

ACCT 100 – Chapters 1 - 3

Johnson

Answer the following questions (without reference to your text or notebook.)

1. What does GAAP stand for?
2. Define equity?
3. What is the definition of a compound entry?
4. What is the definition of a contra account?
5. What is an example of a contra account?
6. What is the fundamental accounting equation?
7. What is the expanded fundamental accounting equation (with the equity umbrella??)
8. What account is CREDITED when an owner invests cash into a business?
9. What account is DEBITED when a creditor is paid?
10. What account is DEBITED when an owner withdraws cash for personal use?
11. What type of account is an account receivable?
12. What is its normal balance?
13. What type of account in accounts payable?
14. What is its normal balance?
15. What is the purpose of a trial balance?
16. Which financial statement is prepared first?
17. Which financial statement is prepared last?
18. Which financial statement shows the financial position of a firm at a POINT IN TIME?
19. Which financial statement shows whether a business was profitable or not?

20. What type of accounts are on the Balance Sheet?