

Name: _____

Class: _____

Date: _____

ID: A

Accounting Chapter 4 Test

True/False

Indicate whether the statement is true or false.

- ____ 1. The top of the T account is used for account titles. Credits are entered on the left side of the T; debits, on the right.
- ____ 2. Debit and credit rules for accounts on one side of the accounting equation are mirror images of those on the other side.
- ____ 3. A credit to an account always increases it; a debit to an account always decreases it.
- ____ 4. An asset account appears on the right side of the accounting equation and is also increased on the right side of its T account.
- ____ 5. The payment of a liability is recorded by a debit to the liability account and a credit to the owner's capital account.
- ____ 6. Every transaction affects two or more accounts and is recorded by equal amounts of debits and credits.
- ____ 7. A business groups its accounts in a ledger.
- ____ 8. A business transaction can affect two accounts on the same side of the accounting equation and still leave the equation in balance.
- ____ 9. A chart of accounts is limited to 50 accounts.
- ____ 10. The difference between the debit and credit amounts in an account is the account balance.

Completion

Complete each statement.

Indicate whether each of the following statements should be completed with the word *debit* or *credit*.

11. The normal balance for asset accounts is a _____.
12. The normal balance for the owner's capital account is a _____.
13. An increase in a liability account is recorded as a _____.
14. A decrease in an asset account is recorded as a _____.
15. A decrease in the owner's capital account is recorded as a _____.

16. The normal balance for Accounts Receivable is a _____.
17. The normal balance for Accounts Payable is a _____.
18. An increase to Office Furniture is a _____.
19. An increase to Gilberto Ferreira, Capital is a _____.
20. A decrease to Accounts Payable is a _____.

Matching

Match each item with the correct statement below.

a. chart of accounts	e. ledger
b. credit	f. normal balance
c. debit	g. T account
d. double-entry accounting	

- ____ 21. A(n) ____ is a tool used to analyze a business transaction's effect on an account.
- ____ 22. The amount entered on the left side of an account is the ____.
- ____ 23. ____ requires a debit and a credit for each transaction.
- ____ 24. An account's ____ is always on the increase side of an account.
- ____ 25. An amount entered on the right side of an account is a(n) ____.
- ____ 26. The ____ is an "official" list of all the accounts used by a business to record its transactions.

Accounting Chapter 4 Test
Answer Section**TRUE/FALSE**

1. ANS: F	PTS: 1	NAT: NBEA I.A.
2. ANS: T	PTS: 1	NAT: NBEA I.A.
3. ANS: F	PTS: 1	NAT: NBEA I.A.
4. ANS: F	PTS: 1	NAT: NBEA I.A.
5. ANS: F	PTS: 1	NAT: NBEA I.A.
6. ANS: T	PTS: 1	NAT: NBEA I.A.
7. ANS: T	PTS: 1	NAT: NBEA I.A.
8. ANS: T	PTS: 1	NAT: NBEA I.A.
9. ANS: F	PTS: 1	NAT: NBEA I.A.
10. ANS: T	PTS: 1	NAT: NBEA I.A.

COMPLETION

11. ANS: debit		
	PTS: 1	NAT: NBEA I.A.
12. ANS: credit		
	PTS: 1	NAT: NBEA I.A.
13. ANS: credit		
	PTS: 1	NAT: NBEA I.A.
14. ANS: credit		
	PTS: 1	NAT: NBEA I.A.
15. ANS: debit		
	PTS: 1	NAT: NBEA I.A.
16. ANS: debit		
	PTS: 1	NAT: NBEA I.A.
17. ANS: credit		
	PTS: 1	NAT: NBEA I.A.
18. ANS: debit		
	PTS: 1	NAT: NBEA I.A.
19. ANS: credit		
	PTS: 1	NAT: NBEA I.A.

20. ANS: debit

PTS: 1

NAT: NBEA I.A.

MATCHING

21. ANS: G

PTS: 1

NAT: NBEA I.A.

22. ANS: C

PTS: 1

NAT: NBEA I.A.

23. ANS: D

PTS: 1

NAT: NBEA I.A.

24. ANS: F

PTS: 1

NAT: NBEA I.A.

25. ANS: B

PTS: 1

NAT: NBEA I.A.

26. ANS: A

PTS: 1

NAT: NBEA I.A.