* The dividends accounts shown as a expense in the other Revenue/Expense section of the income statement **(T/F)**
* If the company purchases manufacturing equipment during the year, this will be reflected as a cash outflow in the investing section of the Statement of Cash Flow. **(T/F)**
* Accrued Utilities Expense” Decreases when it is collected **(T/F)**
* When a company makes a journal entry to write off an uncollectable account receivable, this entry results in a decrease in Total Assets. **(T/F)**
* If a company reports net income and does not declare dividends in a particular year, its closing entries for that year will include a credit to retrained Earning **(T/F)**

**Which of the following accounts will appear on the balacnce sheet?**

1. Prepaid insurance expense B. Dividends Payable
2. Cost of Goods Sold D. Both A and B
3. Both B and C

**FedEx Company shows “Accounts Receivable, Net” of 20,000,000 on it’s December 31, 2011balacnce sheet. Castro’s Allowance for Doubtful Accounts is 100,000 as of December 31, 2011**

1. FedEx’s Account Receivable” t-account shows a balance of 1,900,000
2. FedEx expect that 2,100,000 of its accounts receivable will be collected in the future
3. FedEx expect that 2,000,000 of its accounts receivable will be collected in the future
4. FedEx expect that 1,900,000 of its accounts receivable will be collected in the future

**Assume that Note Payable has a normal Ending Balance of 20,000,000. During the period, the company took out new bank loans totaling 10,000,000 and repaid 15,000,000 of principal on prior bank loans. What was the beginning balance in Note Payable?**

1. 10,000,000 credit balance B.15,000,000 credit balance
2. 20,000,000 credit balance D. 25,000,000 credit balance

**Organic Orchard had the following transaction during 2012:**

* Donated 50,000 worth of fruit to local elementary school
* Received 800,000 cash for fruit delivered to whole foods during 2012-02-08 received 150,000 cash in exchange for issuing common stock
* Received 200,000 cash from jewel for fruit delivered in 2011
* Paid fruit pickers 200,00 cash
* Received 100,000 cash for fruit that will be delivered in 2013

**What amount of revenue should be recorded on 2012 income statement?**

1. 800,000
2. 900,000
3. 1,000,000
4. 1,100,000

Dell Record liabilities for its standard limited warranties at the time of sale for the estimated costs that may be incurred. Changes in Dell’s liabilities for standard limited warranties are presented in the following tables.

|  |  |  |
| --- | --- | --- |
|  | January 31, 2011 | January 31, 2010 |
| Accrued Warranty expense, beginning of year | 912 | 1035 |
| Cost accrued for new warranty contracts  | 1046 | 987 |
| Service obligation honored | (1063) | (1110) |
| Accrued warranty expense, end of year | 895 | 912 |

**Dell made following journal entry to record 2011 warranty expense related to its standard warranties:**

1. Debit “Warranty Expense” and credit “Cash” for 1063 million
2. Debit “Warranty Expense” and credit “Prepaid Warranty Expense” for 1063 million
3. Debit “Accrued Warranty Expense” and credit “Cash” for 895 million
4. Debit “Warranty Expense” and credit “Accrued Warranty Expense” for 1046 million

**Dell Computer made the following journal entry related to servicing its standard warranties in 2011:**

1. Debit “Accrued Warranty Expense” and credit “cash Inventory ” for 1063 million
2. Debit “Warranty Expense” and credit “cash Inventory” for 1063 million
3. Debit “Accrued Warranty Expense” and credit “Warranty Expense” for 895 million
4. Debit “Warranty Expense” and credit “Prepaid Warranty Expense” for 1046 million

**Revenue from the sale of extended warranties is recognized over the term of the contract or when the service is completed. Unearned extended warranty revenue is included as a liability on the Consolidated Balance Sheet. Changes in Dell’s Liabilities for unearned extended warrant revenue related are presented in the following tables**

|  |  |  |
| --- | --- | --- |
|  | January 31, 2011 | January 31, 2010 |
| Unearned Extended Warranty Revenue, beginning of year | 5910 | 5587 |
| Addition to Unearned Extended Warranty Revenue | 3877 | 3481 |
| Extended Warranty Revenue recognized | 3871 | (3158) |
| Unearned Extended Warranty Revenue, end of year | 6416 | 5910 |

**Dell made following Journal Entry to recognize revenue related to extended warranties on 2011:**

1. Debit “Unearned Extended Warranty Revenue” and credit “Sales” for 3,871 million
2. Debit “Cash” and credit “Unearned Extended Warranty Revenue” for 3,871 million
3. Debit “Sales” and credit “Unearned Extended Warranty Revenue” for 3,877 million
4. Debit “Unearned Extended Warranty Revenue” and credit “Sales” for 6416 million

**Dell Made following Journal Entry related to new extended warranty sold to consumers on 2011:**

1. Debit “Prepaid Warranty Expenses” and credit “Sales” for 3,871 million
2. Debit “Cash” and credit “Sales” for 3,877 million
3. Debit “Cash” and credit “Unearned Extended Warranty Revenue” for 3,877 million
4. Debit “Unearned Extended Warranty Revenue” and credit “Sales” for 6416 million