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| Question 12 text  Question 12 |  | | | |  |
|  | The largest expense on a retailer's income statement is typically: |  |  |  |  |
| Question 12 answers   |  |  |  | | --- | --- | --- | |  |  | Salaries and wages. | |  |  | Cost of goods sold. | |  |  | Income tax expense. | |  |  | Depreciation expense. | |  |  |  |  |

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| Question 13 text  Question 13 |  | | | |  |
|  | Net accounts receivable (net realizable value) is: |  |  |  |  |
| Question 13 answers   |  |  |  | | --- | --- | --- | |  | A. | gross accounts receivable minus cost of goods sold. | |  | B. | also known as net pretax income. | |  | C. | gross accounts receivable minus allowance | |  |  |  |  |
| Question 15 text  Question 15 |  | | | |  |
|  | The factor which determines whether or not goods should be included in a physical count of inventory is: |  |  |  |  |
| Question 15 answers   |  |  |  | | --- | --- | --- | |  | A. | physical possession. | |  | B. | legal title. | |  | C. | management's judgment. | |  | D. | whether or not the purchase price has been paid. | |  |  |  |  |

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| Question 16 text  Question 16 | 1 points | | | | [Save](javascript:saveItem('_2737529_1','16')) |
|  | Today Thomas deposited $100,000 in a three-year, 12% CD that compounds quarterly. What is the maturity value of the CD? |  |  |  |  |
| Question 16 answers   |  |  |  | | --- | --- | --- | |  | A. | $109,270 | |  | B. | $119,410 | |  | C. | $142,576 | |  | D. | $309,090 | |  |  |  |  |

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| Question 17 |  | | | |  |
|  | Frankenstein Enterprises received two notes from customers for sales that Frankenstein made to them in 2011. The notes included:  Note A: Dated 5/31/11, principal of $120,000 and interest due 3/31/12.  Note B: Dated 7/1/11, principal of $200,000 and interest at 8% annually, due on 4/1/12.  Frankenstein had accrued interest receivable from these notes of $14,400 in its 12/31/11 balance sheet. What is the annual interest rate on Note A? |  |  |  |  |
| Question 17 answers   |  |  |  | | --- | --- | --- | |  | A. | 9.14% | |  | B. | 8% | |  | C. | 9.74% | |  | D. | 9.44% | |  |  |  |  |

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| Question 18 text  Question 18 |  | | | |  |
|  | Inventories affect: |  |  |  |  |
| Question 18 answers   |  |  |  | | --- | --- | --- | |  |  | only the balance sheet. | |  |  | only the income statement. | |  |  | both the balance sheet and the income statement. | |  |  | neither the balance sheet nor the income statement. | |  |  |  |  |

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| Question 19 text  Question 19 |  | | | |  |
|  | Journal entries are required by the depositor for all of the following except: |  |  |  |  |
| Question 19 answers   |  |  |  | | --- | --- | --- | |  | A. | collection of a note receivable. | |  | B. | bank errors. | |  | C. | bank service charges. | |  | D. | an NSF check. | |  |  |  |  |
| Question 20 text  Question 20 |  | | | |  |
|  | In a period of rising prices, the inventory method which tends to give the highest reported net income is: |  |  |  |  |
| Question 20 answers   |  |  |  | | --- | --- | --- | |  | A. | base stock. | |  | B. | first-in, first-out. | |  | C. | last-in, first-out. | |  | D. | weighted-average. | |  |  |  |  |

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| Question 21 text  Question 21 |  | | | |  |
|  | ATC reported the following financial data for 2011 and 2010:   |  |  |  | | --- | --- | --- | |  | 2011 | 2010 | | Sales | $305,000 | $284,000 | | Sales returns and allowances | 9,000 | 6,000 | | Net Sales | 296,000 | 278,000 | | Cost of Goods Sold: |  |  | | Inventory, 1/1 | 43,000 | 36,000 | | Net purchases | 152,000 | 146,000 | | Goods available for sale | 195,000 | 182,000 | | Inventory, 12/31 | 57,000 | 43,000 | | Cost of Goods Sold | 138,000 | 139,000 | | Gross Profit | $158,000 | $139,000 |   The average days inventory for ATC (rounded) for 2011 is: |  |  |  |  |
| Question 21 answers   |  |  |  | | --- | --- | --- | |  | A. | less than 100 days. | |  | B. | 114 days. | |  | C. | 132 days. | |  | D. | 151 days. | |  |  |  |  |

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| Question 22 text  Question 22 |  | | | |  |
|  | Goods in transit which are shipped f.o.b. destination should be: |  |  |  |  |
| Question 22 answers   |  |  |  | | --- | --- | --- | |  | A. | included in the inventory of the seller. | |  | B. | included in the inventory of the buyer. | |  | C. | included in the inventory of the shipping company. | |  | D. | none of these. | |  |  |  |  |

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| Question 23 text  Question 23 |  | | | |  |
|  | Which of the following is recorded by a credit to Accounts receivable? |  |  |  |  |
| Question 23 answers   |  |  |  | | --- | --- | --- | |  | A. | Sale of inventory on account. | |  | B. | Estimating the annual allowance for doubtful accounts. | |  | C. | Estimating annual sales returns. | |  | D. | Write-offs of bad debts. | |  |  |  |  |