

BOOKKEEPING TEST

NAME _____

DATE _____

For each of the following identify as either (A) Asset, (L) Liability, (I) Income, or (E) Expense

1) Accrued interest = _____

2) Depreciation on Company Auto = _____

3) Deposit received on a Pending Contract = _____

4) Prepaid Interest = _____

5) Sales Tax Collected = _____

6) Late fees from Customers = _____

7) Which of the following would be increased by a debit?

- a) Purchase Returns and Allowances
- b) Purchase Discounts
- c) Sales Returns and Allowances
- d) Allowance for Doubtful Accounts

8) You discover during your bank reconciliation the Bank deducted a check from another Company from your Bank account. Which of the following would you do during the reconciliation?

- a) Add the check amount to the balance per bank
- b) Deduct the check amount from the balance per bank
- c) Add the check amount to the balance per books
- d) Deduct the check amount from the balance per books

9) On Sept 1 your Company receives \$400 advance on a lease of an office building, which you record as an advance. The annual lease is \$1200. What entry must you make at 12/31?

- a) Debit Rent Advance for \$400
- b) Credit Rental Income for \$400
- c) Neither of the above
- d) Both of the above

10) On August 1 your Company signs a \$15,000 contract to have the building painted, and pays the Painter \$4,000 in advance. You record the payment as Painting expense and find out that the painting is 50% done at 12/31. What entry must you make then?

- a) Debit Painting expense for \$7,500
- b) Credit Painting advance for \$3,500
- c) Debit Painting expense for \$3,500
- d) Credit Painting expense for \$4,000

11) What is the Standard Tax Rate for a Sub S Corporation? = _____

12) What does LLC Stand for? = _____

What accounts are affected by recording a Truck Payment to a bank of \$100 with \$30 in interest?

	<u>Dr.</u>	<u>Cr.</u>
13) _____	\$70	
14) _____	\$30	
15) _____		\$100

What attributes does a General Journal Entry have to have?

- 16) _____
- 17) _____
- 18) _____

Which of the following are Cost of Goods Sold items, for a Manufacturer? (Y) if Yes, (N) if No

- 19) Welder's Salary = _____
- 20) Bookkeeper's Salary = _____
- 21) Sales Tax on Aluminum used in production = _____

What are the most likely Account names of a General Journal Entry to record the Purchase of a Truck for \$10,000 with a 75% Loan?

	<u>Dr.</u>	<u>Cr.</u>
22) _____	\$10,000	
23) _____		\$7,500
24) _____		\$2,500

The following are legitimate Accounting Equations. (Y) Yes or (N) No

25) Assets – Liabilities = Income = _____

26) Debits = Credits = _____

27) On 8/31 your Company hires an Accountant on retainer of \$12,000 annually and pays 5 months in advance, which you record as Accounting Expenses. As of 12/31 you need to make a year end entry. Which of the following do you make?

	Dr	Cr
a) Accounting expense	\$1000	
Accrued expenses		\$1000
b) Prepaid Accounting expense	\$1000	
Accounting expense		\$1000
c) Accounting expense	\$1000	
Prepaid Accounting expense		\$1000
d) Accounting expense	\$2000	
Prepaid Accounting expense		\$2000
e) None of the above		

28) Your Company incurs an expense of \$200 for an office expense, which is paid. Two months later, you discover this was never recorded. Which entry do you make?

	Dr	Cr
a) Accounts payable	\$200	
Cash		\$200
b) Cash	\$200	
Office expense		\$200
c) Office expense	\$200	
Cash		\$200
d) Office expense	\$200	
Accounts payable		\$200

29) On August 1 your Company pays \$7,000 on a Contract for a Video Ad. It is recorded as Unearned Revenue. You find at the end of the year the total contract was for \$10,000 and was 50% complete. The entry you record should be which of the following?

	Dr	Cr
a) Unearned Revenue	\$2000	
Advertising expense		\$2000
b) Advertising expense	\$2000	
Unearned Revenue		\$2000
c) Unearned Revenue	\$5000	
Advertising expense		\$5000
d) Advertising expense	\$5000	
Unearned Revenue		\$5000
e) None of the above		

What report summarizes the Company's Financial Position at a specific Date?

30) _____

What accounts are affected when creating an invoice for \$105 with Sales Tax of \$5?

	<u>Dr.</u>	<u>Cr.</u>
31) _____	\$105	
32) _____		\$5
33) _____		\$100

Your boss asks you to call the people who have owed The Company money for more than 60 days. What report or list would you use to begin these calls?

34) _____

When doing the Bank Reconciliation for the Company, you discover a difference of \$15.83 consisting of a bad check charge of \$35, Interest on the charge of \$.83, and an error you made in recording a check for supplies for \$20. What are the accounts affected by the General Journal Entry to correct this imbalance?

	<u>Dr.</u>	<u>Cr.</u>
35) _____	\$35.00	
36) _____	\$0.83	
37) _____		\$15.83
38) _____		\$20.00

What would be the Book depreciation in the second year for a Truck with a base price of \$20000.00 and extras of \$5,000.00 purchased on June 30, assuming the Company uses Straight Line Depreciation for this five year asset?

39) _____