

Bookkeeping Basics #1 – Understand the Fundamentals

Section 8 Mini-Quiz



Accounts Payables are a type of:

- Assets
 - Payables are money you owe to your vendors or creditors
- **Liabilities****
 - **Correct - Payables are amounts you will eventually pay.**
- Equity
 - Payables are money you owe to your vendors or creditors
- Expenses
 - Payables are money you owe to your vendors or creditors

Related Lecture: Put It On My Tab – Accounts Payable

If you end up having to turn over past due receivables to a collection agency, which of these is NOT true?

- **Plan on receiving usually about 60% of the full value of what your owed****
 - **At best, you might receive 50% of the amount, but usually a lot less.**
- It is best to have worked out the details with the collection agency before you start extending credit.
 - This will allow you to know exactly what information you should gather when you extend credit
- Consider it lost money and be happy if you get ANY of the money collected
 - This is the best way to mentally approach turning it over to a collection agency
- All of these are correct.
 - Only one of the responses is correct

Related Lecture: What If They Don't Pay?