

The Accounting Industry

- Accounting Process

Directions:

Answer the following questions.

1. Which of the following refers to the process of using information gathered from financial transactions?
 - A. Accounting reports
 - B. Financial resourcing
 - C. Financial reporting**
 - D. Business transactions
2. Which of the following statements does NOT describe Generally Accepted Accounting Principles (GAAP)?
 - A. GAAP is issued by the FASB
 - B. GAAP provides accounting rules and procedures
 - C. GAAP is optimal when developing financial reports**
 - D. GAAP helps maintain accuracy and consistency of financial reports
3. A company issuing a press release about a recall of a product is an example of which of the following principles?
 - A. Cost principle
 - B. Reliability principle
 - C. Disclosure principle**
 - D. Going concern principle
4. Which of the following principles is based on the assumption a company will continue operations?
 - A. Cost principle
 - B. Reliability principle
 - C. Disclosure principle
 - D. Going concern principle**
5. Which principle states accountants must only record information which can be verified?
 - A. Cost principle
 - B. Reliability principle**
 - C. Disclosure principle
 - D. Going concern principle