

# Study Guide 2

Name	Perfect Score	Your Score
Identifying Accounting Terms	7 Pts.	
Analyzing Transactions into Debit and Credit Parts	20 Pts.	
Identifying Changes in Accounts	18 Pts.	
<b>Total</b>	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.

<b>Column I</b>	<b>Column II</b>	<b>Answers</b>
A. accounts payable	1. An accounting device used to analyze transactions. (p. 33)	1. _____
B. accounts receivable	2. An amount recorded on the left side of an account. (p. 33)	2. _____
C. chart of accounts	3. An amount recorded on the right side of an account. (p. 33)	3. _____
D. credit	4. The side of the account that is increased. (p. 33)	4. _____
E. debit	5. A list of accounts used by a business (p. 36)	5. _____
F. normal balance	6. Amounts to be paid in the future for goods or services already acquired. (p. 39)	6. _____
G. T account	7. Amounts to be received in the future due to the sale of goods or services. (p. 44)	7. _____

## Part Two—Analyzing Transactions into Debit and Credit Parts

**Directions:** Analyze each of the following transactions into debit and credit parts. Print the letter identifying your choice in the proper Answers columns.

### Account Titles

- |                                 |                              |                        |
|---------------------------------|------------------------------|------------------------|
| A. Cash                         | D. Prepaid Insurance         | H. Sales               |
| B. Accts. Rec.—Parkview Company | E. Accts. Pay.—City Supplies | I. Advertising Expense |
| C. Supplies                     | F. N. Lee, Capital           |                        |
|                                 | G. N. Lee, Drawing           |                        |

### Answers

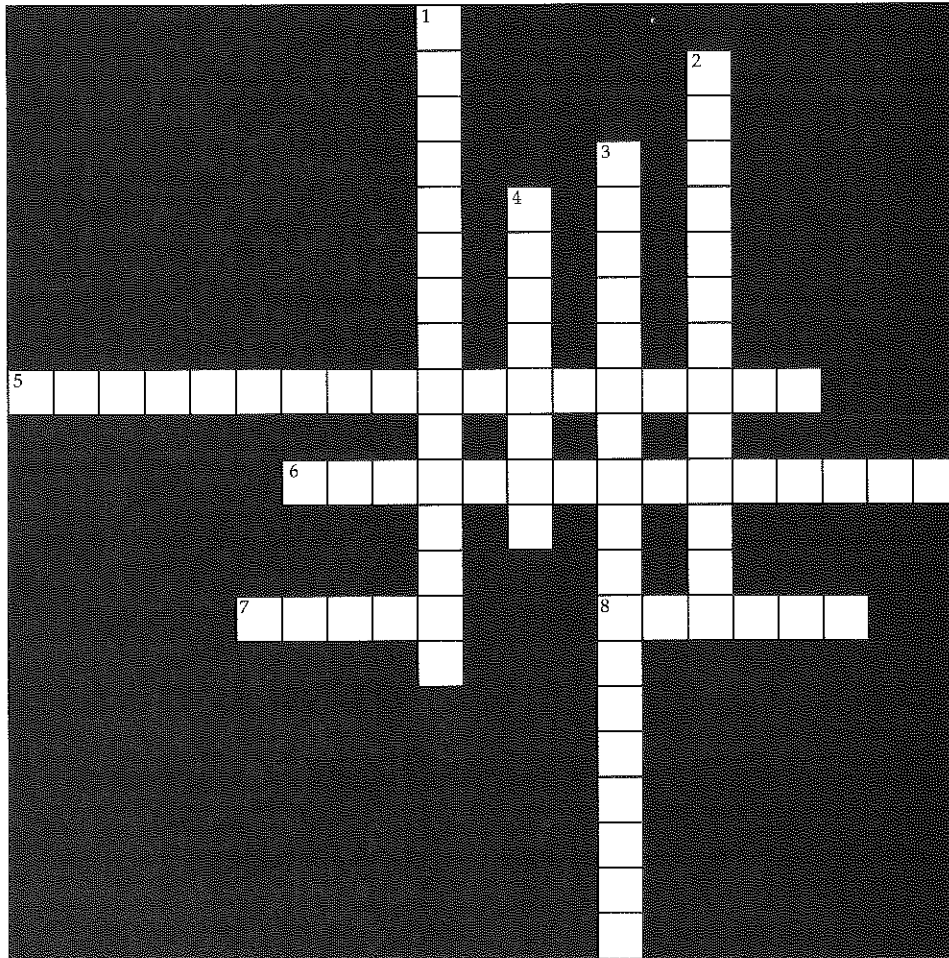
	<b>Debit</b>	<b>Credit</b>
1–2. Received cash from owner as an investment. (p. 36)	1. _____	2. _____
3–4. Paid cash for supplies. (p. 37)	3. _____	4. _____
5–6. Paid cash for insurance. (p. 38)	5. _____	6. _____
7–8. Bought supplies on account from City Supplies. (p. 39)	7. _____	8. _____
9–10. Paid cash on account to City Supplies. (p. 40)	9. _____	10. _____
11–12. Received cash from sales. (p. 43)	11. _____	12. _____
13–14. Sold services on account to Parkview Company. (p. 44)	13. _____	14. _____
15–16. Paid cash for advertising. (p. 45)	15. _____	16. _____
17–18. Received cash on account from Parkview Company. (p. 46)	17. _____	18. _____
19–20. Paid cash to owner for personal use. (p. 47)	19. _____	20. _____

**Part Three—Identifying Changes in Accounts**

**Directions:** For each of the following items, select the choice that best completes the statement. Print the letter identifying your choice in the Answers column.

**Answers**

- |   |           |
|---|-----------|
| 1. The values of all things owned (assets) are on the accounting equation's (A) left side (B) right side (C) credit side (D) none of these. (p. 32)   | 1. _____  |
| 2. The values of all equities or claims against the assets (liabilities and owner's equity) are on the accounting equation's (A) left side (B) right side (C) debit side (D) none of these. (p. 32) | 2. _____  |
| 3. An amount recorded on the left side of a T account is a (A) debit (B) credit (C) normal balance (D) none of these. (p. 33)   | 3. _____  |
| 4. An amount recorded on the right side of a T account is a (A) debit (B) credit (C) normal balance (D) none of these. (p. 33)  | 4. _____  |
| 5. The normal balance side of any asset account is the (A) debit side (B) credit side (C) right side (D) none of these. (p. 33)   | 5. _____  |
| 6. The normal balance side of any liability account is the (A) debit side (B) credit side (C) left side (D) none of these. (p. 33)  | 6. _____  |
| 7. The normal balance side of an owner's capital account is the (A) debit side (B) credit side (C) left side (D) none of these. (p. 33)   | 7. _____  |
| 8. Debits must equal credits (A) in a T account (B) on the equation's left side (C) on the equation's right side (D) for each transaction. (p. 36)  | 8. _____  |
| 9. Decreases in an asset account are shown on a T account's (A) debit side (B) credit side (C) left side (D) none of these. (p. 37)   | 9. _____  |
| 10. Increases in an asset account are shown on a T account's (A) debit side (B) credit side (C) right side (D) none of these. (p. 37)   | 10. _____ |
| 11. Increases in any liability account are shown on the T account's (A) debit side (B) credit side (C) left side (D) none of these. (p. 39)   | 11. _____ |
| 12. Decreases in any liability account are shown on a T account's (A) debit side (B) credit side (C) right side (D) none of these. (p. 40)  | 12. _____ |
| 13. Increases in a revenue account are shown on a T account's (A) debit side (B) credit side (C) left side (D) none of these. (p. 43)   | 13. _____ |
| 14. The normal balance side of any revenue account is the (A) debit side (B) credit side (C) left side (D) none of these. (p. 43)   | 14. _____ |
| 15. Increases in an expense account are shown on a T account's (A) debit side (B) credit side (C) right side (D) none of these. (p. 45)   | 15. _____ |
| 16. The normal balance side of any expense account is the (A) debit side (B) credit side (C) right side (D) none of these. (p. 45)  | 16. _____ |
| 17. The normal balance side of an owner's drawing account is the (A) debit side (B) credit side (C) right side (D) none of these. (p. 47)   | 17. _____ |
| 18. Increases in an owner's drawing account are shown on a T account's (A) debit side (B) credit side (C) right side (D) none of these. (p. 47)   | 18. _____ |



**Across**

- 5. An accountant who combines accounting and investigating skills to uncover suspected fraudulent business activity, or to prevent such activity.
- 6. Amounts to be paid in the future for goods or services already acquired.
- 7. An amount recorded on the left side of an account.
- 8. An amount recorded on the right side of an account.

**Down**

- 1. A list of accounts used by a business.
- 2. The side of an account that is increased is called the normal balance of the account.
- 3. Amounts to be received in the future due to the sale of goods or services.
- 4. An accounting device used to analyze transactions.