

# Study Guide 3

Name	Perfect Score	Your Score
Identifying Accounting Terms	13 Pts.	
Identifying Accounting Concepts and Practices	17 Pts.	
Analyzing a Five-Column Journal	10 Pts.	
Recording Transactions in a Five-Column Journal	20 Pts.	
<b>Total</b>	<b>60 Pts.</b>	

## 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.

<b>Column I</b>	<b>Column II</b>	<b>Answers</b>
A. check	1. A form for recording transactions in chronological order. (p. 56)	1. _____
B. double-entry accounting	2. Recording transactions in a journal. (p. 56)	2. _____
C. entry	3. A journal amount column headed with an account title. (p. 57)	3. _____
D. general amount column	4. A journal amount column that is not headed with an account title. (p. 57)	4. _____
E. invoice	5. Information for each transaction recorded in a journal. (p. 57)	5. _____
F. journal	6. The recording of debit and credit parts of a transaction. (p. 57)	6. _____
G. journalizing	7. A business paper from which information is obtained for a journal entry. (p. 57)	7. _____
H. memorandum	8. A business form ordering a bank to pay cash from a bank account. (p. 58)	8. _____
I. proving cash	9. A form describing the goods or services sold, the quantity, and the price. (p. 58)	9. _____
J. receipt	10. An invoice used as a source document for recording a sale on account. (p. 58)	10. _____
K. sales invoice	11. A business form giving written acknowledgment for cash received. (p. 58)	11. _____
L. source document	12. A form on which a brief message is written describing a transaction. (p. 58)	12. _____
M. special amount column	13. Determining that the amount of cash agrees with the accounting records. (p. 76)	13. _____

## Part Two—Identifying Accounting Concepts and Practices

Directions: Place a *T* for True or an *F* for False in the Answers column to show whether each of the following statements is true or false.

	<b>Answers</b>
1. Information in a journal includes the debit and credit parts of each transaction recorded in one place. (p. 56)	1. _____
2. The Objective Evidence accounting concept requires that there be proof that a transaction did occur. (p. 57)	2. _____
3. Examples of source documents include checks, sales invoices, memorandums, and letters. (p. 57)	3. _____
4. A check is the source document used when items are paid in cash. (p. 58)	4. _____
5. The source document for all cash payments is a sales invoice. (p. 58)	5. _____
6. A receipt is the source document for cash received from transactions other than sales. (p. 59)	6. _____
7. A calculator tape is the source document for daily sales. (p. 59)	7. _____
8. The source document used when supplies are bought on account is a memorandum. (p. 64)	8. _____
9. The source document used when supplies bought on account are paid for is a check. (p. 65)	9. _____
10. The journal columns used to record receiving cash from sales are cash debit and sales credit. (p. 67)	10. _____
11. The source document <i>sales invoice</i> is abbreviated as <i>SI</i> in a journal entry. (p. 68)	11. _____
12. The journal columns used to record paying cash for rent are general debit and cash credit. (p. 69)	12. _____
13. The journal columns used to record paying cash to the owner for personal use are general debit and cash credit. (p. 71)	13. _____
14. To prove a journal page, the total debit amounts are compared with the total credit amounts to be sure they are equal. (p. 73)	14. _____
15. Double lines across column totals mean that the totals have been verified as correct. (p. 74)	15. _____
16. To correct an error in a journal, simply erase the incorrect item and write the correct item in the same place. (p. 77)	16. _____
17. Dollars and cents signs and decimal points should be used when writing amounts on ruled accounting pages. (p. 77)	17. _____

### Part Three—Analyzing a Five-Column Journal

**Directions:** The columns of the journal below are identified with capital letters. For each of the following items, decide which column is being described. Print the letter identifying your choice in the Answers column.

JOURNAL											PAGE	
DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	1 GENERAL				3 SALES CREDIT	4 CASH			
				DEBIT		CREDIT			DEBIT	CREDIT		
A	B	C	D	E	F		G	H	I			
1											1	
2											2	
3											3	

### Answers

- |   |           |
|---|-----------|
| 1. Write the year for the first entry on a journal page. (p. 60)                              | 1. _____  |
| 2. Write the name of the month for the first entry. (p. 60)                                   | 2. _____  |
| 3. Write the account title for an amount in the General Credit column. (p. 60)                | 3. _____  |
| 4. Write the credit amount when cash is received from the owner as an investment. (p. 60)     | 4. _____  |
| 5. Write the source document number for an entry. (p. 60)                                     | 5. _____  |
| 6. Write the account title for an amount in the General Debit column. (p. 60)                 | 6. _____  |
| 7. Write the amount credited to Sales. (p. 67)  | 7. _____  |
| 8. Indicate with a check mark that no account title needs to be written for an entry. (p. 67) | 8. _____  |
| 9. Write the amount debited to Rent Expense. (p. 69)  | 9. _____  |
| 10. Write the debit amount when cash is received from sales. (p. 70)                          | 10. _____ |

## Part Four—Recording Transactions in a Five-Column Journal

Directions: The columns of the journal below are identified with capital letters. For each of the following transactions, decide which debit and credit amount columns will be used. Print the letters identifying your choice in the proper Answers columns.

JOURNAL											PAGE
DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	GENERAL		SALES CREDIT	CASH				
				DEBIT	CREDIT		DEBIT	CREDIT			
A	B	C	D	E	F	G	H	I			
1											
2											
3											

### Answers

Debit	Credit
-------	--------

- |   |           |           |
|---|-----------|-----------|
| 1-2. Received cash from owner as an investment. (p. 60) | 1. _____  | 2. _____  |
| 3-4. Paid cash for supplies. (p. 61)                    | 3. _____  | 4. _____  |
| 5-6. Paid cash for insurance. (p. 63)                   | 5. _____  | 6. _____  |
| 7-8. Bought supplies on account. (p. 64)                | 7. _____  | 8. _____  |
| 9-10. Paid cash on account. (p. 65)                     | 9. _____  | 10. _____ |
| 11-12. Received cash from sales. (p. 67)                | 11. _____ | 12. _____ |
| 13-14. Sold services on account. (p. 68)                | 13. _____ | 14. _____ |
| 15-16. Paid cash for an expense. (p. 69)                | 15. _____ | 16. _____ |
| 17-18. Received cash on account. (p. 70)                | 17. _____ | 18. _____ |
| 19-20. Paid cash to owner for personal use. (p. 71)     | 19. _____ | 20. _____ |

**3-1, 3-2, 3-3, and 3-4 WORK TOGETHER, pp. 62, 66, 72, 78**

- 3-1 Journalizing entries in a five-column journal
- 3-2 Journalizing entries in a five-column journal
- 3-3 Journalizing transactions that affect owner's equity in a five-column journal
- 3-4 Proving and ruling a journal

DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	GENERAL		SALES		CASH		PAGE
1										
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										
13										
14										
15										

# WORK TOGETHER (concluded)

## JOURNAL

PAGE 5

DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	GENERAL		SALES CREDIT	CASH	
				DEBIT	CREDIT		DEBIT	CREDIT
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								

Prove page 1 of the journal:

General .....	Debit	Credit
Sales .....	Column Totals	Column Totals
Cash .....	_____	_____
Totals .....	_____	_____

Prove page 2 of the journal:

General .....	Debit	Credit
Sales .....	Column Totals	Column Totals
Cash .....	_____	_____
Totals .....	_____	_____

Prove cash:  
 Cash on hand at the beginning of the month .....  
 Plus total cash received during the month .....  
 Equals Total .....  
 Less total cash paid during the month .....  
 Equals cash balance at the end of the month .....  
 Checkbook balance on the next unused check stub .....

**3-1, 3-2, 3-3, and 3-4 ON YOUR OWN, pp. 62, 66, 72, 78**

- 3-1 Journalizing entries in a five-column journal
- 3-2 Journalizing entries in a five-column journal
- 3-3 Journalizing transactions that affect owner's equity in a five-column journal
- 3-4 Proving and ruling a journal

DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	GENERAL		SALES		CASH		PAGE
1										1
2										2
3										3
4										4
5										5
6										6
7										7
8										8
9										9
10										10
11										11
12										12
13										13
14										14
15										15

# ON YOUR OWN (concluded)

DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	1		2		3		4		5	
				DEBIT	CREDIT	DEBIT	CREDIT	SALES CREDIT	DEBIT	CREDIT			
1													
2													
3													
4													
5													
6													
7													
8													
9													
10													
11													
12													
13													
14													
15													

Prove page 1 of the journal:

	Column	Debit	Credit
	Column Totals	Column Totals	Column Totals
General .....	_____	_____	_____
Sales .....	_____	_____	_____
Cash .....	_____	_____	_____
Totals .....	=====	=====	=====

Prove page 2 of the journal:

	Column	Debit	Credit
	Column Totals	Column Totals	Column Totals
General .....	_____	_____	_____
Sales .....	_____	_____	_____
Cash .....	_____	_____	_____
Totals .....	=====	=====	=====

Prove cash:

Cash on hand at the beginning of the month .....	_____
Plus total cash received during the month .....	_____
Equals Total .....	_____
Less total cash paid during the month .....	_____
Equals cash balance at the end of the month .....	_____
Checkbook balance on the next unused check stub .....	_____



**3-1, 3-2, 3-3, and 3-4 APPLICATION PROBLEMS, pp. 80, 81**

- 3-1 Journalizing transactions in a five-column journal
- 3-2 Journalizing buying insurance and buying and paying on account in a five-column journal
- 3-3 Journalizing transactions that affect owner's equity and receiving cash on account
- 3-4 Proving and ruling a journal

		PAGE						
		1	2	3	4	5		
DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	GENERAL		SALES CREDIT	CASH	
				DEBIT	CREDIT		DEBIT	CREDIT
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								

JOURNAL

DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	GENERAL		SALES CREDIT	CASH	
				DEBIT	CREDIT		DEBIT	CREDIT
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								

Prove page 1 of the journal:

General .....	Column	Debit	Credit
Sales .....	Column Totals	Column Totals	Column Totals
Cash .....	_____	_____	_____
Totals .....	_____	_____	_____

Prove page 2 of the journal:

General .....	Column	Debit	Credit
Sales .....	Column Totals	Column Totals	Column Totals
Cash .....	_____	_____	_____
Totals .....	_____	_____	_____

Prove cash:

Cash on hand at the beginning of the month .....	_____
Plus total cash received during the month .....	_____
Equals Total .....	_____
Less total cash paid during the month .....	_____
Equals cash balance at the end of the month .....	_____
Checkbook balance on the next unused check stub .....	_____

**3-5 APPLICATION PROBLEM, p. 81**

**Journalizing transactions and proving and ruling a five-column journal**

**JOURNAL**

DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	GENERAL		SALES CREDIT	CASH		PAGE
				DEBIT	CREDIT		DEBIT	CREDIT	
1									1
2									2
3									3
4									4
5									5
6									6
7									7
8									8
9									9
10									10
11									11
12									12
13									13
14									14
15									15
16									16
17									17
18									18

**3. Prove the journal:**

General	Column	Debit	Credit
Sales	Column Totals	_____	_____
Cash	Column Totals	_____	_____
Totals	Column Totals	_____	_____

**4. Prove cash:**

Cash on hand at the beginning of the month	_____
Plus total cash received during the month	_____
<b>Equals Total</b>	_____
Less total cash paid during the month	_____
<b>Equals cash balance at the end of the month</b>	_____
Checkbook balance on the next unused check stub	_____

Journalizing transactions and proving and ruling a five-column journal

DATE		ACCOUNT TITLE	DOC. NO.	POST. REF.	1		2		3		4		5	
					DEBIT	CREDIT	GENERAL	CREDIT	SALES	CREDIT	DEBIT	CASH	DEBIT	CREDIT
1														
2														
3														
4														
5														
6														
7														
8														
9														
10														
11														
12														
13														
14														
15														
16														
17														
18														
19														
20														
21														
22														
23														
24														
25														

**3-6 MASTERY PROBLEM (concluded)**

**JOURNAL**

DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	GENERAL		SALES CREDIT	CASH	
				DEBIT	CREDIT		DEBIT	CREDIT
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								

Prove page 1 of the journal:

General	Column	Debit	Credit
Sales	Column Totals	_____	_____
Cash	Column Totals	_____	_____
Totals	Column Totals	_____	_____

Prove page 2 of the journal:

General	Column	Debit	Credit
Sales	Column Totals	_____	_____
Cash	Column Totals	_____	_____
Totals	Column Totals	_____	_____

Prove cash:

Cash on hand at the beginning of the month	_____
Plus total cash received during the month	_____
Equals Total	_____
Less total cash paid during the month	_____
Equals cash balance at the end of the month	_____
Checkbook balance on the next unused check stub	_____



**USING SOURCE DOCUMENTS, p. 85**

**Journalizing transactions and proving and ruling a journal**

Receipt No. <u>1</u> Date <u>May 1</u> , 20-- From <u>Cy Sawyer</u> For <u>Investment</u>	Receipt No. <u>1</u> Form <u>1</u> Date <u>May 1</u> , 20-- Rec'd from <u>Cy Sawyer</u> For <u>Investment</u> <u>Five Thousand &amp; <sup>00</sup>/<sub>100</sub></u> Dollars Amount \$ <u>5,000.00</u> <u>CS</u> Received by
--	--

NO. <u>1</u> Form <u>2</u>	
Date: <u>5/3</u> 20-- \$ <u>200.00</u>	
To: <u>National Supply Co.</u>	
For: <u>Supplies</u>	
BAL. BRO'T. FOR'D	0 00
AMT. DEPOSITED <u>5-1</u>	5000 00
SUBTOTAL	5000 00
AMT. THIS CHECK	200 00
BAL. CAR'D. FOR'D	4800 00

NO. <u>2</u> Form <u>3</u>	
Date: <u>5/5</u> 20-- \$ <u>500.00</u>	
To: <u>SW Management Co.</u>	
For: <u>May Rent</u>	
BAL. BRO'T. FOR'D	4800 00
AMT. DEPOSITED	500 00
SUBTOTAL	4800 00
AMT. THIS CHECK	500 00
BAL. CAR'D. FOR'D	4300 00

No. <u>1</u>	Form <u>4</u>
<b>MEMORANDUM</b>	
<p><i>Bought supplies on account from Atlas Supplies, \$550.00</i></p>	
Signed: <u>CS</u>	Date: <u>5/8/-</u>

**USING SOURCE DOCUMENTS (continued)**

NO. 3 Form 5  
 Date: 5/9 20 -- \$ 75.00  
 To: City Electric  
 For: Electric bill

BAL. BRO'T. FOR'D	4300	00
AMT. DEPOSITED		
SUBTOTAL	4300	00
AMT. THIS CHECK	75	00
BAL. CAR'D. FOR'D	4225	00

NO. 4 Form 6  
 Date: 5/11 20 -- \$ 350.00  
 To: Atlas Supplies  
 For: Payment on account

BAL. BRO'T. FOR'D	4225	00
AMT. DEPOSITED		
SUBTOTAL	4225	00
AMT. THIS CHECK	350	00
BAL. CAR'D. FOR'D	3875	00

Form 7  
 0.00 \*  
 May 12, 20--  
 T12  
 200.00+  
 450.00+  
 650.00\*

**CRS** Sold to: J. Hutton Form 8  
Cy's Repair Service No. 1  
4314 Central Avenue 199 Park Drive Date 5/15/--  
Great Falls, MT 59405-6184 Great Falls, MT 59401-9043 Terms 2/10, n/30

Description	Amount
<i>Repair condenser unit</i>	<i>500.00</i>
<i>Repair motor</i>	<i>300.00</i>
<i>Repair generator</i>	<i>400.00</i>
Total	<i>1,200.00</i>



**USING SOURCE DOCUMENTS (continued)**

NO. 5 Form 9  
 Date: 5/16 20-- \$ 175.00  
 To: Pineridge Insurance Co.  
 For: Insurance

BAL. BRO'T. FOR'D		<u>3875</u>	<u>00</u>
AMT. DEPOSITED	<u>5-12</u>	<u>650</u>	<u>00</u>
SUBTOTAL		<u>4525</u>	<u>00</u>
AMT. THIS CHECK		<u>175</u>	<u>00</u>
BAL. CAR'D. FOR'D		<u>4350</u>	<u>00</u>

Form 10  
 0.00\*  
 May 19, 20--  
 T19  
 150.00+  
 214.00+  
 294.00+  
 658.00\*

NO. 6 Form 11  
 Date: 5/23 20-- \$ 45.00  
 To: Sunset Delivery Co.  
 For: Miscellaneous Expense

BAL. BRO'T. FOR'D		<u>4350</u>	<u>00</u>
AMT. DEPOSITED	<u>5-19</u>	<u>658</u>	<u>00</u>
SUBTOTAL		<u>5008</u>	<u>00</u>
AMT. THIS CHECK		<u>45</u>	<u>00</u>
BAL. CAR'D. FOR'D		<u>4963</u>	<u>00</u>

Form 12  
 0.00\*  
 May 26, 20--  
 T26  
 307.00+  
 323.00+  
 630.00\*

NO. 7 Form 13  
 Date: 5/29 20-- \$ 20.00  
 To: Foothills Cleaning Co.  
 For: Miscellaneous Expense

BAL. BRO'T. FOR'D		<u>4963</u>	<u>00</u>
AMT. DEPOSITED	<u>5-26</u>	<u>630</u>	<u>00</u>
SUBTOTAL		<u>5593</u>	<u>00</u>
AMT. THIS CHECK		<u>20</u>	<u>00</u>
BAL. CAR'D. FOR'D		<u>5573</u>	<u>00</u>

# USING SOURCE DOCUMENTS (continued)

Receipt No. <u>2</u> Date <u>May 29</u> , 20-- From <u>J. Hatton</u> For <u>On Account</u>	Receipt No. <u>2</u> Form <u>14</u> Date <u>May 29</u> , 20-- Rec'd from <u>J. Hatton</u> For <u>On Account</u> <u>One thousand &amp; <sup>no</sup>/100</u> Dollars Amount \$ <u>1,000 00</u> <u>CS</u> Received by _____
---	--

NO. <u>8</u>	Form <u>15</u>
Date: <u>5/29</u> 20-- \$ <u>50.00</u>	
To: <u>Great Falls Telephone Company</u>	
For: <u>Telephone bill</u>	

BAL. BRO'T. FOR'D	5573	00
AMT. DEPOSITED	5-29	1000 00
SUBTOTAL	6573	00
AMT. THIS CHECK	50	00
BAL. CAR'D. FOR'D	6523	00

NO. <u>9</u>	Form <u>16</u>
Date: <u>5/30</u> 20-- \$ <u>1500.00</u>	
To: <u>Cy Sawyer</u>	
For: <u>Owner withdrawal</u>	

BAL. BRO'T. FOR'D	6523	00
AMT. DEPOSITED		
SUBTOTAL	6523	00
AMT. THIS CHECK	1500	00
BAL. CAR'D. FOR'D	5023	00

	Form <u>17</u>
	0.00 *
May 31, 20-- T31	200.00+ 200.00*

NO. <u>10</u>	Form <u>18</u>
Date: _____ 20-- \$ _____	
To: _____	
For: _____	

BAL. BRO'T. FOR'D	5023	00
AMT. DEPOSITED	5-31	200 00
SUBTOTAL	5223	00
AMT. THIS CHECK		
BAL. CAR'D. FOR'D		

**USING SOURCE DOCUMENTS (concluded)**

DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	GENERAL		SALES CREDIT		CASH		PAGE
1										5
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										
13										
14										
15										
16										
17										
18										
19										

**3. Prove cash:**  
 Cash on hand at the beginning of the month .....  
 Plus total cash received during the month .....  
 Equals Total .....  
 Less total cash paid during the month .....  
 Equals cash balance at the end of the month .....  
 Checkbook balance on the next unused check stub .....

**2. Prove the journal:**

	Debit	Credit
	Column Totals	Column Totals
General .....	_____	_____
Sales .....	_____	_____
Cash .....	_____	_____
Totals .....	=====	=====



Faint vertical text or markings in the lower center of the page.