

Study Guide 4

Name	Perfect Score	Your Score
Identifying Accounting Terms	8 Pts.	
Identifying Accounting Concepts and Practices	21 Pts.	
Analyzing Posting from a Journal to a General Ledger	16 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. account number	1. A ledger that contains all accounts needed to prepare financial statements. (p. 94)	1. _____
B. correcting entry	2. The number assigned to an account. (p. 94)	2. _____
C. file maintenance	3. A group of accounts. (p. 94)	3. _____
D. general ledger	4. The procedure for arranging accounts in a general ledger, assigning account numbers, and keeping records current. (p. 95)	4. _____
E. ledger	5. Writing an account title and number on the heading of an account. (p. 96)	5. _____
F. opening an account	6. Transferring information from a journal entry to a ledger account. (p. 98)	6. _____
G. posting	7. Determining that the amount of cash agrees with the balance of the Cash account in the accounting records. (p. 107)	7. _____
H. proving cash	8. An additional journal entry made to correct an incorrect journal entry. (p. 109)	8. _____

Part Two—Identifying Account 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. Because an account form has columns for the debit and credit balance of an account, it is often referred to as the balance-ruled account form. (p. 93)	1. _____
2. The asset division accounts for Delgado Web Services are numbered in the 200s. (p. 94)	2. _____
3. The cash account for Delgado Web Services is the first asset account and is numbered 110. (p. 94)	3. _____
4. The third division of the chart of accounts for Delgado Web Services is the owner's equity division. (p. 94)	4. _____
5. The first digit of account numbers for accounts in the owner's equity ledger division is 4. (p. 94)	5. _____
6. The last two digits in a 3-digit account number indicate the general ledger division of the account. (p. 94)	6. _____
7. When adding a new expense account between accounts numbered 510 and 520, the new account is assigned the account number 515. (p. 95)	7. _____
8. Delgado Web Services arranges expense accounts in chronological order in its general ledger. (p. 95)	8. _____
9. The two steps for opening an account are writing the account title and recording the balance. (p. 96)	9. _____
10. Each amount in the Debit and Credit columns of a general journal is posted to the account written in the Account Title column. (p. 98)	10. _____
11. The only reason for the Post. Ref. columns of the journal and general ledger is to indicate which entries in the journal still need to be posted if posting is interrupted. (p. 98)	11. _____
12. There are five steps in posting an amount from the debit column of a general journal. (p. 98)	12. _____
13. If a debit is posted to an asset account, the amount of the debit will be subtracted from the previous account balance to determine the new account balance. (p. 98)	13. _____
14. If a credit is posted to a liability account, the amount of the credit will be subtracted from the previous account balance to determine the new account balance. (p. 99)	14. _____
15. After a journal has been posted, the Post. Ref. column is completely filled in with account numbers. (p. 102)	15. _____
16. Errors discovered before entries are posted must be corrected with a correcting entry. (p. 109)	16. _____
17. If an error requires a correcting entry, a memorandum is prepared as the source document describing the correction to be made. (p. 109)	17. _____
18. If the payment of cash for rent was journalized and posted in error as a debit to Miscellaneous Expense instead of Rent Expense, the correcting entry will include a credit to Cash. (p. 109)	18. _____
19. If an error in posting is made but not discovered until additional postings have been made to the account, the correct posting should be made on the next available line in the correct account. (p. 110)	19. _____
20. If an incorrect amount is posted in an account, a line should be drawn through the incorrect amount, the correct amount should be written in above the correction, and the account balance should be recalculated. (p. 111)	20. _____
21. All corrections for posting errors should be made in a way that leaves no question as to the correct amount. (p. 111)	21. _____

Part Three—Analyzing Posting from a Journal to a General Ledger

Directions: In the journal below, some items are identified with capital letters. In the general ledger accounts, locations to which items are posted are identified with numbers. For each number in a general ledger account, select the letter in the journal that will be posted to the account. Print the letter identifying your choice in the Answers column.

GENERAL JOURNAL

PAGE **A**

DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	DEBIT	CREDIT
1 ²⁰ Mar. 1	Cash	R1		150000	
2	R. Rosen, Capital				150000
3	2 Supplies	M1		15000	
4	Accounts Payable—Casio Office Supplies				15000
5	4 Prepaid Insurance	C1		75000	
6	Cash				75000
7	B C D	E		F	G

ACCOUNT Cash

ACCOUNT NO. 110

A through G
(pp. 98-100)

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
1	2	3	4			

ACCOUNT Supplies

ACCOUNT NO. 120

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
5	6	7	8			

ACCOUNT Prepaid Insurance

ACCOUNT NO. 130

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
9	10	11	12			

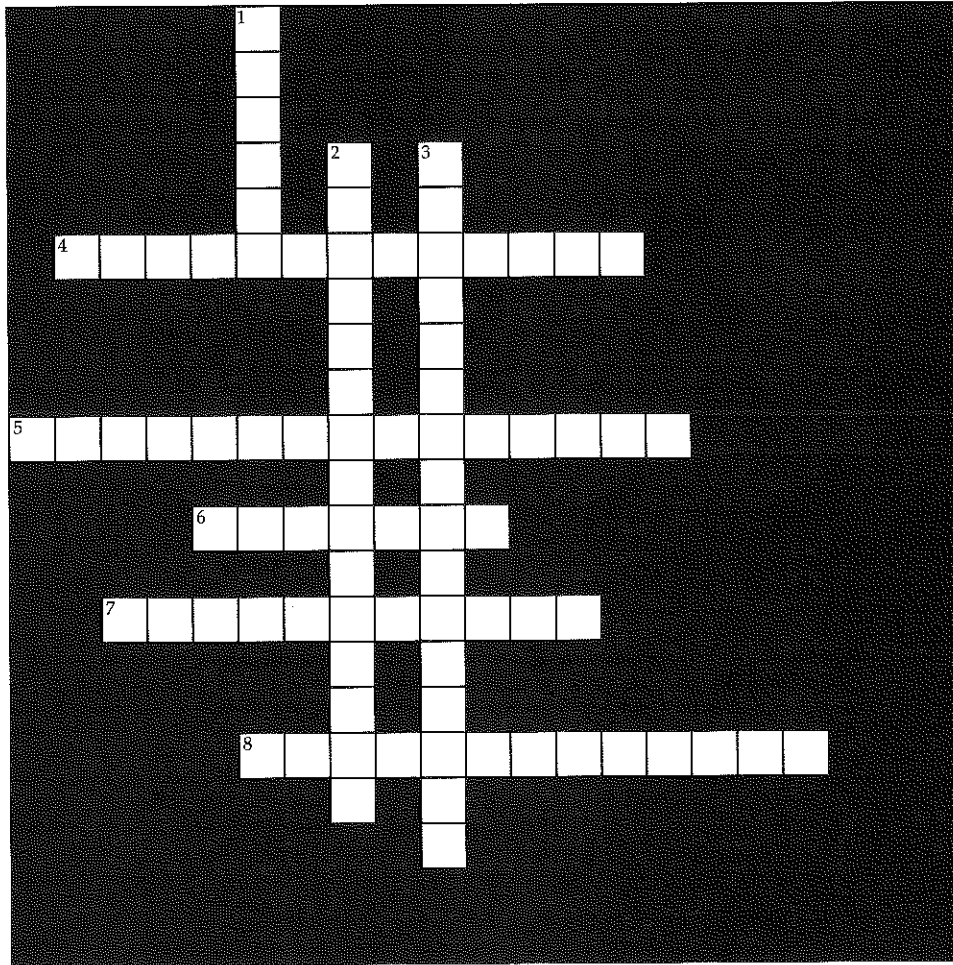
ACCOUNT Accounts Payable—Casio Office Supplies

ACCOUNT NO. 210

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
13	14	15		16		

Bold Numbers in Ledger Accounts **Answers**

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____
11. _____
12. _____
13. _____
14. _____
15. _____
16. _____



Across

4. A ledger that contains all accounts needed to prepare financial statements.
5. The term for an additional journal entry when a transaction has been improperly journalized and posted to the ledger.
6. Transferring information from a journal entry to a ledger account.
7. Determining that the amount of cash agrees with the accounting records.
8. The number assigned to an account.

Down

1. A group of accounts.
2. The procedure for arranging accounts in a general ledger, assigning account numbers, and keeping records current.
3. Writing an account title and number on the heading of an account.