

**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 \_\_\_\_\_.

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

ID: 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.