

Quiz 1

Name: _____ Student Number: _____

TA: _____ Quiz Section Time: _____

Instructions: There are 10 multiple-choice questions and 5 quantitative questions on the following pages. *Your final answers must be entered in the spaces provided on this cover page in order to be graded.*

Code of Conduct: By signing below you acknowledge that you are a member of a learning community at the Foster School of Business that is committed to the highest academic standards and that you adhered to these standards while completing this quiz. Specific to this quiz, by signing below you acknowledge that you did not receive or give help to others, nor did you witness others receiving or giving help to others, during the quiz.

“By signing below I affirm that I have not received assistance from any other student, that I have not provided assistance to any other students, and that I have not witnessed any students acting unethically during the administration of this quiz.”

Signature: _____ Date: _____
(Signature required)

Multiple Choice Answers:

1 C	2 A	3 B	4 B	5 D
6 E	7 E	8 D	9 B	10 C

Quantitative Answers:

11 \$10,500	12 \$3,500	13 \$50,000
14 \$6,500	15 \$8,800	

Multiple Choice Questions (1 point each)

Be sure to record your answers in the spaces provided on the cover sheet.

1. Which of the following bodies *enforces* GAAP?

- A. Internal Revenue Service
- B. Financial Accounting Standards Board
- C. Securities and Exchange Commission
- D. International Financial Reporting Standards
- E. None of the above

Answer: C

2. Which of the following best defines stockholders' equity?

- A. The residual interest in the assets once all liabilities are satisfied
- B. The total investment in other companies' stocks
- C. Economic resources owned by the company
- D. The sum of assets and liabilities
- E. None of the above

Answer: A

3. Transactions of a company that include getting a loan from a bank are referred to as:

- A. Investing Activities
- B. Financing Activities
- C. Expenditure Activities
- D. Operating Activities
- E. None of the above

Answer: B

4. Pumpkin Inc. sold \$500 in pumpkins to a customer on account on August 1, 2013. On August 11, 2013 Pumpkin collected the cash from that customer. What is the impact on Pumpkin's accounting equation on August 11th from the collection of cash?
- A. Assets decrease by \$500 and liabilities increase by \$500
 - B. No net effect on the accounting equation
 - C. Assets increase by \$500 and liabilities increase by \$500
 - D. Assets decrease by \$500 and stockholders' equity decreases by \$500
 - E. Stockholders' equity increases by \$500 and assets increase by \$500

Answer: B

5. The Dividends Payable account appears in which financial statement?
- A. Statement of Cash Flows
 - B. Income Statement
 - C. Statement of Liabilities
 - D. Balance Sheet
 - E. Statement of Stockholders' Equity

Answer: D

6. Squash Inc. recorded the following transaction:

9/23/13	Accounts Receivable	\$17,000
	Service Revenue	\$17,000

Which of the following best describes the above transaction?

- A. Revenue was earned for a cash payment made earlier in the year
- B. A service was provided to a customer for cash
- C. A service will be provided to a customer in the future when cash is received
- D. Accounts Receivable decreased and a service was provided to a customer
- E. A service was provided to a customer on account

Answer: E