

BOOKKEEPING LEVEL 2 QUIZ 4 BRIEF ANSWER QUESTIONS

1. Sold merchandise on account for \$1,000 that cost \$600. Prepare the General Journal entry for this transaction.

2. You purchased merchandise that had a List Price of \$1,000, but talked the salesperson into a 10% Trade Discount. What is the General Journal entry if the merchandise was purchased on account?

3. If your Supplier's terms are 2/10, N/30, what is the Due Date and what is the Discount Date assuming the purchase was made on December 1st?

4. Name, in order, the three kinds of General Journal entries.

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5. Name, in order, the three kinds of Trial Balances.

6. Name the three Types of accounts that appear on the last Trial Balance from Question 5 above.

7. The set of Customer cards are called?

8. The set of Supplier cards are called?

9. How often do you post to a Subsidiary Ledger?

10. How often do you post to the General Ledger?

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11. At the end of the year, before the closing entries are posted, the Owner Capital account has a Debit balance of \$1,000. Total revenue was \$50,000, total expenses were \$30,000 and the Owner Withdrawals account had a balance of \$10,000. What would be the balance in the Owner Capital account after the closing entries have been posted?

12. You purchase, on account, a computer that had a List Price of \$3,000. You talked the salesperson into a 10% Trade Discount and Terms of 2/10, N/30. The freight of \$100 is going to be paid by the Supplier, but added to your invoice. If you pay within the Discount Period, how much would you pay?

13. Name the four closing entries:

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Answers:

- Sold merchandise on account for \$1,000 that cost \$600. Prepare the General Journal entry for this transaction.

Date	Type	DEBIT	CREDIT
Accounts Receivable	A	1,000	
Sales	R		1,000
Cost of Goods Sold	EX	600	
Inventory	A		600
Record sale of merchandise			

- You purchased merchandise that had a List Price of \$1,000, but talked the salesperson into a 10% Trade Discount. What is the General Journal entry if the merchandise was purchased on account?

Date	Type	DEBIT	CREDIT
Inventory	A	900	
Accounts Payable	L		900
Purchase merchandise at a discount			

- If your Supplier's terms are 2/10, N/30, what is the Due Date and what is the Discount Date assuming the purchase was made on December 1st?

Due Date is December 31
Discount Date is December 11

- Name, in order, the three kinds of General Journal entries.

Regular General Journal entry
Adjusting entry
Closing entry

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5. Name, in order, the three kinds of Trial Balances.

Unadjusted Trial Balance

Adjusted Trial Balance

Post Closing Trial Balance

6. Name the three Types of accounts that appear on the last Trial Balance from Question 5 above.

Assets

Liabilities

Owner's Equity (only Owner's Capital and not Owner's Withdrawals)

7. The set of Customer cards are called?

Accounts Receivable Subsidiary Ledger

8. The set of Supplier cards are called?

Accounts Payable Subsidiary Ledger

9. How often do you post to a Subsidiary Ledger?

Any time you make an entry to a journal – if applicable (A/R or A/P)

10. How often do you post to the General Ledger?

Once a month at the end of the month

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11. At the end of the year, before the closing entries are posted, the Owner Capital account has a Debit balance of \$1,000. Total revenue was \$50,000, total expenses were \$30,000 and the Owner Withdrawals account had a balance of \$10,000. What would be the balance in the Owner Capital account after the closing entries have been posted?

Owner Capital	
1,000	50,000
30,000	
10,000	
	9,000

12. You purchase, on account, a computer that had a List Price of \$3,000. You talked the salesperson into a 10% Trade Discount and Terms of 2/10, N/30. The freight of \$100 is going to be paid by the Supplier, but added to your invoice. If you pay within the Discount Period, how much would you pay?

3,000 List Price
minus
300 Trade Discount
equals
2,700
minus
54 Cash Discount of 2%
equals
2,646
plus
100 Freight
equals
2,746 Amount of Cheque
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13. Name the four closing entries:

1. Close the Revenue accounts to Income Summary account
2. Close the Expense accounts to Income Summary account
3. Close the Income Summary account to the Owner Capital account
4. Close the Owner Withdrawals account to the Owner Capital account