue Sews. What is the correct posting of the Mar 5 journalized transaction shown in Figure 3.03 H to the accounts receivable subsidiary ledger?

- A. Credit Accounts Receivable/Sue Sews, \$544, which will decrease the subsidiary ledger account Debit Balance, \$544
 - B. Credit Accounts Receivable, \$544, which will increase the subsidiary ledger account Debit Balance, \$544
 - C. Credit Accounts Receivable/Betsy's Wholesale, \$544
 - D. Debit Accounts Receivable/Sue Sews, \$544
42. Supplies - Office has a balance of \$3,500. At the end of the month, a physical count of the Supplies - Office items shows \$1,500 is on hand. How is the adjusting entry to Supplies - office recorded on a multi-column trial balance worksheet?
- A. In the adjustments columns, debit Supplies-Office, \$2,000; credit Supplies Expense - Office, \$2,000
 - B. In the adjustments columns, debit Supplies Expense - Office, \$2,000; credit Supplies-Office, \$2,000
 - C. In the adjustments columns, debit Supplies-Office, \$1,500; credit Supplies Expense - Office, \$1,500
 - D. In the adjustments columns, debit Supplies Expense - Office, \$1,500; credit Supplies-Office, \$1,500
43. At the end of the year, Super Shipping calculated its Federal Income Tax amount for the year to be \$10,000. Super Shipping already made Federal Income Tax payments in the amount of \$4,000. How is the adjusting entry for Federal Income Tax Expense recorded on a multi-column trial balance worksheet?
- A. In the adjustments columns, debit Federal Income Tax Expense, \$4,000; credit Federal Income Tax Payable, \$4,000
 - B. In the adjustments columns, debit Federal Income Tax Expense, \$6,000; credit Federal Income Tax Payable, \$6,000
 - C. In the adjustments columns, debit Federal Income Tax Expense, \$10,000; credit Federal Income Tax Payable, \$10,000
 - D. In the adjustments columns, debit Federal Income Tax Expense, \$14,000; credit Federal Income Tax Payable, \$14,000

44. Dharma is closing the books at the end of the accounting period. How should she close the debit amounts in the Income Statement?

- A. Debit the debit balance Income Statement accounts; credit to Income Summary
- B. Debit to Retained Earnings; credit the debit balance Income Statement accounts
- C. Credit the debit balance Income Statement accounts; debit to Income Summary
- D. Credit the debit balance Income Statement accounts; credit Retained Earnings

45. Store Equipment has a balance of \$30,000. The equipment has a useful life of 8 years and a salvage value of \$6,000. At the end of the year, how is the adjusting entry for depreciation recorded on a multi-column trial balance worksheet?

- A. In the adjustments columns, debit Store Equipment, \$3,000; credit Depreciation Expense - Store Equipment, \$3,000
- B. In the adjustments columns, debit Depreciation Expense - Store Equipment, \$3,000; credit Store Equipment, \$3,000
- C. In the adjustments columns, debit Accumulated Depreciation - Store Equipment, \$3,000; credit Depreciation Expense - Store Equipment, \$3,000
- D. In the adjustments columns, debit Depreciation Expense - Store Equipment, \$3,000; credit Accumulated Depreciation - Store Equipment, \$3,000

Please use the following situation for this question.

Scenario 4.01 D

On December 3, Union Manufacturing Company received a bank statement dated November 30. The following information is obtained from the bank statement and from the records of the business:

Bank statement balance	\$3,425.00	Outstanding checks:	
Bank service charge	\$4.50	No. 290	\$187.50
Outstanding deposits:		No. 294	\$67.50
November 29	\$300.00		
November 30	\$400.00		
Checkbook balance on Check Stub No. 296			\$3,874.50

46. In Scenario 4.01 D, what is the adjusted checkbook balance?

- A. \$3,420.50
- B. \$3,870.00
- C. \$4,120.50
- D. \$4,319.50

47. On October 31, Cherokee Company received a bank statement showing the following information:

Bank statement balance	\$4,375.00
Bank service charge	\$25.00

The records of the business show the following information:

Outstanding deposit, Oct. 29	\$500.00	Outstanding checks:	
Outstanding deposit, Oct. 30	\$175.00	No. 329	\$325.00
		No. 330	\$125.00
		No. 331	\$75.00

Assuming that the bank statement balance is correct, what is the correct Cash account balance on October 31?

- A. \$4,350.00
- B. \$4,500.00
- C. \$4,525.00
- D. \$4,550.00

48. On February 14, Watauga Enterprises received notice from the bank of a dishonored check from Wilkes Company in the amount of \$200.00. The bank charged a service fee of \$25.00. What is the correct journal entry for Watauga Enterprises to record the dishonored check?

- A. Debit Accounts Receivable-Wilkes Company \$200.00, debit Bank Service Charge \$25.00; credit Cash \$225.00
- B. Debit Accounts Receivable-Wilkes Company \$225.00; credit Bank Service Charge \$25.00, credit Cash \$200.00
- C. Debit Accounts Receivable-Wilkes Company \$225.00; credit Cash \$225.00
- D. Debit Cash \$225.00; credit Accounts Receivable-Wilkes Company \$225.00

49. On December 23, Wake Incorporated received notice from the bank of a dishonored check from Davie Company in the amount of \$125.00. The bank charged a service fee of \$25.00. What is the correct journal entry for Wake Incorporated to record the dishonored check?

- A. Debit Accounts Receivable-Davie Company \$125.00, Debit Bank Service Charge \$25.00, Credit Cash \$150.00
- B. Debit Accounts Receivable-Davie Company \$150.00, Credit Bank Service Charge \$25.00, Credit Cash \$125.00
- C. Debit Accounts Receivable-Davie Company \$150.00, Credit Cash \$150.00
- D. Debit Cash \$150.00, Credit Accounts Receivable-Davie Company \$150.00

Please use the following situation for this question.

Scenario 4.01 D

On December 3, Union Manufacturing Company received a bank statement dated November 30. The following information is obtained from the bank statement and from the records of the business:

Bank statement balance	\$3,425.00	Outstanding checks:	
Bank service charge	\$4.50	No. 290	\$187.50
Outstanding deposits:		No. 294	\$67.50
November 29	\$300.00		
November 30	\$400.00		
Checkbook balance on Check Stub No. 296			\$3,874.50

50. In Scenario 4.01 D, what is the journal entry to record the bank service charge?

- A. Debit Transaction Fee \$4.50, Credit Cash \$4.50
- B. Debit Cash \$4.50, Credit Transaction Fee \$4.50
- C. Debit Miscellaneous Expense \$4.50, Credit Cash \$4.50
- D. Debit Cash \$4.50, Credit Miscellaneous Expense \$4.50

51. Scott wants to replenish the \$225 petty cash fund. He has receipts for the following total payments: supplies, \$35; and repairs, \$15. A cash count shows \$175 in the petty cash box. What is the correct journal entry to record the transaction?

- A. Debit Cash \$50 and credit Miscellaneous Expense \$50
- B. Debit Miscellaneous Expense \$50 and credit Cash \$50
- C. Debit Repair Expense \$15, debit Supplies \$35 and credit Cash \$50
- D. Debit Repair Expense \$15, debit Supplies \$35 and credit Petty Cash \$50

52. Jessica wants to replenish the \$200 petty cash fund. She has receipts for the following total payments: supplies, \$85; and repairs, \$55. A cash count shows \$75 in the petty cash box. What is the correct journal entry to record the transaction?

- A. Debit Repair Expense \$55, debit Supplies \$85 and credit Cash \$140
- B. Debit Repair Expense \$55, debit Supplies \$85 and credit Petty Cash \$140
- C. Debit Repair Expense \$55, debit Supplies \$85, and credit Cash \$125, credit Cash Short and Over \$15
- D. Debit Repair Expense \$55, debit Supplies \$85, debit Cash Short and Over \$15, and credit Cash \$155

53. Claire wants to establish a \$250 petty cash fund for her business. She requested a check for \$250. What is the correct journal entry to record the transaction?

- A. Debit Cash \$250 and credit Petty Cash \$250
- B. Debit Miscellaneous Expense \$250 and credit Cash \$250
- C. Debit Petty Cash \$250 and credit Cash \$250
- D. Debit Petty Cash \$250 and credit Miscellaneous Expense \$250

54. Emily wants to replenish the \$300 petty cash fund. She has receipts for the following total payments: supplies, \$55; and repairs, \$35. A cash count shows \$195 in the petty cash box. What is the correct journal entry to record the transaction?

- A. Debit Repair Expense \$35, debit Supplies \$55 and credit Cash \$90
- B. Debit Repair Expense \$35, debit Supplies \$55 and credit Petty Cash \$90
- C. Debit Repair Expense \$35, debit Supplies \$55, and credit Cash \$90, credit Cash Short and Over \$15
- D. Debit Repair Expense \$35, debit Supplies \$55, debit Cash Short and Over \$15, and credit Cash \$105

55. Michelle wants to replenish the \$300 petty cash fund. She has receipts for the following total payments: postage (Office Expense), \$40; supplies, \$25; and repairs, \$45. A cash count shows \$175 in the petty cash box. What is the correct journal entry to record the transaction?

- A. Debit Repair Expense \$45, debit Supplies \$25, debit Office Expense \$40 and credit Cash \$110
- B. Debit Repair Expense \$45, debit Supplies \$25, debit Office Expense \$40 and credit Petty Cash \$110
- C. Debit Repair Expense \$45, debit Supplies \$25, debit Office Expense \$40 and credit Cash \$110, credit Cash Short and Over \$15
- D. Debit Repair Expense \$45, debit Supplies \$25, debit Office Expense \$40 and debit Cash Short and Over \$15, and credit Cash \$125

56. Sports Incorporated has employer payroll taxes as follows: Social Security Tax \$225.00, Medicare Tax \$125.00 and Federal Unemployment Tax \$55.00. What is the entry to record the employer's payroll taxes?

- A. Debit Payroll Tax Expense \$405.00, Social Security Tax Payable \$225.00; credit Medicare Tax Payable \$125.00, Federal Unemployment Tax Payable \$55.00
- B. Debit Payroll Tax Expense \$405.00; credit Cash \$405.00
- C. Debit Payroll Tax Expense \$405.00; Credit Social Security Tax Payable \$225.00, Medicare Tax Payable \$125.00, Federal Unemployment Tax Payable \$55.00
- D. Debit Social Security Tax Payable \$225.00, Medicare Tax Payable \$125.00, Federal Unemployment Tax Payable \$55.00; credit Payroll Tax Expense \$405.00

Please use the following situation for this question.

Alison's Fresh Market has the following payroll information for their weekly pay period.

Name	Time Worked	Rate of Pay	Commission %	Sales
Mark	55 hours	\$15.00	2%	\$7,000.00
Nick	35 hours	\$10.00	2%	\$5,750.00
Daniel	48 hours	\$9.00	N/A	N/A
Alison	1 week	\$85,000.00/year	N/A	N/A

FIGURE 4.03 B

57. In FIGURE 4.03 B, what are Mark's gross earnings for the pay period?

- A. \$740.00
- B. \$825.00
- C. \$937.50
- D. \$1,077.50

58. Matt has gross earnings of \$300.00 and total deductions of \$126.75. What is Matt's net pay?

- A. \$426.75
- B. \$226.25
- C. \$175.00
- D. \$173.25

Please use the following situation for this question.

Alison's Fresh Market has the following payroll information for their weekly pay period.

Name	Time Worked	Rate of Pay	Commission %	Sales
Mark	55 hours	\$15.00	2%	\$7,000.00
Nick	35 hours	\$10.00	2%	\$5,750.00
Daniel	48 hours	\$9.00	N/A	N/A
Alison	1 week	\$85,000.00/year	N/A	N/A

FIGURE 4.03 B

59. In FIGURE 4.03 B, what are Alison's gross earnings for the pay period?

- A. \$1,630.14
- B. \$1,634.62
- C. \$1,770.83
- D. \$7,083.33

Please use the following situation for this question.

Carson's Candy Shoppe has \$2,000.00 in wages, \$124.00 in Social Security withholding, \$29.00 in Medicare withholding, \$500.00 in federal income tax withholding, and \$100.00 in state income tax withholding. The federal unemployment tax rate is 0.8%.

FIGURE 4.03 E

60. In FIGURE 4.03 E, what is the employer's federal unemployment tax for the pay period?

- A. \$ 1.60
- B. \$ 16.00
- C. \$160.00
- D. \$500.00

61. Master Marketing received a payment of a note receivable in the amount of \$1,295.00. Interest on the note receivable was \$95.00. What is the journal entry to record the payment of the note receivable?

- A. Debit Cash \$1,295.00; Credit Interest Income \$95.00; Credit Notes Receivable \$1,200.00
- B. Debit Cash \$1,295.00; Credit Accounts Receivable \$1,295.00
- C. Debit Accounts Receivable \$1,295.00; Credit Cash \$1,295.00
- D. Debit Cash \$1,200.00; Debit Interest Expense \$95.00; Credit Accounts Receivable \$1,295.00

Please use the following situation for this question.

Scenario 5.01 C

Master Marketing signed a \$40,000, 90-day note at 6% on June 1, 2009. Master Marketing uses a 360-day year.

62. Using the information given in Scenario 5.01 C, what is the maturity date of the note payable?
- A. September 1, 2009
 - B. August 30, 2009
 - C. August 29, 2009
 - D. August 28, 2009
63. Marty Smith dishonored a 180-day, 5% note for \$5,000.00. What is the journal entry to record the dishonored note receivable?
- A. Debit Notes Receivable \$5,125.00; debit Interest Expense \$125.00; credit Accounts Receivable/Marty Smith \$5,125.00
 - B. Debit Accounts Receivable/Marty Smith \$5,000.00; credit Notes Receivable \$5,000.00
 - C. Debit Accounts Receivable/Marty Smith \$5,125.00; credit Interest Income \$125.00; credit Notes Receivable \$5,000.00
 - D. Debit Notes Receivable \$5,125.00; credit Accounts Receivable/Marty Smith \$5,125.00
64. Carson's Candy Shoppe signed a 60-day, 10% note to Jello Beans for an extension of time on its account payable in the amount of \$2,000.00. What is the correct entry for Carson's Candy Shoppe to record the note payable for an extension of time?
- A. Debit Notes Payable \$2,000.00; credit Accounts Payable/Jello Beans \$2,000.00
 - B. Debit Notes Payable \$2,033.33; credit Accounts Payable/Jello Beans \$2,033.33
 - C. Debit Accounts Payable/Jello Beans \$2,033.33; Credit Notes Payable \$2,033.33
 - D. Debit Accounts Payable/Jello Beans \$2,000.00; credit Notes Payable \$2,000.00
65. Sneakers Snack Shop signed a \$30,000, 90-day, 8%, interest-bearing note on August 1, 2009. Using a 360-day year, what is the maturity value of the note?
- A. \$30,400.00
 - B. \$30,592.00
 - C. \$30,600.00
 - D. \$32,400.00
66. On Your Mark Writing Supplies estimates uncollectible accounts expense by calculating a percentage of total sales on account. Total sales on account for the year are \$175,000.00. In the past, actual uncollectible accounts expense has been about 1.0% of total sales on account. What is the estimated uncollectible accounts expense for the year?
- A. \$17.50
 - B. \$175.00
 - C. \$1,750.00
 - D. \$17,500.00

67. On Your Mark Writing Supplies received a check for \$225.00 from Pen & Paper, whose account was previously written off. On Your Mark Writing Supplies uses the Allowance Method for uncollectible accounts. What is the correct entry to re-open the account for Pen & Paper?
- A. Debit Accounts Receivable/ Pen & Paper, \$225.00; Credit Allowance for Uncollectible Accounts, \$225.00
 - B. Debit Accounts Receivable/ Pen & Paper, \$225.00; Credit Uncollectible Accounts Expense, \$225.00
 - C. Debit Uncollectible Accounts Expense, \$225.00; Credit Accounts Receivable/ Pen & Paper, \$225.00
 - D. Debit Uncollectible Accounts Expense, \$225.00; Credit Allowance for Uncollectible Accounts, \$225.00
68. Maple Tree Candy Factory estimates its uncollectible accounts expense for the year to be \$800.00. What is the correct entry to record the estimated uncollectible accounts expense?
- A. Debit Uncollectible Accounts Expense, \$800.00; credit Accounts Receivable, \$800.00
 - B. Debit Uncollectible Accounts Expense, \$800.00; credit Allowance for Uncollectible Accounts, \$800.00
 - C. Debit Accounts Receivable, \$800.00; credit Uncollectible Accounts Expense, \$800.00
 - D. Debit Allowance for Uncollectible Accounts, \$800.00; credit Uncollectible Accounts Expense, \$800.00
69. Maple Tree Candy Factory estimates uncollectible accounts expense by calculating a percentage of total sales on account. Total sales on account for the year are \$185,000.00. In the past, actual uncollectible accounts expense has been about 0.5% of total sales on account. What is the estimated uncollectible accounts expense for the year?
- A. \$9.25
 - B. \$92.50
 - C. \$925.00
 - D. \$9,250.00
70. Hair Design Supply Company estimates uncollectible accounts expense by calculating a percentage of total sales on account. Total sales on account for the year are \$1,200,000.00. In the past, actual uncollectible accounts expense has been about 2.0% of total sales on account. What is the estimated uncollectible accounts expense for the year?
- A. \$24.00
 - B. \$240.00
 - C. \$2,400.00
 - D. \$24,000.00
71. Mountain Business Services purchased a computer on July 1, 2010 for \$2,500.00. The estimated salvage (disposal) value is \$100.00 and the estimated useful life is 5 years. What is the depreciation expense for 2010?
- A. \$240.00
 - B. \$250.00
 - C. \$360.00
 - D. \$480.00

72. Joe's Taxi Service purchased a new taxi on March 1, 2010 for \$24,000.00. The estimated salvage (disposal) value is \$3,000.00 and the estimated useful life is 3 years. What is the depreciation expense for 2010?
- A. \$7,000.00
 - B. \$5,833.33
 - C. \$2,857.14
 - D. \$1,166.67
73. Steve's Auto Repair has depreciation expense of \$3,500.00 at the end of the fiscal year. What is the entry to journalize the depreciation expense?
- A. Debit Accumulated Depreciation \$3,500.00; Credit Depreciation Expense \$3,500.00
 - B. Debit Depreciation Expense \$3,500.00; Credit Accumulated Depreciation \$3,500.00
 - C. Debit Depreciation Expense \$3,500.00; Credit Equipment \$3,500.00
 - D. Debit Equipment \$3,500.00; Credit Accumulated Depreciation \$3,500.00
74. Michael's Soda Shoppe has depreciation expense of \$1,250.00 at the end of the fiscal year. What is the entry to journalize the depreciation expense?
- A. Debit Equipment \$1,250.00; credit Accumulated Depreciation \$1,250.00
 - B. Debit Depreciation Expense \$1,250.00; credit Equipment \$1,250.00
 - C. Debit Depreciation Expense \$1,250.00; credit Accumulated Depreciation \$1,250.00
 - D. Debit Accumulated Depreciation \$1,250.00; credit Depreciation Expense \$1,250.00
75. Burger Boy Diner purchased a commercial oven on January 1, 2009 for \$5,800.00. The estimated salvage (disposal) value is \$200.00 and the estimated useful life is 7 years. What is the annual straight-line depreciation expense?
- A. \$200.00
 - B. \$400.00
 - C. \$800.00
 - D. \$828.50