



Accounting

- Current assets are expected to be converted to cash or used within-
 - One month
 - Six months
 - One year**
 - Five years
- What does the acronym "FIFO" stand for in inventory management?
 - First In, First Out**
 - First In, First Over
 - Fast In, Fast Out
 - First In, Few Out
- What is the accounting equation also known as?
 - Balance Sheet Equation**
 - Income Statement Equation
 - Cash Flow Equation
 - Profit Equation
- What is the effect of a debit to the Cash account?
 - Increase**
 - Decrease
 - No effect
 - None of the above
- What type of account is "prepaid insurance"?
 - Expense
 - Liability
 - Asset**
 - Equity
- Which accounting concept requires that financial statements include all necessary information?
 - Going concern
 - Consistency
 - Full disclosure**
 - Materiality
- Which accounting principle requires that expenses be matched with revenues?
 - Revenue Recognition Principle
 - Matching Principle**
 - Cost Principle
 - Full Disclosure Principle
- Which concept assumes that a business will continue to operate indefinitely?
 - Going concern**
 - Accrual basis
 - Conservatism
 - Economic entity
- Which financial statement shows the company's results of operations over a period of time-
 - Balance sheet
 - Income statement**
 - Cash flow statement
 - Statement of changes in equity
- Which of the following is a temporary account?
 - Accounts receivable
 - Cash
 - Inventory
 - Sales revenue**
- Which of the following is an example of a current asset?
 - Land
 - Buildings
 - Inventory**
 - Equipment
- Which of the following is an example of a non-current asset?
 - Accounts Receivable
 - Inventory
 - Land**
 - Prepaid Expenses
- Which of the following is an example of an intangible asset?

a) Building

b) Equipment

c) **Patent**

d) Inventory

Answer Key

1.**C** 2.**A** 3.**A** 4.**A** 5.**C** 6.**C** 7.**B** 8.**A** 9.**B** 10.**D** 11.**C** 12.**C** 13.**C**

