**Accounting 11 Unit 1 Test Review**

Know how to create an income statement and classified balance sheet from a worksheet.

Know how to complete a worksheet.

Know how to record entries into a journal

Know how to post entries from a journal to a ledger

Know all GAAP’s we have covered so far and be able to explain them

Know all definitions of terms covered in class (example those on your quizzes)

Example Questions for Unit 1 Test:

1. Prepare an income statement and a classified balance sheet for the month of October for P. Simpson, Accountant, from the completed work sheet that follows.



2. Complete the work sheet for P. Simpson, Accountant, that follows.



1. Record the following transactions on page 3 of a journal.

 May 1 Cash sales $200.

 2 Purchased office supplies on credit from Willson’s Ltd., $170.

 3 A. Burns, the company owner, invested an additional $8000 in the business.

 4 Borrowed $11 000 from the bank.

 5 Paid $300 cash to *The Herald* for newspaper advertising.

 6 Sold goods on account to L. Auger $800.

 9 Paid $90 cash to Willson’s Ltd. on account.

 9 Paid $1200 in salaries by cheque.

 14 Purchased $900 worth of equipment from Western Supply. Made a $200 down payment. The balance is to be paid in 30 days.

 15 The owner, A. Burns, withdrew $500 cash for personal use.

 19 Made a $50 donation to the United Appeal (Miscellaneous Expense).

 20 Paid $120 cash for the month’s water bill (Utilities Expense).

 25 The owner, A. Burns, took a box of computer paper worth $45 from the business for personal use.

 31 Paid $700 on the bank loan.

4. Using the completed journal page that follows, head up the accounts required in the ledger and post the transactions.



Answers

1.

|  |
| --- |
| P. Simpson, AccountantIncome StatementFor the month ended October 31, 20— **Revenue** Fees Income $10 200 **Expenses** Car $ 200 Salaries 1 700 Rent 200 2 100 Net Income $ 8 100 |

|  |
| --- |
| P. SimpsonBalance SheetOctober 31, 20— **Assets** **Current Assets** Cash $ 500 Accounts Receivable/R. Martin 200 Accounts Receivable/J. Morrison 600 Supplies 300 Total Current Assets $ 1 600 **Fixed Assets**Building 40 000 Automobile 3 000 Total Fixed Assets 43 000 Total Assets $44 600 **Liabilities and Owner’s Equity** **Current Liabilities**Ace Finance $ 300 Accounts Payable/Acme Supply 500 Total Current Liabilities $ 800 **Owner’s Equity** P. Simpson, Capital October 1 36 200 Add: Net Income for October $8 100 Less: P. Simpson, Drawings 500 Increase in Capital 7 600 P. Simpson, Capital October 31 43 800 Total Liabilities and Owner’s Equity $44 600 |

2.

 

3.

****

##

****

4.

















