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Self-Made Assignment - Manual Accounting

Accounting Terms A

Answer These Following Questions?

1. The financial statement that shows a company's financial position at a specific point in time is the _____.
a) Balance Sheet
b) Income Statement
2. The amount of money a company expects to receive from customers who have purchased goods or services on credit is called _____.
a) Accounts Receivable
b) Accounts Payable
3. _____ refers to the total income generated from the sale of goods or services before any expenses are deducted.
a) Revenue
b) Expenses
4. The process of spreading the cost of a tangible asset over its useful life is called _____.
a) Depreciation
b) Amortization
5. _____ represents the resources owned by a business that provide future economic benefits.
a) Liabilities
b) Assets
6. The portion of a company's profits retained in the business rather than distributed to shareholders is called _____.
a) Dividends
b) Retained Earnings
7. _____ is the ability of a company to meet its short-term financial obligations using its assets.
a) Liquidity
b) Solvency
8. The systematic recording of all business transactions in chronological order is done in the _____.
a) General Ledger
b) Balance Sheet

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9. The _____ shows the company's revenues, expenses, and profits over a specific period.

- a) Income Statement
- b) Cash Flow Statement

10. The difference between current assets and current liabilities is known as _____.

- a) Gross Profit
- b) Working Capital

11. _____ represents the financial obligations or debts a company owes to others.

- a) Liabilities
- b) Equity

12. A company's _____ is the profit it earns after all expenses have been deducted from revenue.

- a) Gross Income
- b) Net Income

13. The _____ is used to determine whether total debits equal total credits in a company's accounts.

- a) Trial Balance
- b) Balance Sheet

14. _____ is the amount of money a company owes to suppliers for goods or services received but not yet paid for.

- a) Accounts Payable
- b) Accounts Receivable

15. _____ measures the profitability of a company's core operations by subtracting the cost of goods sold from revenue.

- a) Gross Profit
- b) Net Profit

16. _____ accounting recognizes revenue and expenses when they are incurred, regardless of when cash is exchanged.

- a) Accrual
- b) Cash



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17. The _____ provides a summary of the cash inflows and outflows from a company's operating, investing, and financing activities.

- a) Cash Flow Statement
- b) Income Statement

18. When expenses exceed revenue, the company experiences _____.

- a) Loss
- b) Profit

19. The assets that a company expects to convert into cash within one year are called _____.

- a) Current Assets
- b) Fixed Assets

20. _____ is the amount of equity capital that a company raises through issuing shares to investors.

- a) Retained Earnings
- b) Share Capital



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