

Study Guide 10

Name	Perfect Score	Your Score
Identifying Accounting Terms	13 Pts.	
Analyzing Accounting Concepts and Practices	20 Pts.	
Analyzing Transactions Recorded in Special Journals	12 Pts.	
Total	45 Pts.	

Part One—Identifying Accounting Terms

Directions: Select the one term in Column I that best fits each definition in Column II. Print the letter identifying your choice in the Answers column.

Column I	Column II	Answers
A. accounts receivable ledger	1. The amount a business receives from the sale of an item of merchandise. (p. 284)	1. _____
B. batch report	2. The amount a business adds to the cost of merchandise to arrive at the selling price. (p. 284)	2. _____
C. batching out	3. A subsidiary ledger containing all accounts for charge customers. (p. 284)	3. _____
D. cash receipts journal	4. A tax on a sale of merchandise or services. (p. 286)	4. _____
E. cash sale	5. A special journal used to record only sales of merchandise on account. (p. 287)	5. _____
F. markup	6. A sale in which the customer pays for the total amount of the sale at the time of the transaction. (p. 294)	6. _____
G. point-of-sale (POS) terminal	7. A specialized computer used to collect, store, and report all the information about a sales transaction. (p. 294)	7. _____
H. sales discount	8. The report that summarizes the cash and credit card sales of a point-of-sale terminal. (p. 294)	8. _____
I. sales journal	9. A report of credit card sales produced by a point-of-sale terminal. (p. 295)	9. _____
J. sales tax	10. The process of preparing a batch report from a point-of-sale terminal. (p. 295)	10. _____
K. schedule of accounts receivable	11. A special journal used to record only cash receipt transactions. (p. 296)	11. _____
L. selling price	12. A cash discount on a sale taken by the customer. (p. 296)	12. _____
M. terminal summary	13. A listing of customer accounts, account balances, and total amount due from all customers. (p. 308)	13. _____

Part Two—Analyzing Accounting Concepts and Practices

Directions: Place a *T* for True or an *F* for False in the Answers column to show whether each of the following statements is true or false.

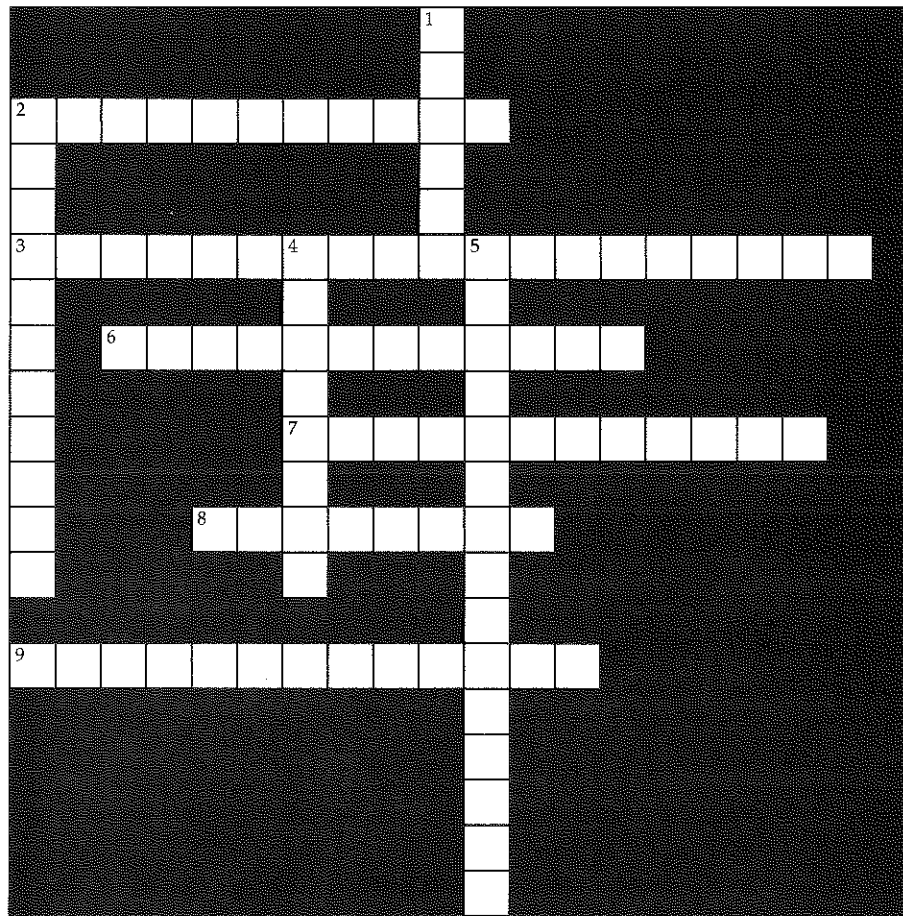
	Answers
1. Regardless of when payment is received, the revenue should be recorded when a sale is made, not on the date cash is received. (p. 284)	1. _____
2. The accounts receivable ledger form is based on the general ledger form and contains the same columns, except the Credit balance amount column. (p. 286)	2. _____
3. Most states do not require a business to collect sales tax from customers. (p. 286)	3. _____
4. Sales tax rates are usually stated as a percentage of sales. (p. 286)	4. _____
5. The amount of sales tax collected is an expense of operating a business. (p. 286)	5. _____
6. Only the federal government can exempt from sales taxes some types of merchandise or sales to certain types of customers. (p. 286)	6. _____
7. An invoice is a form that describes the goods or services sold, the quantity and the price, and the terms of the sale. (p. 287)	7. _____
8. The invoice used as a source document for recording a sale on account is often referred to as a sales invoice, a sales ticket, or a sales slip. (p. 287)	8. _____
9. While the seller considers an invoice for a sale on account to be a sales invoice, the same invoice is considered by the customer to be a purchase invoice. (p. 287)	9. _____
10. Credit card and debit card sales are treated as cash sales because the business receives its cash in a very short time. (p. 294)	10. _____
11. A terminal summary is also known as a <i>T tape</i> . (p. 294)	11. _____
12. A batch report can be detailed, showing every credit card sale. Or, the batch report can be a summary, showing only the number and total of sales by credit card type. (p. 295)	12. _____
13. Separate transactions are recorded for cash, credit card, and debit card totals listed on a terminal summary. (p. 297)	13. _____
14. Sales Tax Payable has a normal debit balance. (p. 297)	14. _____
15. When a sales discount is taken, a customer pays less cash than the invoice amount previously recorded in the sales account. (p. 299)	15. _____
16. Maintaining a separate account for sales discounts provides business managers with information to evaluate whether a sales discount is a cost-effective method. (p. 300)	16. _____
17. The posting references on the accounts receivable ledger form enable the company to locate the sales invoices and receipts supporting each transaction. (p. 302)	17. _____
18. The total of each general amount column of a cash receipts journal is posted to the corresponding general ledger account. (p. 302)	18. _____
19. A schedule of accounts receivable contains a complete listing of each sales invoice owed by customers. (p. 308)	19. _____
20. Some businesses call the schedule of accounts receivable the <i>accounts receivable trial balance</i> . (p. 308)	20. _____

Part Three—Analyzing Transactions Recorded in Special Journals

Directions: In Answers Column 1, print the abbreviation for the journal in which each transaction is to be recorded. In Answers Columns 2 and 3, print the letters identifying the accounts to be debited and credited for each transaction. For transactions affecting accounts receivable, be sure to also include the subsidiary ledger account affected.

SJ—Sales journal; CRJ—Cash receipts journal

Account Titles	Transactions	Answers		
		1 Journal	2 Debit	3 Credit
A. Accounts Receivable	1-2-3. Sold merchandise on account to Doris Edwards, plus sales tax. (p. 288)	1. _____	2. _____	3. _____
B. Cash	4-5-6. Recorded cash and credit card sales, plus sales tax. (p. 297)	4. _____	5. _____	6. _____
C. Doris Edwards	7-8-9. Received cash on account from Jim North. (p. 298)	7. _____	8. _____	9. _____
D. Jim North	10-11-12. Received cash on account from Doris Edwards, less sales discount. (p. 300)	10. _____	11. _____	12. _____
E. Sales				
F. Sales Discount				
G. Sales Returns and Allowances				
H. Sales Tax Payable				



Across

2. A report of credit card sales produced by a point-of-sale terminal.
3. A special journal used to record only cash receipt transactions.
6. A special journal used to record only sales of merchandise on account.
7. The amount a business receives from the sale of an item of merchandise.
8. A tax on a sale of merchandise or services.
9. A cash discount on a sale taken by the customer.

Down

1. The amount a business adds to the cost of merchandise to establish the selling price.
2. The process of preparing a batch report from a point-of-sale terminal.
4. A sale in which the customer pays for the total amount of the sale at the time of the transaction.
5. The report that summarizes the cash and credit card sales of a point-of-sale terminal. This is also known as a Z tape.