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Self-Made Assignment - Manual Accounting

Accounting Terms B

Answer these questions:

1.) The total assets of a company minus its total liabilities is called _____.

- a) Net income
- b) Equity

2.) A financial statement that shows a company's financial position at a specific point in time is the _____.

- a) Balance Sheet
- b) Income Statement

3.) The process of recording financial transactions in a company's accounting system is called _____.

- a) Auditing
- b) Bookkeeping

4.) _____ represents the portion of a company's profit allocated to shareholders.

- a) Dividends
- b) Retained Earnings

5.) Revenue minus cost of goods sold results in _____.

- a) Gross Profit
- b) Net Profit

6.) The accounting method that recognizes revenue when earned and expenses when incurred is known as _____.

- a) Cash Basis
- b) Accrual Basis

7.) The systematic allocation of the cost of an asset over its useful life is called _____.

- a) Depreciation
- b) Amortization

8.) _____ refers to the reduction in value of an intangible asset over time.

- a) Depreciation
- b) Amortization

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9. Liabilities that are expected to be settled within one year are called _____.

- a) Long-term liabilities
- b) Current Liabilities

10.) A detailed report showing the breakdown of revenue, expenses, and profit for a _____ given period is the _____.

- a) Balance Sheet
- b) Income Statement

11.) The obligation to pay for goods or services that have been received but not yet paid for is known as _____.

- a) Accounts Receivable
- b) Accounts Payable

12.) A company's debts or obligations that are due to be paid in more than one year are called _____.

- a) Current Liabilities
- b) Long-term Liabilities

13.) The portion of a company's revenue that is retained after all expenses are paid is called _____.

- a) Net Income
- b) Gross Income

14.) _____ is the money a company earns from selling goods or services.

- a) Expense
- b) Revenue

15.) _____ is the money a business owes to its creditors.

- a) Asset
- b) Liability

16.) The _____ is a financial statement that shows the company's profits or losses over a period of time.

- a) Balance Sheet
- b) Income Statement

17.) _____ are resources owned by a company that have future economic value.



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- a) Assets
- b) Liabilities

18.) The amount of money left over after paying all expenses is called _____.

- a) Profit
- b) Revenue

19.) A _____ is a formal document stating how much is owed for goods or services provided.

- a) Receipt
- b) Invoice

20.) _____ refers to money that is owed to a business by its customers.

- a) Accounts Payable
- b) Accounts Receivable

