

Quiz #1 and **ANSWER SHEET** – Section 2-Setting Up The Work

All of these questions refer to your work papers after you have set up the T-Accounts using the 6/30/20XX Trial Balance:

1. How many of the T-accounts have names, but no amounts?
 - a. 4
 - b. **6 - Correct**
 - c. 7
 - d. 29

Cash Drawer, Sales Tax Payable, Payroll Payable, Income Summary, Giftware Sales, Ret'd Check Fee Income

2. How many of the T-accounts that you would use to create an Income Statement have debit balances?
 - a. 0
 - b. 10
 - c. **11 – Correct**
 - d. 14

COGS, Bank Svc Charges, Depr Expense, Insurance Exp-Fire, Insurance Exp-Liability, Payroll Expense, Rent Expense, Telephone Expense, Utilities Expense, Misc Expense, and Sales Discounts

3. What is the total of the all the T-accounts with debit balances that would be listed in the Asset section on the Balance Sheet?
 - a. \$32,121.80
 - b. \$60,272.94
 - c. **\$66,128.79 - Correct**
 - d. \$90,595.30

Cash (\$32,121.80), A/R (\$3,736.55), Prepaid Insurance (\$275.00), Inventory Asset (\$18,762.44) and Store Equipment (\$11,233.00)

4. What is the sum of Total Liabilities and Total Equity?
 - a. \$26,011.16
 - b. **\$26,524.43 - Correct**
 - c. \$50,808.94
 - d. \$75,275.45

Liabilities (\$26,011.16) + Capital, Owner (\$24,979.78) – Draw, Owner (\$24,466.51)

5. How many T-accounts that track revenue activity have a balance?
 - a. 3
 - b. **4 - Correct**
 - c. 5
 - d. 6

Book Sales, Keyboarding Sales, Supplies Sales, Sales Discounts

6. TRUE or False: There are unused T-accounts on the form.
 - a. **True - Correct**
 - b. False

7. What is the total amount of Income this fiscal year through 6/30/20XX?
 - a. \$145,553.02
 - b. **\$146,700.49 - Correct**
 - c. \$147,847.96
 - d. \$112,951.28

Book Sales (\$133,842.76) + Keyboarding Sales (\$2,116.40) + Supplies Sales (\$11,888.80) – Sales Discounts (\$1,147.47)

8. How many accounts that track expense-type activity have a debit balance?

- a. 7
- b. 8
- c. 9
- d. 10 - Correct

All the expense accounts used, including COGS.

9. What is the total amount of Expenses?

- a. \$112,951.98 – Correct
- b. \$91,189.23
- c. \$57,440.72
- d. \$33,748.51

10. What is the total balance of all Contra accounts combined?

- a. \$1,147.47
- b. \$23,319.04
- c. \$26,613.98
- d. \$19,758.13 – Correct

Draw, Owner (\$24,466.51) + Sales Discounts (\$1,147.47) – Accum Depreciation, Equipment (\$5,855.85)