

Name: \_\_\_\_\_

Accounting  
Chapter 6 Review

**Terms:**

A. Accounting Cycle	E. General Journal	I. Memorandum
B. Calendar Year	F. Invoice	J. Receipt
C. Check Stub	G. Journal	K. Source Document
D. Fiscal year	H. Journalizing	

Directions: Identify the letter of choice that best completes the statement or answers the question.

- \_\_\_\_\_ 1. A(n) \_\_\_\_\_ is an accounting period of 12 months ending on the last day of any month except December
- \_\_\_\_\_ 2. A(n) \_\_\_\_\_ is often call a book of original entry
- \_\_\_\_\_ 3. The \_\_\_\_\_ is an all-purpose journal used for recording business transactions
- \_\_\_\_\_ 4. The various activities a business completes to organize its accounting records in an orderly fashion is called the \_\_\_\_\_.
- \_\_\_\_\_ 5. A(n) \_\_\_\_\_ is any type of business paper that verifies that a transaction occurred.
- \_\_\_\_\_ 6. Another term used for "recording a business transaction is \_\_\_\_\_.
- \_\_\_\_\_ 7. A(n) \_\_\_\_\_ accounting period begins on January 1 and ends on December 31.

**True or False:**

- \_\_\_\_\_ 1. To record transactions in chronological order means to record them according to the date on which they occurred.
- \_\_\_\_\_ 2. To verify a source document means to check the accuracy of the information on it.
- \_\_\_\_\_ 3. Since the debit and credit amounts in a business transaction are the same, the order in which the account titles are recorded in the general journal does not matter
- \_\_\_\_\_ 4. For every transaction recorded in the general journal, these items are always written: date, account names, amounts, and source document or brief description.
- \_\_\_\_\_ 5. The type of source document prepared depends upon the nature of the transaction.

**Directions:**

Several transactions of Hanson Pool Service are described below. Indicate the type of source document that is likely to contain the details of each transaction.

- \_\_\_\_\_ 1. Purchased \$500 worth of chemicals on account from Campbell Chemical Co.
- \_\_\_\_\_ 2. Received cash from a customer on account, \$120
- \_\_\_\_\_ 3. Purchased a new generator for use in the business, paying \$550 cash
- \_\_\_\_\_ 4. Paid the current month's electric bill of \$95
- \_\_\_\_\_ 5. Billed customers for pool services performed during the past week, \$2300.
- \_\_\_\_\_ 6. Invested a used truck in the business; the truck is valued at \$3000
- \_\_\_\_\_ 7. Made a \$250 payment on account to Campbell Chemical Co.