

Bookkeeper's Hiring Test

Basic Test
Payroll Option
Depreciation Option
Inventory-Perpetual Option

Test Name: AIPB Hiring Test

Test Form: 8

Test Points: 25.00

Name: _____

Date: _____

[1]BASIC BANK01 - BAT 007

Which of the following is an asset account?

- A. Retained Earnings
- B. Unearned Revenue
- C. Prepaid Insurance
- D. Social Security Taxes Withheld

[2]BASIC BANK02 - BAT 007

Which of the following is *not* a balance sheet account?

- A. Wages Payable
- B. Prepaid Rent
- C. Advertising Expense
- D. Unearned Revenue

[3]BASIC BANK03 - OE 010

During January, 20X1, your firm, which is on the accrual basis, performed services and mailed a \$2,500 invoice of which the customer promptly paid \$1,600. On March 23, the customer pays the \$900 balance due. How do you record receipt of the \$900 balance due?

- A. Cash 900
Revenue 900
- B. Cash 900
Accounts Receivable 900
- C. Cash 2,500
Unearned Revenue 1,600
Revenue 900
- D. Cash 900
Unearned Revenue 1,600
Revenue 2,500

[4]BASIC BANK04 - ABB 007

AnCo wrote \$7,700 in checks that had not cleared the bank as of the date of the bank statement.

In AnCo's bank reconciliation, \$7,700 would be:

- A. Added to the balance per books
- B. Deducted from the balance per books
- C. Added to the balance per bank
- D. Deducted from the balance per bank

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[5]BASIC BANK05 - ABB 007

If a company writes a \$3,200 check but records it as \$2,300, the \$900 difference is:

- A. Added to the balance per bank in a bank reconciliation
- B. Deducted from the balance per books in a bank reconciliation
- C. Added to the balance per books in a bank reconciliation
- D. Deducted from the balance per bank in a bank reconciliation

[6]BASIC BANK06 - AR 007

On January 1, your calendar-year company, which is on the accrual basis, receives a \$72,000, 10% note receivable. If, as of December 31, your company has collected \$7,000 interest for the year, what adjusting entry do you record?

- A. Cash 720
 Interest Revenue 720
- B. Interest Revenue 720
 Interest Receivable 720
- C. Interest Receivable 200
 Interest Revenue 200
- D. Interest Revenue 200
 Interest Payable 200

[7]BASIC BANK07 - AE 007

On November 1, your calendar-year company, which is on the accrual basis, receives a \$5,000 advertising bill from a magazine for the next 5 months. If you pay and record \$1,000 the same day and the remainder next year, what entry do you record on December 31?

- A. Advertising Expense 1,000
 Cash 1,000
- B. Advertising Expense 2,000
 Advertising Payable 2,000
- C. Advertising Expense 1,000
 Advertising Payable 1,000
- D. Advertising Expense 5,000
 Advertising Payable 5,000

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[8]BASIC BANK08 - RCIA 007

On October 15, your firm, which is on the accrual basis, accepts a \$30,000 advance on a \$70,000 painting job and books the advance in Deferred Revenue. If, at year end, 30% of the work has been completed, what adjusting entry do you record?

- | | | |
|---------------------|--------|--------|
| A. Cash | 21,000 | |
| Revenue | | 21,000 |
| B. Deferred Revenue | 21,000 | |
| Revenue | | 21,000 |
| C. Deferred Revenue | 9,000 | |
| Revenue | | 9,000 |
| D. Revenue | 9,000 | |
| Deferred Revenue | | 9,000 |

[9]BASIC BANK09 - PE 007

Your accrual-basis company pays a \$5,000 advance on a \$20,000 paint job, recording it in Painting Expense. If, at year end, 10% of the job is completed, what adjusting entry do you record?

- | | | |
|---------------------|-------|-------|
| A. Painting Expense | 3,000 | |
| Prepaid Painting | | 3,000 |
| B. Painting Expense | 3,000 | |
| Cash | | 3,000 |
| C. Prepaid Painting | 3,000 | |
| Painting Expense | | 3,000 |
| D. Painting Expense | 2,000 | |
| Prepaid Painting | | 2,000 |

[10]BASIC BANK10 - COAE 007

On July 17, your firm receives \$600 from Customer C representing partial payment of its \$1,350 accounts receivable balance and records it as follows:

Cash		600	
Accounts Receivable—Customer D			600

If you discover the error a week later on July 24, what correcting entry, if any, should you record?

- | | | |
|------------------------------------|-----|-----|
| A. Accounts Receivable | 600 | |
| Cash | | 600 |
| B. Allowance for Doubtful Accounts | 600 | |
| Accounts Receivable | | 600 |
| C. Accounts Receivable | 600 | |
| Revenue | | 600 |
| D. Accounts Receivable –Customer D | 600 | |
| Accounts Receivable –Customer C | | 600 |

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[11]PAYROLL BANK11 - PHE 004

If employee Rhonda is paid \$10 an hour and recorded the following hours for the workweek, what are her gross wages for the workweek under federal law?

	Hours worked
Monday	8
Tuesday	10
Wednesday	7
Thursday	8
Friday	12
Saturday	-
Sunday	7
Total	52

- A. \$520
- B. \$590
- C. \$580
- D. \$615

[12]PAYROLL BANK12 - FFF 007

Which of the following employees are exempt from Social Security tax withholding?

- A. Employees over age 65
- B. Employees over age 59½
- C. Employees of any age collecting Social Security benefits
- D. None of the above are exempt from Social Security tax withholding

[13]PAYROLL BANK13 - WW 005

An employer must provide a W-2 to an employee by

- A. March 31 of the following year
- B. February 15 of the following year
- C. January 31 of the following year
- D. 30 days after a terminated employee's last day of work

[14]PAYROLL BANK14 - ICE 012

When your firm hires Alan as a warehouse inventory clerk just for the summer, you must classify him as:

- A. An independent contractor or an employee
- B. An independent contractor
- C. An employee and withhold all employment taxes
- D. An employee but need not withhold employment taxes

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[15]PAYROLL BANK15 - PJE 007

As the bookkeeper for a calendar year company on the accrual basis, how would you record the payroll below for the week ended December 31, if wages will not be paid until January 8?

Gross salary	\$200,000	
Amounts withheld:		
Social Security tax	\$7,400	
Medicare tax	2,900	
Federal income tax	36,000	
State income tax	<u>10,000</u>	(56,300)
Net	<u>\$143,700</u>	
A. Salaries Payable	200,000	
FICA Tax Withheld		10,300
Federal Income Tax Withheld		36,000
State Income Tax Withheld		10,000
Salaries Expense		143,700
B. Cash	143,700	
Salaries Payable		143,700
C. Cash	200,000	
FICA Tax Withheld		10,300
Federal Income Tax Withheld		36,000
State Income Tax Withheld		10,000
Salaries Expense		143,700
D. Salary Expense	200,000	
FICA Tax Withheld		10,300
Federal Income Tax Withheld		36,000
State Income Tax Withheld		10,000
Salaries Payable		143,700

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[16]DEPRECN BANK16 - FDC 007

On October 5, 20X4, your firm purchases a delivery van with the data shown below and will depreciate it for book purposes under generally accepted accounting principles and for tax purposes under MACRS.

Cost	\$25,000
Salvage value	\$5,000
Useful life	5 years

The depreciable base of the delivery van is:

- A. \$25,000 for both book and tax purposes
- B. \$20,000 for both book and tax purposes
- C. \$25,000 for book purposes and \$20,000 for tax purposes
- D. \$20,000 for book purposes and \$25,000 for tax purposes

[17]DEPRECN BANK17 - SLD 007

On July 1, 200X, your calendar year firm purchases a building with the data shown below. If your company uses the straight-line method, what is the entry to record depreciation expense as of December 31, 200X?

Building	\$500,000
Land	\$100,000
Salvage value	\$100,000
Useful life	50 years

- A. Accumulated Depreciation 10,000
 Depreciation Expense 10,000
- B. Depreciation Expense 5,000
 Accumulated Depreciation 5,000
- C. Depreciation Expense 10,000
 Accumulated Depreciation 10,000
- D. Depreciation Expense 4,000
 Accumulated Depreciation 4,000

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[18]DEPRECN BANK18 - DDB 010

On January 1, 200X, your calendar year company purchases a machine with the data shown below. What entry would you record for depreciation on December 31, 200X, under the double declining balance method?

Cost	\$10,000
Salvage value	\$2,000
Useful life	8 years

- A. Accumulated Depreciation 2,000
 Depreciation Expense 2,000
- B. Depreciation Expense 2,500
 Machine 2,500
- C. Depreciation Expense 2,000
 Accumulated Depreciation 2,000
- D. Depreciation Expense 2,500
 Accumulated Depreciation 2,500

[19]DEPRECN BANK19 - MAC 012

On May 1, 20X6, your calendar year firm purchases and places in service a machine with a \$5,000 cost, 10-year life and \$10,000 salvage value that is 7-year property under MACRS and therefore is depreciated 14.29% in 20X6. On September 29, 20X6, your firm sells the machine for \$4,200. What depreciation deduction can your firm claim for the machine on its 20X6 federal income tax return?

- A. \$715
- B. \$643
- C. \$0
- D. \$500

[20]DEPRECN BANK20 - 179 007

If a firm purchases the assets below during the year, what is its maximum Section 179 deduction?

	Cost	Useful life	Salvage value
Machine	\$35,500	5	\$5,000
Office furniture	\$67,000	7	\$6,700
Building	\$200,000		

- A. \$302,000
- B. \$102,000
- C. \$35,000
- D. \$51,000

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[21]INVPERP BANK25 - RPP 002

How do you record a purchase on account of \$500 plus \$40 shipping under the perpetual method?

- | | | |
|--------------------------|-----|-----|
| A. Purchases | 500 | |
| Cash | | 500 |
| B. Purchases | 540 | |
| Accounts Payable | | 540 |
| C. Merchandise Inventory | 500 | |
| Freight-In | 40 | |
| Accounts Payable | | 540 |
| D. Merchandise Inventory | 540 | |
| Accounts Payable | | 540 |

[22]INVPERP BANK26 - RPD 005

If your company, which uses the perpetual method, purchases inventory for \$10,000 at 2/10 net 30, records the purchase as shown below, and pays in full after the discount period, what should you do?

Merchandise Inventory	9,800	
Accounts Payable		9,800

- A. Debit Accounts Payable for \$10,000
- B. Debit Purchase Discounts Lost for \$200
- C. Credit Purchase Discounts Lost for \$200
- D. Credit Merchandise Inventory for \$200

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[23]INVPERP BANK27 - PRP 004

How do you record a \$60 refund on a \$900 cash inventory purchase under the perpetual method?

- | | | |
|---------------------------------|----|----|
| A. Cash | 60 | |
| Purchase Returns And Allowances | | 60 |
| B. Cash | 60 | |
| Sales | | 60 |
| C. Cash | 60 | |
| Merchandise Inventory | | 60 |
| D. Cash | 60 | |
| Cost Of Goods Sold | | 60 |

[24]INVPERP BANK28 - RSP 001

Under the perpetual method, how do you record a \$900 cash sale of inventory that cost \$600?

- | | | |
|-----------------------|-----|-----|
| A. Cash | 900 | |
| Sales | | 900 |
| B. Cash | 900 | |
| Cost Of Goods Sold | 600 | |
| Merchandise Inventory | | 600 |
| Sales | | 900 |
| C. Cash | 900 | |
| Merchandise Inventory | 600 | |
| Cost Of Goods Sold | | 600 |
| Sales | | 900 |
| D. Cash | 900 | |
| Cost Of Goods Sold | | 600 |
| Merchandise Inventory | | 300 |

[25]INVENT BANK29 - COG 004

If a company pays the delivery costs on its sales, it:

- A. Includes delivery cost in its cost of goods sold
- B. Allocates the delivery cost between cost of goods sold and ending inventory
- C. Records delivery cost as a selling expense
- D. Adds delivery cost to the ending inventory

You have completed the test!