

Study Guide 2

Name	Perfect Score	Your Score
Identifying Accounting Terms	5 Pts.	
Analyzing Transactions into Debit and Credit Parts	20 Pts.	
Identifying Changes in Accounts	15 Pts.	
Total	40 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. chart of accounts	1. An accounting device used to analyze transactions. (p. 29)	1. _____
B. credit	2. An amount recorded on the left side of a T account. (p. 29)	2. _____
C. debit	3. An amount recorded on the right side of a T account. (p. 29)	3. _____
D. normal balance	4. The side of the account that is increased. (p. 29)	4. _____
E. T account	5. A list of accounts used by a business. (p. 32)	5. _____

Part Two—Analyzing Transactions into Debit and Credit Parts

Directions: Analyze each of the following transactions into debit and credit parts. Print the letter identifying your choice in the proper Answers columns.

Account Titles

- | | | |
|--|--|------------------------|
| A. Cash | D. Prepaid Insurance | G. J. Nichols, Drawing |
| B. Accounts Receivable—
Imagination Station | E. Accounts Payable—
Suburban Office Supplies | H. Sales |
| C. Supplies | F. J. Nichols, Capital | I. Rent Expense |

Answers

	Debit	Credit
1-2. Received cash from owner as an investment. (p. 32)	1. _____	2. _____
3-4. Paid cash for supplies. (p. 33)	3. _____	4. _____
5-6. Paid cash for insurance. (p. 34)	5. _____	6. _____
7-8. Bought supplies on account from Suburban Office Supplies. (p. 35)	7. _____	8. _____
9-10. Paid cash on account to Suburban Office Supplies. (p. 36)	9. _____	10. _____
11-12. Received cash from sales. (p. 38)	11. _____	12. _____
13-14. Sold services on account to Imagination Station. (p. 39)	13. _____	14. _____
15-16. Paid cash for rent. (p. 40)	15. _____	16. _____
17-18. Received cash on account from Imagination Station. (p. 41)	17. _____	18. _____
19-20. Paid cash to owner for personal use. (p. 42)	19. _____	20. _____

Part Three—Identifying Changes in Accounts

Directions: For each of the following items, select the choice that best completes the statement. Print the letter identifying your choice in the Answers column.

- | | Answers |
|---|----------------|
| 1. The values of all things owned (assets) are on the account equation's (A) left side (B) right side (C) credit side (D) none of these. (p. 28) | 1. _____ |
| 2. The values of all equities or claims against the assets (liabilities and owner's equity) are on the accounting equation's (A) left side (B) right side (C) debit side (D) none of these. (p. 28) | 2. _____ |
| 3. An amount recorded on the left side of a T account is a (A) debit (B) credit (C) normal balance (D) none of these. (p. 29) | 3. _____ |
| 4. An amount recorded on the right side of a T account is a (A) debit (B) credit (C) normal balance (D) none of these. (p. 29) | 4. _____ |
| 5. The normal balance side of any asset account is the (A) debit side (B) credit side (C) right side (D) none of these. (p. 29) | 5. _____ |
| 6. The normal balance side of any liability account is the (A) debit side (B) credit side (C) left side (D) none of these. (p. 29) | 6. _____ |
| 7. The normal balance side of an owner's capital account is the (A) debit side (B) credit side (C) left side (D) none of these. (p. 29) | 7. _____ |
| 8. Debits must equal credits (A) in a T account (B) on the equation's left side (C) on the equation's right side (D) for each transaction. (p. 32) | 8. _____ |
| 9. Decreases in an asset account are shown on a T account's (A) debit side (B) credit side (C) balance side (D) none of these. (p. 30) | 9. _____ |
| 10. Increases in an asset account are shown on a T account's (A) debit side (B) credit side (C) right side (D) none of these. (p. 30) | 10. _____ |
| 11. Decreases in any liability account are shown on a T account's (A) debit side (B) credit side (C) right side (D) none of these. (p. 30) | 11. _____ |
| 12. Increases in a revenue account are shown on a T account's (A) debit side (B) credit side (C) left side (D) none of these. (p. 38) | 12. _____ |
| 13. The normal balance side of any revenue account is the (A) debit side (B) credit side (C) left side (D) none of these. (p. 38) | 13. _____ |
| 14. The normal balance side of any expense account is the (A) debit side (B) credit side (C) right side (D) none of these. (p. 40) | 14. _____ |
| 15. The normal balance side of an owner's drawing account is the (A) debit side (B) credit side (C) left side (D) none of these. (p. 42) | 15. _____ |



2-1 WORK TOGETHER, p. 31

Determining the normal balance, increase, and decrease sides for accounts

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2-1 ON YOUR OWN, p. 31

Determining the normal balance, increase, and decrease sides for accounts

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2-2 WORK TOGETHER, p. 37

Analyzing transactions into debit and credit parts

Apr. 1.

Apr. 6.

Apr. 2.

Apr. 9.

Apr. 5.

2-2 ON YOUR OWN, p. 37

Analyzing transactions into debit and credit parts

Sept. 1.

Sept. 6.

Sept. 4.

Sept. 11.

Sept. 5.

2-3 WORK TOGETHER, p. 44

Analyzing revenue, expense, and withdrawal transactions into debit and credit parts

Apr. 10.

Apr. 11.

Apr. 14.

Apr. 18.

Apr. 20.

2-3 ON YOUR OWN, p. 44

Analyzing revenue, expense, and withdrawal transactions into debit and credit parts

Sept. 13.

Sept. 18.

Sept. 15.

Sept. 21.

Sept. 16.

2-1 APPLICATION PROBLEM, p. 46

Determining the normal balance, increase, and decrease sides for accounts

1	2	3	4	5	6	7	8
Account	Account Classification	Account's Normal Balance		Increase Side		Decrease Side	
		Debit	Credit	Debit	Credit	Debit	Credit
Cash	Asset	✓		✓			✓

2-2 APPLICATION PROBLEM, p. 46

Analyzing transactions into debit and credit parts

March 1. Cash

1,000.00	
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Hal Rosen, Capital

	1,000.00
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March 1.

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March 3.

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March 5.

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March 8.

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2-3 APPLICATION PROBLEM, p. 47

Analyzing revenue, expense, and withdrawal transactions into debit and credit parts

March 11.

March 18.

March 12.

March 19.

March 14.

2-4 APPLICATION PROBLEM, p. 47

Analyzing revenue, expense, and withdrawal transactions into debit and credit parts

March 25.

March 28.

March 26.

March 29.

March 27.

2-5 MASTERY PROBLEM, p. 47

Analyzing transactions into debit and credit parts

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2-6 CHALLENGE PROBLEM, p. 48

Analyzing transactions recorded in T accounts

1 Trans. No.	2 Accounts Affected	3 Account Classification	4 5 Entered in Account as a		6 Description of Transaction
			Debit	Credit	
1.	Cash	Asset	✓		Received cash from owner as investment
	Adriana Janek, Capital	Owner's Equity		✓	
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					
13.					