■ Achievement Exam

This Achievement Exam covers Lessons 4 and 5.
Select the single best answer for each question or statement, then go online to https://students.ashworthcollege.edu and enter your answers.

1. Which of the following is NOT a financial statement?

_____ a. Balance sheet

_____ b. Income statement

_____ c. Statement of owner's equity

_____ d. Trial balance

2. A list of all the accounts from the ledger with their ending balances is called a:

_____ a. normal balance.

_____ b. trial balance.

_____ c. chart of accounts.

_____ d. footing.

3. Which of the following is prepared first?

_____ a. Balance sheet

_____ b. Income statement

_____ c. Statement of owner's equity

_____ d. Trial balance

4. Given the following list of accounts with normal balances, what are the trial balance totals of the debits and credits?

Cash	$1,100
Accounts Receivable	800
Capital	1,900
Withdrawals	500
Service Fees	1,000
Rent Expense	500

_____ a. $2,900 debit, $2,900 credit

_____ b. $3,900 debit, $3,900 credit

_____ c. $2,000 debit, $2,000 credit

_____ d. $1,200 debit, $1,200 credit

5. Given the following list of accounts with normal balances, what are the trial balance totals of the debits and credits?

Cash	$1000
Equipment	500
Accounts Payable	350
Capital	900
Service Fees	1000
Salaries Expense	750

_____ a. $3,250 debit, $3,250 credit

_____ b. $1,125 debit, $1,125 credit

_____ c. $4,500 debit, $4,500 credit

_____ d. $2,250 debit, $2,250 credit

6. The business incurred an expense and paid it immediately. To record this:

_____ a. an expense is debited and a liability is credited.

_____ b. an expense is debited and an asset is credited.

_____ c. an expense is debited and Capital is credited.

_____ d. None of the above answers are correct.

7. The business provided services to a cash customer. To record this:

_____ a. an asset is debited and a liability is credited.

_____ b. an asset is debited and a revenue is credited.

_____ c. an expense is debited and Capital is credited.

_____ d. None of the above answers are correct.

8. A credit to an asset account was posted to the capital account. This error would cause:

_____ a. assets to be overstated.

_____ b. liabilities to be overstated.

_____ c. capital to be understated.

_____ d. Both A and C are correct.

9. A debit to an expense account was posted to a revenue account. This error would cause:

____ a. assets to be overstated.

____ b. liabilities to be overstated.

____ c. revenue to be understated.

____ d. None of the above answers are correct.

10. A credit to an asset account was posted to a revenue account. This error would cause:

____ a. assets to be overstated.

____ b. revenue to be overstated.

____ c. expenses to be overstated.

____ d. Both A and C are correct.

11. Which of the following errors would cause the trial balance to be out of balance?

____ a. An entry is posted twice.

____ b. An entry is not posted at all.

____ c. A debit is entered as $200 and the credit is entered at $2,000.

____ d. None of the above answers are correct.

12. Which of the following groups of accounts have a normal credit balance?

_____ a. Revenue, liabilities, and capital

_____ b. Assets, capital, and withdrawals

_____ c. Liabilities, expenses, and assets

_____ d. Assets, expenses, and withdrawals

13. A credit to an asset account was posted to the capital account. This error would cause:

_____ a. assets to be overstated.

_____ b. liabilities to be overstated.

_____ c. capital to be understated.

_____ d. Both A and C are correct.

14. A credit to a liability account was posted to an expense account. This error would cause:

_____ a. assets to be overstated.

_____ b. liabilities to be overstated.

_____ c. expenses to be overstated.

_____ d. None of the above answers are correct.

15. An account that would be increased by a debit is:

_____ a. cash.

_____ b. fees earned.

_____ c. capital.

_____ d. accounts payable.

16. A debit to an expense account was posted to a revenue account. This error would cause:

_____ a. assets to be overstated.

_____ b. liabilities to be overstated.

_____ c. revenue to be understated.

_____ d. None of the above answers are correct.

17. A credit to an asset account was posted to a revenue account. This error would cause:

_____ a. assets to be overstated.

_____ b. revenue to be overstated.

_____ c. expenses to be overstated.

_____ d. Both A and C are correct.

18. A debit to a liability account was posted to the capital account. This error would cause:

_____ a. assets to be overstated.

_____ b. liabilities to be overstated.

_____ c. capital to be overstated.

_____ d. None of the above answers are correct.

19. A debit to an asset account was posted to an expense account. This error would cause:

_____ a. liabilities to be overstated.

_____ b. expenses to be overstated.

_____ c. assets to be understated.

_____ d. Both B and C are correct.

20. A debit to a liability account was posted to a revenue account. This error would cause:

_____ a. revenues to be understated.

_____ b. liabilities to be understated.

_____ c. capital to be overstated.

_____ d. None of the above answers are correct.

21. "PR" in the general journal and general ledger stands for:

_____ a. per reviewer.

_____ b. posting reference.

_____ c. prior receipt.

_____ d. None of the above answers are correct.

22. Revenue is traditionally recognized in the accounting records when:

_____ a. cash is received.

_____ b. services are rendered.

_____ c. it is incurred.

_____ d. None of the above answers are correct.

23. The general journal:

_____ a. is the book of original entry.

_____ b. is the book of final entry.

_____ c. contains account balances.

_____ d. is completed after the general ledger.

24. The purpose of posting is to:

_____ a. list the transactions in chronological order in the journal.

_____ b. provide an explanation of the transaction.

_____ c. update the account balances in the ledger.

_____ d. correct a previous entry.

25. Posting is performed by transferring information from the journal to the:

_____ a. ledger.

_____ b. trial balance.

_____ c. balance sheet.

_____ d. income statement.

26. The posting reference column in the ledger is:

_____ a. used to record the journal and page number the transactions originated.

_____ b. used to record the ledger number.

_____ c. used to record the date.

_____ d. not used.

27. The entry to record the payment of office salaries would be:

_____ a. debit Cash; credit Accounts Receivable.

_____ b. debit Cash; credit Salaries Expense.

_____ c. debit Salaries Expense; credit Accounts Payable.

_____ d. debit Salaries Expense; credit Cash.

28. Which of the following entries would record the payment of a utility bill?

_____ a. Debit Utilities Expense; credit Cash

_____ b. Debit Cash; credit Utilities Expense

_____ c. Debit Utilities Expense; credit Accounts Payable

_____ d. Debit Accounts Receivable; credit Utilities Expense

29. Which of the following entries records the owner taking cash for personal use?

_____ a. Debit Wage Expense; credit Cash

_____ b. Debit Capital; credit Cash

_____ c. No entry is necessary since the owner owns the cash and the entire business.

_____ d. Debit Withdrawals; credit Cash

30. During the month of January, Katelyn invested $11,000 in starting her legal practice. The proper journal entry would be:

_____ a. Cash, debit $11,000; Katelyn's Capital, credit $11,000.

_____ b. Accounts Payable, debit $11,000; Cash, credit $11,000.

_____ c. Cash, debit $11,000; Revenue, credit $11,000.

_____ d. Katelyn's Capital, debit $11,000; Cash, credit $11,000.

31. Which of the following entries records the acquisition of office supplies for cash?

_____ a.

Office Supplies	5,000	
Cash		5,000

_____ b.

Office Supplies	5,000	
Accounts Payable		5,000

_____ c.

Equipment	5,000	
Accounts Payable		5,000

_____ d.

Equipment	5,000	
Accounts Receivable		5,000

32. Renzi's Volleyball Gym purchased equipment for $1,200. It made a down payment of $600 with the remainder on account. The journal entry to record this transaction is:

_____ a.

Cash	600	
Accounts Receivable		600

_____ b.

Accounts Payable	600	
Cash	600	
Equipment		1,200

_____ c.

Supplies	1,200	
Cash		600
Accounts Payable		600

_____ d.

Equipment	1,200	
Accounts Payable		600
Cash		600

33. The journal entry to record a withdrawal by the owner would most commonly include:

_____ a. a debit to Wage Expense and a credit to Cash.

_____ b. a debit to Capital and a credit to Cash.

_____ c. a debit to Withdrawals and a credit to Cash.

_____ d. a debit to Cash and a credit to Wage Expense.

34. A credit to a liability account was posted to an owner's equity account. This would cause:

_____ a. assets to be overstated.

_____ b. liabilities to be understated.

_____ c. owner's equity to be understated.

_____ d. net income to be overstated.

35. A credit to an asset account was posted to a revenue account. This would cause:

_____ a. assets to be understated.

_____ b. liabilities to be understated.

_____ c. capital to be understated.

_____ d. revenue to be overstated.

36. A credit to an asset account was posted to an expense account. This would cause:

_____ a. assets to be overstated.

_____ b. liabilities to be understated.

_____ c. capital to be understated.

_____ d. expenses to be overstated.

37. A debit to an expense account was posted to an asset account. This would cause:

_____ a. assets to be understated.

_____ b. liabilities to be understated.

_____ c. capital to be understated.

_____ d. expenses to be understated.

38. A debit to the capital account was posted to an expense account. This would cause:

_____ a. assets to be overstated.

_____ b. liabilities to be understated.

_____ c. capital to be overstated.

_____ d. expense to be understated.

39. A credit to an asset account was posted to a liability account. This would cause:

_____ a. assets to be understated.

_____ b. liabilities to be overstated.

_____ c. capital to be overstated.

_____ d. revenue to be overstated.

40. A debit to the capital account was posted to a revenue account. This would cause:

_____ a. assets to be understated.

_____ b. liabilities to be overstated.

_____ c. capital to be understated.

_____ d. revenue to be understated.