Century 21 Accounting Multicolumn Journal 11th edition Gilbertson Test Bank

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Name:_____ Class:_____ Date:_____

Chapter 02—Debit and Credit Parts

1. An accounting device used to analyze transactions is a T account.
   a. True
   b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Remember/Understand
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: CH02_LO1 - Show the relationship between the accounting equation and a T account.
DATE CREATED: 1/11/2017 12:02 PM
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2. An amount recorded on the right side of a T account is a debit.
   a. True
   b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Remember/Understand
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: CH02_LO1 - Show the relationship between the accounting equation and a T account.
DATE CREATED: 1/11/2017 12:03 PM
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3. Each asset account has a normal credit balance.
   a. True
   b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Remember/Understand
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: CH02_LO2 - Identify the debit and credit side, the increase and decrease side, and the balance side of various accounts.
DATE CREATED: 1/11/2017 12:03 PM
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4. Each liability account has a normal debit balance.
   a. True
   b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Remember/Understand

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Chapter 02—Debit and Credit Parts

QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: CH02_LO2 - Identify the debit and credit side, the increase and decrease side, and the balance side of various accounts.
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5. The balance of an account increases on the same side as the normal balance side.
   a. True
   b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Remember/Understand
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: CH02_LO2 - Identify the debit and credit side, the increase and decrease side, and the balance side of various accounts.
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6. Asset accounts decrease on the credit side.
   a. True
   b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Remember/Understand
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: CH02_LO2 - Identify the debit and credit side, the increase and decrease side, and the balance side of various accounts.
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7. Each transaction changes the balances in at least two accounts.
   a. True
   b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Remember/Understand
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: CH02_LO3 - Restate and apply the two rules that are associated with the increase side of an account.

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8. A list of accounts used by a business is a chart of accounts.
   a. True
   b. False
ANSWER: True
POINTS: 1
DIFFICULTY: Remember/Understand
QUESTION TYPE: True / False
HAS VARIABLES: False
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9. When cash is paid for supplies, the Supplies account is increased by a credit.
   a. True
   b. False
ANSWER: False
POINTS: 1
DIFFICULTY: Remember/Understand
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: CH02_LO5 - Analyze transactions for operating a business into debit and credit parts.
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10. Common accounting practice is to record withdrawals as debits directly in the owner's capital account.
   a. True
   b. False
ANSWER: False
POINTS: 1
DIFFICULTY: Remember/Understand
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: CH02_LO5 - Analyze transactions for operating a business into debit and credit parts.
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11. The left side of an asset account is the credit side because asset accounts are on the left side of the accounting equation.
   a. True
   b. False
ANSWER: False

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POINTS: 1
DIFFICULTY: Remember/Understand
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: CH02_LO2 - Identify the debit and credit side, the increase and decrease side, and the balance side of various accounts.
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12. A drawing account is increased by debits and decreased by credits.
    a. True
    b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Remember/Understand
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: CH02_LO2 - Identify the debit and credit side, the increase and decrease side, and the balance side of various accounts.
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13. Increases in expense accounts are recorded as debits because they decrease the owner's capital account.
    a. True
    b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Remember/Understand
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: CH02_LO3 - Restate and apply the two rules that are associated with the increase side of an account.
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14. The normal balance side of an Accounts Receivable account is a debit.
    a. True
    b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Remember/Understand
QUESTION TYPE: True / False
HAS VARIABLES: False

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LEARNING OBJECTIVES: CH02_LO5 - Analyze transactions for operating a business into debit and credit parts.
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15. Accounts Payable accounts are increased with a debit.
    a. True
    b. False
ANSWER: False
POINTS: 1
DIFFICULTY: Remember/Understand
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: CH02_LO5 - Analyze transactions for operating a business into debit and credit parts.
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16. Utilities Expense is increased with a debit.
    a. True
    b. False
ANSWER: True
POINTS: 1
DIFFICULTY: Remember/Understand
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: CH02_LO5 - Analyze transactions for operating a business into debit and credit parts.
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17. Cash is increased with a debit.
    a. True
    b. False
ANSWER: True
POINTS: 1
DIFFICULTY: Remember/Understand
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: CH02_LO5 - Analyze transactions for operating a business into debit and credit parts.
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18. Prepaid Insurance is decreased with a credit.
    a. True
    b. False

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ANSWER: True
POINTS: 1
DIFFICULTY: Remember/Understand
QUESTION TYPE: True / False
HAS VARIABLES: False
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19. To summarize withdrawal information separately from the other records, owner withdrawal transactions are recorded in the owner's capital account.
    a. True
    b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Remember/Understand
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: CH02_LO5 - Analyze transactions for operating a business into debit and credit parts.
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20. Decreases to liability accounts are recorded on the credit side.
    a. True
    b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Remember/Understand
QUESTION TYPE: True / False
HAS VARIABLES: False
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21. The left side of a T account is the
    a. debit side. b. credit side.
    c. normal balance side. d. equity side.

ANSWER: a
POINTS: 1
DIFFICULTY: Remember/Understand
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False

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22. If an amount is recorded on the side of a T account opposite the normal balance side, the account balance is
    a. increased. b. decreased.
    c. unaffected. d. correct.
ANSWER: b
POINTS: 1
DIFFICULTY: Remember/Understand
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: CH02_LO1 - Show the relationship between the accounting equation and a T account.
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23. The normal balance side of a liability account is the
    a. debit side. b. credit side.
    c. decrease side. d. left side.
ANSWER: b
POINTS: 1
DIFFICULTY: Remember/Understand
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: CH02_LO2 - Identify the debit and credit side, the increase and decrease side, and the balance side of various accounts.
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24. When an owner invests cash in a business, the owner's capital account is
    a. increased by a debit. b. increased by a credit.
    c. decreased by a debit. d. decreased by a credit.
ANSWER: b
POINTS: 1
DIFFICULTY: Remember/Understand
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
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25. When a business pays cash on account, a liability account is
    a. increased by a debit. b. increased by a credit.

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c. decreased by a debit. d. decreased by a credit.

ANSWER: c
POINTS: 1
DIFFICULTY: Remember/Understand
QUESTION TYPE: Multiple Choice
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26. When cash is received from sales, the change in the owner's equity is usually recorded

a. on the debit side. b. directly in the owner's capital account.
c. as interest revenue. d. in a separate revenue account.

ANSWER: d
POINTS: 1
DIFFICULTY: Remember/Understand
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: CH02_LO5 - Analyze transactions for operating a business into debit and credit parts.
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27. Increases in a revenue account are shown on a T account's

a. debit side. b. left side.
c. credit side. d. none of these.

ANSWER: c
POINTS: 1
DIFFICULTY: Remember/Understand
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
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28. When $1,500 cash is received on account,

a. Sales is increased with a credit and Cash is increased with a credit.
b. Accounts Receivable is increased with a debit and Cash is increased with a credit.
c. Accounts Receivable is decreased with a credit and Cash is increased with a debit.
d. Accounts Receivable is decreased with a debit and Cash is increased with a debit.

ANSWER: c
POINTS: 1
DIFFICULTY: Remember/Understand
QUESTION TYPE: Multiple Choice

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29. The normal balance side of any revenue account is the
a. debit side. b. credit side.
c. left side. d. none of these.

ANSWER: b
POINTS: 1
DIFFICULTY: Remember/Understand
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
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