المملكة العربية السعودية
وزارة التعليم
MINISTRY OF EDUCATION

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هام

لكل المهتمين و المهتمات
بدروس و مراجع الجامعية

MULTIPLE CHOICE QUESTIONS

1. Monthly and quarterly time periods are called
a. calendar periods.
b. fiscal periods.
c. interim periods.
d. quarterly periods.

2. The time period assumption states that
a. a transaction can only affect one period of time.
b. estimates should not be made if a transaction affects more than one time period.
c. adjustments to the company's accounts can only be made in the time period when the business terminates its operations.
d. the economic life of a business can be divided into artificial time periods.

3. An accounting time period that is one year in length, but does **not** begin on January 1, is referred to as
a. a fiscal year.
b. an interim period.
c. the time period assumption.
d. a reporting period.

4. The revenue recognition principle dictates that revenue should be recognized in the accounting records
a. when cash is received.
b. when the performance obligation is satisfied.
c. at the end of the month.
d. in the period that income taxes are paid

5. Under accrual-basis accounting
a. cash must be received before revenue is recognized.
b. net income is calculated by matching cash outflows against cash inflows.
c. events that change a company's financial statements are recognized in the period they occur rather than in the period in which cash is paid or received.
d. the ledger accounts must be adjusted to reflect a cash basis of accounting before financial statements are prepared under generally accepted accounting principles.

6. Adjusting entries are required
a. yearly.
b. quarterly.
c. monthly.
d. every time financial statements are prepared.

7. Expenses incurred but not yet paid or recorded are called

a. prepaid expenses.
b. accrued expenses.
c. interim expenses.
d. unearned expenses.

8. Accrued revenues are

a. cash received and a liability recorded before services are performed.
b. revenue for services performed and recorded as liabilities before they are received.
c. revenue for services performed but not yet received in cash or recorded.
d. revenue for services performed and already received in cash and recorded.

9. Prepaid expenses are

a. paid and recorded in an asset account before they are used or consumed.
b. paid and recorded in an asset account after they are used or consumed.
c. incurred but not yet paid or recorded.
d. incurred and already paid or recorded.

10. Accrued expenses are

a. paid and recorded in an asset account before they are used or consumed.
b. paid and recorded in an asset account after they are used or consumed.
c. incurred but not yet paid or recorded.
d. incurred and already paid or recorded.

11. Unearned revenues are

a. cash received and a liability recorded before services are performed.
b. revenue for services performed and recorded as liabilities before they are received.
c. revenue for services performed but not yet received in cash or recorded.
d. revenue for services performed and already received in cash and recorded.

12. Accumulated Depreciation is
a. an expense account.
b. an owner's equity account.
c. a liability account.
d. a contra asset account.

13. The difference between the cost of a depreciable asset and its related accumulated depreciation is referred to as the
a. market value of the asset.
b. blue book value of the asset.
c. book value of the asset.
d. depreciated difference of the asset.

14. Unearned revenue is classified as
a. an asset account.
b. a revenue account.
c. a contra-revenue account.
d. a liability account.

Answers to Multiple Choice Questions

Item	Ans.	Item	Ans.
1.	c	12.	d
2.	d	13.	c
3.	a	14.	d
4.	b		
5.	c		
6.	d		
7.	b		
8.	c		
9.	a		
10.	c		
11.	a		