

Bookkeeping Basics #1 – Understand the Fundamentals

Section 6 Quiz **with Answers****



All of the following are characteristics of expenses EXCEPT:

- Money spent to actually RUN the business
- Can be for products, services or both
- Money spent to EARN income
- **Profit payments to the owner(s)****

The costs associated with acquiring or producing a product for sale are called:

- **Costs of Goods Sold****
- Overhead expenses
- Operating Expenses
- Vendor Bills

Paying Taxes are:

- ARE Considered an expense
- ARE NOT considered an expense
- **MAY be considered an expense****
- Are voluntary based on your location

Why would a company organize the expenses on its Chart of Accounts to group certain accounts together?

- **To be able to total and review those associated accounts together****
- There is no reason to group accounts together
- Both answers
- Neither answer

Which item is NOT included on the sample Stamp provided in the PDF lesson?

- Date
- Amount
- **Description****
- Expense account