ACC 101 Test #1

Name: [illegible]

Teacher: [illegible] Section: [illegible]

1 What is the expanded accounting equation?

the detailed components of owner's equity: Assets = Liabilities + Contributed Capital + Beginning

2 If Owner's equity has decreased by $11,000 and Assets have increased by $[illegible] then liabilities will have Increased by what amount $ 1,000

3 If income was $30,000, expenses were $20,000 and the owner's withdrawals were $10,000, the amount of net income or net loss is: $ 10,000

4 The term used to describe the decrease in owner's equity caused by an outflow of economic resources from operations of the company is Expense

5 The Accounting Cycle or Process is a series of steps that accountants perform during the accounting period to analyze, record, classify, summarize, and prepare financial statements.

6 Name the accounting concept that assumes that all assets will be recorded at the purchase price. Accounting cost principle (Historical Cost)

7 What is the purpose of accounting?

report on financial information about its performance, financial position and cash

8 Calculate the ending balance of the following T-Accounts:

[illegible]

	150
	95
50	
	300

[illegible]

9

Identify each of the following accounts as "A" for asset, "L" for liability or "OE" for Owner's Equity "R" for Revenue, "E" for Expense and identify the Normal Balance.

	A,L, or OE		DR or CR		A,L, or OE		DR or CR
1	A	Supplies	DR	7	A	Vehicle	DR
2	A	Accounts Receivable	DR	8	R	Service Revenue	CR
3	L	Unearned Revenue	CR	9	OE	[illegible] Capital	CR
4	L	Salaries Payable	CR	10	A	Prepaid Rent	DR
5	A	Inventory	DR	11	E	Repairs Expense	DR
6	OE	[illegible] Drawing	DR	12	L	Accounts Payable	CR