

Assignment 1

Match the following vocabularies with their correct meanings.

_____ 1. Liabilities	_____ 6. Expenses
_____ 2. Going Concern	_____ 7. Manufacturing firm
_____ 3. Assets	_____ 8. Merchandising firm
_____ 4. Owner's Equity	_____ 9. Single Proprietorship
_____ 5. Revenue	_____ 10. Partnership

Their correct meanings

- A. Business owned by an individual and often managed by that same individual.
- B. Inflow of assets resulting from the sale of products or the rendering of services to customers.
- C. That share of the business that the proprietor owns outright; it's equal to assets minus liabilities.
- D. Business owned by two or more persons associated as partners.
- E. Companies that purchase goods that are ready for sale and then sell them to customers.
- F. The assumption by the accountant that unless strong evidence exists to the contrary, a business entity will continue operations into the indefinite future.
- G. Costs incurred to produce revenues.
- H. Things of value owned by the business.
- I. Debts owned by a company.
- J. Companies that buy materials, convert them into products and then sell the products to other companies or to final customers.

Assignment 2

Match the following vocabularies with their correct meanings.

_____ 1. Balance sheet	_____ 6. Source document
_____ 2. Accounts receivable	_____ 7. Net loss
_____ 3. Accounts payable	_____ 8. Unearned Revenue
_____ 4. Income Statement	_____ 9. Notes payable
_____ 5. Net income	_____ 10. Accounting period

Their correct meanings

- A. Amounts owned to parties who loan the company money after the owner signs a written agreement for the company to repay each loan.
- B. Any written or printed evidence of a business transaction that describes the essential facts of that transaction.
- C. Amount by which the expenses of a period exceed the revenues of the same period.
- D. Assets received from customers before services are performed for them.
- E. A time period normally of one month, one quarter, or one year into which an entity's life is arbitrarily divided for financial reporting purposes.
- F. Amount by which the revenues of a period exceed the expenses of the same period.
- G. Financial statement that shows the revenues and expenses and reports the profitability of business organization for a stated period of time.
- H. Financial statement that list the company's assets, liabilities and owner's equity as of specific moment in time.
- I. Amounts due from customers for services already provided.
- J. Amounts owned to suppliers for goods and services purchased on credit.

Assignment 3

Match the following vocabularies with their correct meanings.

- _____ 1. Debit
- _____ 2. General Journal
- _____ 3. Trial balance
- _____ 4. Chart of Accounts
- _____ 5. Compound journal entry

Their correct meanings

- A. A journal entry with more than one debit and/or credit.
- B. The complete listing of the titles and account numbers of all of the accounts in the ledger; somewhat comparable to a table of contents.
- C. Shows all of the effects of a business transaction as expressed in terms of debit and credit and may include an explanation of the transaction.
- D. A listing of the ledger accounts and their debit or credit balances to determine that debits equal credits in the recording process.
- E. The left side of any account.

Assignment 4

Match the following vocabularies with their correct meanings.

- _____ 1. Cash receipts journal
- _____ 2. Special journal
- _____ 3. Purchase journal
- _____ 4. Posting
- _____ 5. Sales journal

Their correct meanings

- A. Recording in the ledger the information contained in the journal.
- B. A special journal used for all transactions involving the inflows of cash into the business.
- C. Used to record one particular type of transaction.
- D. A special journal used to record all sales of merchandise on account.
- E. A special journal used to record all purchases of merchandise on account.

Assignment 5

Match the following vocabularies with their correct meanings.

_____ 1. Adjusting entries	_____ 6. Salvage value
_____ 2. Depreciation	_____ 7. Accumulated depreciation
_____ 3. Accrual basis	_____ 8. Cash basis
_____ 4. Matching concept	_____ 9. Accrued liabilities
_____ 5. Useful life	

Their correct meanings

- A. The estimated number of periods that a company can make use of an asset.
- B. The amount for which an asset can probably be sold at the end of its estimated useful life.
- C. Liabilities that exist at the end of an accounting period but have not yet been recorded.
- D. Recognizes revenues when cash is received and recognizes expenses when cash is paid out.
- E. A contra asset account that shows the total of all depreciation on the asset up to the balance sheet date.
- F. An accounting principle requiring that expenses incurred in producing revenues be deducted from the revenues they generated during the accounting period.
- G. The amount of asset cost assigned as an expense to a particular time period.
- H. Recognizes revenues when sales are made or services are performed, regardless of when cash is received. Recognizes expenses as incurred whether or not cash has been paid out.
- I. Journal entries made at the end of an accounting period to change the balance of certain accounts; they reflect economic activity that has taken place but has not yet been recorded.

Assignment 6

Match the following vocabularies with their correct meanings.

_____ 1. Periodic inventory procedure	_____ 6. Inventory
_____ 2. Perpetual inventory procedure	_____ 7. Trade discount
_____ 3. Cash discount	_____ 8. Sales returns and allowances
_____ 4. FOB Destination	_____ 9. Purchase Account
_____ 5. FOB Shipping point	_____ 10. Cost of goods sold

Their correct meanings

- A. Shows the cost to the seller of the goods sold to customers.
- B. A deduction from the gross invoice price that can be taken only if the invoice is paid within a specified period of time.
- C. A contra revenue account to sales used to record the selling price of merchandise returned by buyers or reductions in selling prices granted.
- D. A percentage deduction or discount from the specified list price or catalog price of merchandise to arrive at the gross invoice price.
- E. An account used under periodic inventory procedure to record the cost of goods or merchandise bought for resale during the current accounting period.
- F. A method of accounting for merchandise acquired for sale to customers wherein the cost of merchandise sold and the cost of merchandise on hand are determined only at the end of the accounting period by taking a physical inventory.
- G. A method of accounting for merchandise acquired for sale to customers wherein the merchandise inventory account is debited for each purchase and credited for each sale so that the current balance is shown in the account at all times.
- H. Means free on board at destination; goods are shipped to their destination without charge to the buyer; the seller is responsible for paying the freight charges.

I. The quantity of goods on hand and available for sale at any given time.

J. Means free on board at shipping point; buyer incurs all transportation costs after merchandise is loaded on a railroad car or truck at the point of shipment.