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| Question 12 text  Question 12  |  |  |
|   | The largest expense on a retailer's income statement is typically: |  |  |  |  |
| Question 12 answers

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|  |  | 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

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|  | A. | gross accounts receivable minus cost of goods sold. |
|  | B. | also known as net pretax income. |
|  | C. | gross accounts receivable minus allowance |

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| 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

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|  | 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    |
|   | 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

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| --- | --- | --- |
|  | 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

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|  | 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

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|  |  | 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

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|  | A. | collection of a note receivable. |
|  | B. | bank errors. |
|  | C. | bank service charges. |
|  | D. | an NSF check. |

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| 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

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| --- | --- | --- |
|  | 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:

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| --- | --- | --- |
|   | 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

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|  | 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

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| --- | --- | --- |
|  | 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

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| --- | --- | --- |
|  | 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.  |

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