

Fill in the Blank Questions:

1. A _____ is a legally enforceable agreement between two or more parties.
(a) Contract
(b) Agreement
2. The recognition of revenue in contract accounting is based on the _____ of performance obligations.
(a) Completion
(b) Payment
3. Under the _____ method, revenue is recognized when the contract is completed, regardless of the timing of cash flows.
(a) Completed Contract
(b) Percentage of Completion
4. The _____ of a contract outlines the specific terms, including the rights and obligations of each party.
(a) Contract Terms
(b) Partnership Deed
5. A performance obligation is a promise to transfer a _____ or service to a customer.
(a) Good
(b) Right
6. Costs incurred to fulfill a contract can be recognized as an asset if they are expected to be _____.

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Self-Made Assignment - Advance Accounting

Contract Account

- (a) Recovered
- (b) Expensed

7. Under the _____ basis of accounting, expenses are recognized when incurred, not necessarily when cash is paid.

- (a) Cash
- (b) Accrual

8. A contract modification requires the _____ of all parties involved.

- (a) Consent
- (b) Notification

9. A _____ is a potential obligation that may occur depending on the outcome of a future event.

- (a) Contingent Liability
- (b) Fixed Asset

10. The percentage of completion method requires the estimation of the total _____ of the contract.

- (a) Cost
- (b) Revenue

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