Chapter 6 Accounting Test

True/False
Indicate whether the statement is true or false.

_____ 1. A fiscal period may be one month, three months, six months, or even one year, but usually it is one year.

_____ 2. An accounting period that begins on July 1 and ends on June 30 is a calendar-year accounting period.

_____ 3. To record transactions in chronological order means to record them according to the date on which they occurred.

_____ 4. A journal is like a diary of a business because it is the only place where complete details of a transaction are recorded.

_____ 5. For every transaction recorded in the general journal, these items are always written: date, account titles, amounts, and source document or brief explanation.

_____ 6. If an error is discovered immediately after journalizing, a single ruling should be placed through the incorrect data and the correct information should be written above it.

_____ 7. Recording transactions is the second step in the accounting cycle.

_____ 8. To verify a source document means to check the accuracy of the information on it.

_____ 9. 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.

_____ 10. Dollar signs, commas, and decimals are not used when entering amounts in the journal.

_____ 11. The title of the account to be credited is indented from the left edge of the Description column so it can be easily distinguished from the debit part of the transaction.

_____ 12. Never erase an error in a journal entry because an erasure looks suspicious.

_____ 13. In order to help an owner/manager know the financial condition of a business, accounting records are kept and reported for a certain period of time called an accounting period.

_____ 14. The type of source document prepared depends upon the nature of the transaction.

Matching

Match each item with the correct statement below.

a. accounting cycle	g. journal
b. calendar year	h. journalizing
c. check stub	i. memorandum
d. fiscal year	j. receipt
e. general journal	k. source document
f. invoice	

_____ 15. A(n) _____ is an accounting period of twelve months ending on the last day of any month except December.

_____ 16. A(n) _____ is often called a book of original entry.

_____ 17. The _____ is an all-purpose journal used for recording business transactions.

_____ 18. The various activities a business completes to organize its accounting records in an orderly fashion is called the _____.

_____ 19. A(n) _____ is any type of business paper that verifies that a transaction occurred.

_____ 20. Another term used for "recording" a business transaction is _____.

_____ 21. A(n) _____ accounting period begins on January 1 and ends on December 31.

Short Answer

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.

22. Purchased $500 worth of chemicals on account from Campbell Chemical Co.

23. Received cash from a customer on account, $120.

24. Purchased a new generator for use in the business, paying $550 cash.

25. Paid the current month's electric bill of $95.

26. Billed customers for pool services performed during the past week, $2,300.

27. Invested a used truck in the business; the truck is valued at $3,000.

28. Made a $250 payment on account to Campbell Chemical Co.

Chapter 6 Accounting Test
Answer Section

TRUE/FALSE

    1. ANS: T   PTS: 1   NAT: NBEA I.A.
    2. ANS: F   PTS: 1   NAT: NBEA I.A.
    3. ANS: T   PTS: 1   NAT: NBEA I.A.
    4. ANS: T   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: F   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.
   11. ANS: T   PTS: 1   NAT: NBEA I.A.
   12. ANS: T   PTS: 1   NAT: NBEA I.A.
   13. ANS: T   PTS: 1   NAT: NBEA I.A.
   14. ANS: T   PTS: 1   NAT: NBEA I.A.

MATCHING

   15. ANS: D   PTS: 1   NAT: NBEA I.A.
   16. ANS: G   PTS: 1   NAT: NBEA I.A.
   17. ANS: E   PTS: 1   NAT: NBEA I.A.
   18. ANS: A   PTS: 1   NAT: NBEA I.A.
   19. ANS: K   PTS: 1   NAT: NBEA I.A.
   20. ANS: H   PTS: 1   NAT: NBEA I.A.
   21. ANS: B   PTS: 1   NAT: NBEA I.A.

SHORT ANSWER

   22. ANS:
       Invoice

       PTS: 1   NAT: NBEA I.A.
   23. ANS:
       Receipt

       PTS: 1   NAT: NBEA I.A.
   24. ANS:
       Check stub

       PTS: 1   NAT: NBEA I.A.

25. ANS:
Check stub

    PTS: 1   NAT: NBEA I.A.
26. ANS:
Invoice

    PTS: 1   NAT: NBEA I.A.
27. ANS:
Memorandum

    PTS: 1   NAT: NBEA I.A.
28. ANS:
Check stub

    PTS: 1   NAT: NBEA I.A.