Accounting Quiz Multiple Choice Questions

Circle the correct answer for each question.

1. Accounts:
2. Are Records of increases and decreases in individual financial statements
3. Are only used by large entities with many transactions
4. Do not reflect money amounts
5. Are used only by entities that manufacture products
6. Which of the following accounts is an asset account?
   1. Dividends
   2. Accounts Payable
   3. Equipment
   4. Salaries Expense
7. Which of the following accounts is a liability account?
   1. Dividends
   2. Cash
   3. Accounts Payable
   4. Capital Stock
8. The debit side of an account:
   1. Is the right-hand side of the account
   2. Is the left-hand side of the account
   3. Depends on whether the account is an asset, liability, or stockholder’s equity
   4. Can be either side of the account depending on how the accountant set up the system
9. A debit may signify a(n):
   1. Increase in asset accounts
   2. Increase in liability accounts
   3. Increase in capital accounts
   4. Decrease in expense accounts
10. A credit may signify a(n):
    1. Increase in assets
    2. Increase in liabilities
    3. Decrease in capital
    4. Decrease in revenue
11. Which of the following entries records the payment of a utility bill from the power company?
    1. Debit Utilities Payable, credit Accounts Payable
    2. Debit Accounts Payable, credit Utilities Payable
    3. Debit Utilities Expense, credit Cash
    4. Debit Cash, credit Utilities Expense
12. Which of the following entries records the payment of rent for the current month?
    1. Debit Cash, credit Rent Expense
    2. Debit Rent Expense, credit Cash
    3. Debit Rent Expense, credit Accounts Payable
    4. Debit Accounts Payable, credit Cash
13. Which of the following entries records the collection of cash from cash customers?
    1. Debit Accounts Receivable, credit Fees Earned
    2. Debit Fees Earned, credit Accounts Receivable
    3. Debit Fees Earned, credit Cash
    4. Debit Cash, credit Fees Earned
14. Accounts with normal debit balances include:
    1. Assets and liabilities
    2. Liabilities and expenses
    3. Revenue and Assets
    4. Expenses and Assets