

1. MC.07.64

To reconcile the bank statement, which of the following amounts would be added to the bank statement balance?

- ☐ a. service charge
- ☐ b. deposits in transit
- ☐ c. amounts collected by the bank for the depositor's account
- ☐ d. outstanding checks

2. MC.07.62

Check No. 450, a payment of \$54 for the telephone bill, was incorrectly entered on the check stub as \$45. Which of the following adjustments needs to be made?

- ☐ a. decrease the bank statement balance
- ☐ b. increase the bank statement balance
- ☐ c. decrease the book balance
- ☐ d. increase the book balance

3. MC.07.45

On a bank reconciliation, checks issued during the period that were not presented to the bank for payment before the bank statement was prepared are known as

- ☐ a. outstanding checks.
- ☐ b. dishonored checks.
- ☐ c. deposits in transit.
- ☐ d. NSF checks.

4. MC.07.69

Cash Sales from the cash register tapes totaled \$882. There is a change fund of \$100. The cash count indicates that \$984 is in the cash drawer. What journal entry would be required?

- ☐ a. debit Miscellaneous Expense for \$2; credit Cash Short and Over for \$2
- ☐ b. debit Cash Short and Over for \$2; credit Miscellaneous Expense \$2
- ☐ c. debit Cash for \$884; credit Revenues for \$882, and Cash Short and Over for \$2
- ☐ d. debit Cash for \$982, Cash Short and Over for \$2; credit Revenues for \$984

5. MC.07.59

If the person who is named as payee on a check transfers the right to receive the money by signing his/her name on the back of the check, the signature is called a

- ☐ a. dishonored endorsement.
- ☐ b. restrictive endorsement.
- ☐ c. blank endorsement.
- ☐ d. regular endorsement.

6. MC.07.51

A petty cash fund of \$200 has \$17 in cash, \$180 in petty cash vouchers, and \$3 in miscellaneous receipts not included with the petty cash vouchers. The proper journal entry to replenish the fund would include a credit to Cash for

- ☐ a. \$180.
- ☐ b. \$183.
- ☐ c. \$17.
- ☐ d. \$3.

7. MC.07.50

A debit to Accounts Receivable for \$50 and a credit to Cash for \$50 would be an accurate journal entry to record

- ☐ a. ATM deposits.
- ☐ b. not sufficient funds (NSF) checks.
- ☐ c. electronic funds transfers (EFTs).
- ☐ d. petty cash.

8. MC.07.42

A check involves three parties. The person directed to receive the money is called the

- ☐ a. payee.
- ☐ b. drawee.
- ☐ c. endorser.
- ☐ d. drawer.

9. MC.07.65

A petty cash fund of \$200 has \$27 in cash, \$170 in petty cash vouchers, and \$3 in miscellaneous receipts not included with the petty cash vouchers. The debit to the Cash Short and Over would be

- ☐ a. \$0.
- ☐ b. \$170.
- ☐ c. \$27.
- ☐ d. \$173.

10. MC.07.46

Whenever the bank mails a credit memo to the depositor indicating the amount of interest credited to the account, the transaction that would be entered in the accounting records of the depositor would include

- ☐ a. debiting Cash and crediting Interest Expense.
- ☐ b. debiting Interest Expense and crediting Cash.
- ☐ c. debiting Cash and crediting Interest Earned.
- ☐ d. debiting Interest Earned and crediting Cash.

11. MC.07.49

To reconcile the bank statement, which of the following amounts would be subtracted from the bank statement balance?

- ☐ a. outstanding checks
- ☐ b. amounts collected by the bank for the depositor's account
- ☐ c. deposits in transit
- ☐ d. service charge

12. MC.07.52

A special form of receipt showing the name of the payee, the purpose of the payment, and the account to be charged for each petty cash payment is known as a

- ☐ a. petty cash register.
- ☐ b. petty cash voucher.
- ☐ c. petty cash check.
- ☐ d. petty cash document.

13. MC.07.44

The process of bringing the book and the bank balance into agreement is called

- ☐ a. preparing a statement of payment.
- ☐ b. proving the cash.
- ☐ c. preparing a statement of disbursements.
- ☐ d. reconciling the bank statement.

14. MC.07.40

Each check should be identified by its

- ☐ a. CPA number.
- ☐ b. AAB number.
- ☐ c. MBA number.
- ☐ d. ABA number.

15. MC.07.61

To complete transactions with the bank, electronic funds transfer (EFT) systems use

- ☐ a. checks.
- ☐ b. currency.
- ☐ c. a computer.
- ☐ d. drafts or money orders.

16. MC.07.47

In reconciling a bank statement, the bank statement balance is \$1,000 and the balance per books is \$1,205. A bank service charge is \$5; a deposit in transit totals \$500; and outstanding checks total \$300. The journal entry for a bank service charge would include

- ☐ a. debiting Cash and crediting Owner's Capital.
- ☐ b. debiting Cash and crediting Miscellaneous Expense.
- ☐ c. debiting Accounts Payable and crediting Cash.
- ☐ d. debiting Miscellaneous Expense and crediting Cash.

17. MC.07.55

To sign the back of a check with the name of the company and "Pay to First United Bank" is an example of a

- ☐ a. blank endorsement.

- ☐ b. canceled check.
- ☐ c. restrictive endorsement.
- ☐ d. signature card.

18. MC.07.57

The bank statement for a checking account normally shows the

- ☐ a. checks written but not yet cashed.
- ☐ b. amounts of deposits to be made.
- ☐ c. amounts to be collected by the bank for the depositor's account.
- ☐ d. amount of deposits and other credits added during the period.

19. MC.07.63

In reconciling a bank statement, the bank statement balance is \$1,000 and the balance per books is \$1,205. A bank service charge is \$15; a deposit in transit totals \$500, and outstanding checks total \$300. The adjusted book balance is

- ☐ a. \$1,205.
- ☐ b. \$1,190.
- ☐ c. \$1,505.
- ☐ d. \$1,490.

20. MC.07.54

If, in the effort to prove cash, a shortage is found, the amount is treated as a(n)

- ☐ a. petty cash transaction.
- ☐ b. cash receipts transaction.
- ☐ c. expense.
- ☐ d. revenue earned transaction.