

Study Guide 24

Name	Perfect Score	Your Score
Identifying Accounting Terms	10 Pts.	
Analyzing International and Internet Sales	10 Pts.	
Analyzing Accounts Affected by International and Internet Transactions	12 Pts.	
Total	32 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. bill of lading	1. Goods or services shipped out of a seller's home country to a foreign country. (p. 752)	1. _____
B. commercial invoice	2. Goods or services shipped into the buyer's home country. (p. 752)	2. _____
C. contract of sale	3. A document that details all the terms agreed to by seller and buyer for a sales transaction. (p. 753)	3. _____
D. draft	4. A letter issued by a bank guaranteeing that a named individual or business will be paid a specified amount provided stated conditions are met. (p. 753)	4. _____
E. exports	5. A receipt signed by the authorized agent of a transportation company for merchandise received that also serves as a contract for the delivery of the merchandise. (p. 754)	5. _____
F. imports	6. A statement prepared by the seller of merchandise addressed to the buyer showing a detailed listing and description of merchandise sold, including prices and terms. (p. 754)	6. _____
G. letter of credit	7. A written, signed, and dated order from one party ordering another party, usually a bank, to pay money to a third party. (p. 754)	7. _____
H. sight draft	8. A draft payable on sight when the holder presents it for payment. (p. 754)	8. _____
I. time draft	9. A draft that is payable at a fixed or determinable future time after it is accepted. (p. 757)	9. _____
J. trade acceptance	10. A form signed by a buyer at the time of a sale of merchandise in which the buyer promises to pay the seller a specified sum of money, usually at a stated time in the future. (p. 758)	10. _____

Part Two—Analyzing International and Internet Sales

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

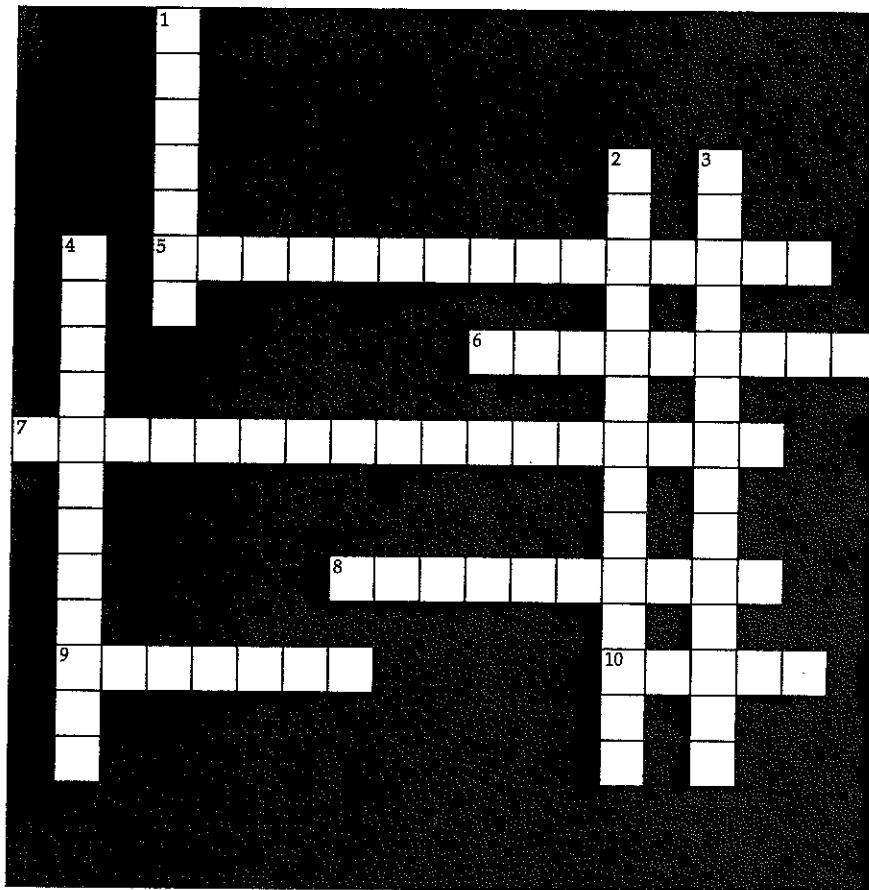
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|--|-----------|
| 1. The risk of uncollected amounts is increased with international sales. (p. 753) | 1. _____ |
| 2. International sales are just as simple as domestic sales. (p. 753) | 2. _____ |
| 3. All transactions in the United States are covered by the same universal commercial laws and the same accounting standards. (p. 753) | 3. _____ |
| 4. A draft is sometimes referred to as a bill of exchange. (p. 754) | 4. _____ |
| 5. Sales taxes are normally paid only on sales to the final consumer. (p. 756) | 5. _____ |
| 6. A seller generally has more assurance of receiving payment from a buyer than from a bank. (p. 758) | 6. _____ |
| 7. Most businesses use trade acceptances in international sales. (p. 758) | 7. _____ |
| 8. The terminal summary is used as the source document for Internet sales. (p. 761) | 8. _____ |
| 9. Companies that sell on the Internet must be able to accept credit card sales. (p. 761) | 9. _____ |
| 10. Credit card sales are considered the same as cash sales. (p. 762) | 10. _____ |

Part Three—Analyzing Accounts Affected by International and Internet Transactions

Directions: Analyze each of the following transactions into debit and credit parts. Print the letter identifying your choices in the proper Answers column. Determine in which journal each of the transactions is to be recorded.

G—General Journal; CPJ—Cash Payments Journal; CRJ—Cash Receipts Journal; S—Sales Journal

Account Titles	Transactions	Answers		
		Journal	Debit	Credit
A. Cash	1-2-3. Received cash for international sale. (p. 756)	1. _____	2. _____	3. _____
B. Sales	4-5-6. Received a time draft for an international sale. (p. 757)	4. _____	5. _____	6. _____
C. Time Drafts Receivable	7-8-9. Received cash for the value of a time draft. (p. 758)	7. _____	8. _____	9. _____
	10-11-12. Recorded Internet credit card sales. (p. 762)	10. _____	11. _____	12. _____



Across

5. A form signed by a buyer at the time of a sale of merchandise in which the buyer promises to pay the seller a specified sum of money, usually at a stated time in the future.
6. A draft that is payable at a fixed or determinable future time after it is accepted.
7. A statement prepared by the seller of merchandise addressed to the buyer showing a detailed listing and description of merchandise sold, including prices and terms.
8. A draft payable on sight when the holder presents it for payment.
9. Goods or services shipped into the buyer's home country from another country.
10. A written, signed, and dated order from one party ordering another party, usually a bank, to pay money to a third party.

Down

1. Goods or services shipped out of a seller's home country to another country.
2. A letter issued by a bank guaranteeing that a named individual or business will be paid a specified amount provided stated conditions are met.
3. A document that details all the terms agreed to by seller and buyer for a sales transaction.
4. A receipt signed by the authorized agent of a transportation company for merchandise received that also serves as a contract for the delivery of the merchandise.