

The Accounting Quiz

1. Which of the following items is not found on a Balance Sheet?
 - A. Cash
 - B. Gross Profit
 - C. Assets
 - D. Liabilities
2. An account receivable is:
 - A. An Asset
 - B. A Liability
 - C. Owner's Equity
3. Which of the following is most important to the daily operations of a business?
 - A. Assets
 - B. Retained Earnings
 - C. Cash
4. What is the 'bottom line' on an Income Statement?
 - A. Net Profit
 - B. Gross Margin
 - C. Gross Profit
5. A prepaid expense is:
 - A. An Asset
 - B. Owner's Equity
 - C. A Liability
6. Which would you find on an Income Statement?
 - A. Expense
 - B. Fixed Asset
 - C. Liability
7. Which of the following expenses does not affect your cash position in running a business?
 - A. Rent Expense
 - B. Advertising Expense
 - C. Depreciation Expense
8. Which of the following is the basic accounting equation?
 - A. Net Worth = Assets + Profits
 - B. Gross Profit – Sales = Gross Profit Margin
 - C. Assets = Liabilities + Owner's Equity
9. How do you derive Gross Profit?
 - A. Sales – Expenses
 - B. Sales – Cost of Goods Sold
 - C. Net Profit – Expenses
 - D. Profit – Cost of Goods Sold

Answer Key

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