

The Accounting Industry

- Final Assessment

Directions:

Answer the following questions.

1. Which of the following correctly defines the acronym GAAP?
 - A. Generally Accrued Accounting Principles
 - B. Generally Accepted Accounting Process
 - C. Generally Advised Accounting Principles
 - D. Generally Accepted Accounting Principles**
2. Which type of accounting is used to develop information for outside sources such as investors?
 - A. Tax accounting
 - B. External accounting
 - C. Financial accounting**
 - D. Management accounting
3. Which of the following occurs when the amount of money earned is greater than the amount of money spent?
 - A. Profit**
 - B. Loss
 - C. Depreciation
 - D. Social cost
4. An expense being reported at the same time as its corresponding revenue is an example of which of the following principles?
 - A. Cost principle
 - B. Matching principle**
 - C. Disclosure principle
 - D. Going concern principle
5. Which of the following refers to a company's moral duty to uphold laws and regulations?
 - A. Profit responsibility
 - B. Regulatory responsibility
 - C. Ethical responsibility**
 - D. Social cost

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6. Which of the following is NOT an example of a company being socially responsible?
- A. Worldwide Gasoline Company pledged \$100 million to clean up a recent oil spill
 - B. Fizzy Pop Soda Company built three new parks in the city where its headquarters is located
 - C. Ziggy Shoes provided a local shelter with a free pair of shoes for every purchase made in December
 - D. Warring Railroad Co. paid a local government \$1 million to build a railroad through the oldest zoo in the city**
7. Which of the following refers to additional costs beyond normal business costs due to an activity or policy?
- A. Policy cost
 - B. Ethical cost
 - C. Public relations costs
 - D. Social cost**
8. Which type of accountant is able to work with multiple clients in different industries?
- A. Public accountant**
 - B. Internal accountant
 - C. Management accountant
 - D. General ledger accountant
9. Mr. Lewis discovered the mayor of his town was purchasing football tickets with city funds. Which of the following types of accountant is Mr. Lewis?
- A. Tax accountant
 - B. Public accountant
 - C. Government accountant**
 - D. General ledger accountant
10. Which of the following can be defined as an individual who owns a part of a company through stock ownership?
- A. Auditor
 - B. Shareholder**
 - C. Creditor
 - D. Tax accountant