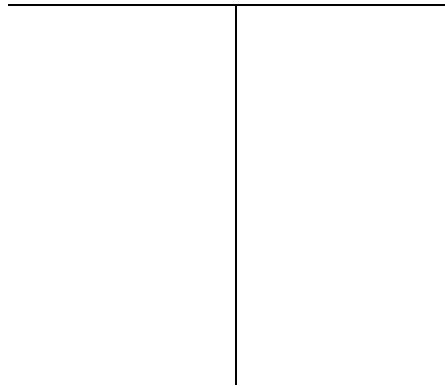


- 4) The terms “debit” and “credit” have varying meanings in everyday conversation. Illustrate your understanding of what these terms mean in the double-entry system of accounting by correctly identifying which is the debit side and which is the credit side.



- 5) A trial balance is a list of the ledger accounts having balances. If an equal amount of debits and credits have been recorded in the accounts, the total of the accounts with debit balances should equal the total of the accounts with credit balances. Take the following accounts for Company XYZ and insert them into the “trial balance format”.

Cash	\$ 1 100
Accounts Receivable	\$ 1 300
Office Supplies	\$ 3 500
Accounts Payable	\$ 1 700
Capital (equity)	\$13 600
Equipment	\$ 9 400

Company XYZ		
Trial Balance		
January 25, 1999		
Account Title	DEBIT	CREDIT

6) Create a trial balance for the ABC Company from the following information.

Cash		Accounts Payable		Supplies on Hand		
Apr 2	3 000		Apr 4	500	Apr 30	500
3		900	30	500		
9	3 300					
15		1 400				
30		500				
Bal. 3 500		Bal. 0		Bal. 500		
Sales Revenue		Advertising Expense		Wage Expense		
Apr 2	3 000	Apr 3	900	Apr 9	1 400	
Apr 9	3 300					
Bal. 6 300		Bal. 900		Bal. 1 400		

ABC Company		
Trial Balance - April 30, 1999		
Account Title	Debit	Credit
Cash		
Accounts Payable		
Supplies on Hand		
Sales Revenue		
Advertising Expense		
Wage Expense		

7) Sources of information about transactions in business are known as source documents or business papers. Put a check mark beside only those items that are source documents.

- | | | | |
|-------|-------------------|-------|---------------------|
| _____ | Sales invoice | _____ | Cheque stubs |
| _____ | Payroll timecards | _____ | Accounts receivable |
| _____ | GST | _____ | Deposit slips |
| _____ | Purchase invoices | | |

8) True or False

- a. _____ No gaps are left between monthly entries.
- b. _____ Once the Petty Cash account has been debited to establish the fund, it is not debited or credited again unless to increase or decrease the total amount.
- c. _____ When the monthly bank statement is received it will agree with the trial balance shown in the accounting records.

Greater Victoria School District #61
Human Resource Services

Practice Bookkeeping Test Answer Key

- 1) Briefly explain the difference between a “balance sheet” and “income statement”.
A balance sheet is a formal report showing the financial position of a business on a certain date and an income statement shows whether the business has earned a profit or suffered a loss.

- 2) What are Public Funds? What are possible funding sources for these?
Public Funds are funds received from various levels of government (our Operating grant for example)

- 3) Illustrate your understanding of “assets” and liabilities” by correctly placing the following transactions in the correct columns.

Cash, equity, accounts payable, accounts receivable, office supplies, equipment

“assets”	“liabilities”
Cash	Accounts payable
Office supplies	Equity
Equipment	

- 4) The terms “debit” and “credit” have varying meanings in everyday conversation. Illustrate your understanding of what these terms mean in the double-entry system of accounting by correctly identifying which is the debit side and which is the credit side.

Account Name	
Debit	Credit

- 5) A trial balance is a list of the ledger accounts having balances. If an equal amount of debits and credits have been recorded in the accounts, the total of the accounts with debit balances should equal the total of the accounts with credit balances. Take the following accounts for Company XYZ and insert them into the “trial balance format”.

Cash	\$ 1 100
Accounts Receivable	\$ 1 300
Office Supplies	\$ 3 500
Accounts Payable	\$ 1 700
Capital (equity)	\$13 600
Equipment	\$ 9 400

Company XYZ		
Trial Balance - January 25, 1999		
Account Title	DEBIT	CREDIT
Cash	1 100	
Accounts receivable	1 300	
Office Supplies	3 500	
Equipment	9 400	
Accounts Payable		1 700
Company Capital		13 600
Total	15 300	15 300

6) Create a trial balance for the ABC Company from the following information.

Cash		Accounts Payable		Supplies on Hand	
Apr 2	3 000	Apr 4	500	Apr 30	500
3		30	500		
9	3 300				
15					
30	1 400				
	500				
Bal. 3 500		Bal. 0		Bal. 500	
Sales Revenue		Advertising Expense		Wage Expense	
Apr 2	3 000	Apr 3	900	Apr 9	1 400
Apr 9	3 300				
Bal. 6 300		Bal. 900		Bal. 1 400	

ABC Company		
Trial Balance - April 30, 1999		
Account Title	Debit	Credit
Cash		\$3 500
Accounts Payable	0	
Supplies on Hand	500	
Sales Revenue		6 300
Advertising Expense	900	
Wage Expense	1 400	
	<u>\$6 300</u>	<u>\$6 300</u>

7) Sources of information about transactions in business are known as source documents or business papers. Put a check mark beside only those items that are source documents.

<u> ** </u>	Sales invoice	<u> ** </u>	Cheque stubs
<u> ** </u>	Payroll timecards	<u> </u>	Accounts receivable
<u> </u>	GST	<u> ** </u>	Deposit slips
<u> ** </u>	Purchase invoices		

8) True or False

- a. True No gaps are left between monthly entries.
- b. True Once the Petty Cash account has been debited to establish the fund, it is not debited or credited again unless to increase or decrease the total amount.
- c. False When the monthly bank statement is received it will agree with the trial balance shown in the accounting records.