

# Study Guide 10

Name	Perfect Score	Your Score
Identifying Accounting Terms	14 Pts.	
Analyzing Sales and Cash Receipts	24 Pts.	
Analyzing Transactions Recorded in Special Journals	15 Pts.	
<b>Total</b>	<b>53 Pts.</b>	

## Part One—Identifying Accounting Terms

**Directions:** Select the term in Column I that best fits each definition in Column II. Print the letter identifying your choice in the Answers column.

<b>Column I</b>	<b>Column II</b>	<b>Answers</b>
A. batch report	1. A person or business to whom merchandise or services are sold. (p. 270)	1. _____
B. batching out	2. A tax on a sale of merchandise or services. (p. 270)	2. _____
C. cash receipts journal	3. A special journal used to record only sales of merchandise on account. (p. 272)	3. _____
D. cash sale	4. A sale in which cash is received for the total amount of the sale at the time of the transaction. (p. 276)	4. _____
E. credit card sale	5. A sale in which a credit card is used for the total amount of the sale at the time of the transaction. (p. 276)	5. _____
F. credit memorandum	6. A computer used to collect, store, and report all the information of a sales transaction. (p. 276)	6. _____
G. customer	7. The report that summarizes the cash and credit card sales of a point-of-sale terminal. (p. 276)	7. _____
H. point-of-sale (POS) terminal	8. A report of credit card sales produced by a point-of-sale terminal. (p. 278)	8. _____
I. sales allowance	9. The process of preparing a batch report of credit card sales from a point-of-sale terminal. (p. 278)	9. _____
J. sales discount	10. A special journal used to record only cash receipt transactions. (p. 278)	10. _____
K. sales journal	11. A cash discount on sales taken by a customer. (p. 278)	11. _____
L. sales return	12. Credit allowed a customer for the sales price of returned merchandise, resulting in a decrease in the vendor's accounts receivable. (p. 285)	12. _____
M. sales tax	13. Credit allowed a customer for part of the sales price of merchandise that is not returned, resulting in a decrease in the vendor's accounts receivable. (p. 285)	13. _____
N. terminal summary	14. A form prepared by the vendor showing the amount deducted for returns and allowances. (p. 285)	14. _____

## Part Two—Analyzing Sales and Cash Receipts

**Directions:** Place a *T* for True or an *F* for False in the Answers column to show whether each of the following statements is true or false.

	<b>Answers</b>
1. Most states do not require a business to collect sales tax from customers. (p. 270)	1. _____
2. Sales tax rates are usually stated as a percentage of sales. (p. 270)	2. _____
3. A sale of merchandise increases the revenue of a business. (p. 271)	3. _____
4. The Realization of Revenue accounting concept is applied when a sale is recorded at the time the sale is made. (p. 271)	4. _____
5. A sale on account is not the same as a charge sale. (p. 271)	5. _____
6. A credit card sale is a sale in which cash is received for the total amount of the sale at the time of the transaction. (p. 276)	6. _____
7. A cash sale is a sale in which a credit card is used for the total amount of the sale at the time of the transaction. (p. 276)	7. _____
8. At the end of the week, all credit card slips are gathered together, sorted by issuing bank, and mailed individually to each of the banks to collect payment. (p. 278)	8. _____
9. All cash receipts, including cash sales and credit card sales, are recorded in the cash receipts journal. (p. 278)	9. _____
10. The total of a terminal summary can be recorded as a single cash sales transaction. (p. 279)	10. _____
11. For cash and credit card sales, the asset account Cash is debited for the total of sales and sales tax, but the revenue account Sales is credited only for the total of sales. (p. 279)	11. _____
12. The revenue account Sales has a normal credit balance. (p. 279)	12. _____
13. The liability account Sales Tax Payable has a normal debit balance. (p. 279)	13. _____
14. The source document for cash received on account from a customer is a receipt. (p. 280)	14. _____
15. When cash is received on account, the cash account balance increases and the accounts receivable account balance increases. (p. 280)	15. _____
16. When a sales discount is taken, a customer pays less cash than the invoice amount previously recorded in the sales account. (p. 281)	16. _____
17. The account Sales Discount increases sales. (p. 282)	17. _____
18. Maintaining a separate account for sales discounts provides business managers with information to evaluate whether a sales discount is a cost-effective method. (p. 282)	18. _____
19. If a customer does not pay the amount owed within the sales discount period, the full invoice amount is due. (p. 282)	19. _____
20. After the cash receipts journal is proved at the end of the month, cash is proved. (p. 283)	20. _____
21. All transactions can be recorded in a special journal. (p. 285)	21. _____
22. Credit may be granted to a customer only when merchandise is returned. (p. 285)	22. _____
23. Sales returns and sales allowances increase the amount of sales. (p. 285)	23. _____
24. The account Sales Returns and Allowances is a contra account. (p. 285)	24. _____

Name \_\_\_\_\_ Date \_\_\_\_\_ Class \_\_\_\_\_

### Part Three—Analyzing Transactions Recorded in Special Journals

**Directions:** In Answers Column 1, print the abbreviation for the journal in which each transaction is to be recorded. In Answers Columns 2 and 3, print the letters identifying the accounts to be debited and credited for each transaction.

SJ—Sales journal; GJ—General journal; CRJ—Cash receipts journal

<b>Account Titles</b>	<b>Transactions</b>	<b>Answers</b>		
		<b>Journal</b>	<b>Debit</b>	<b>Credit</b>
A. Accounts Receivable	1–2–3. Sold merchandise on account to Penny Kellar, plus sales tax. (p. 273)	1. _____	2. _____	3. _____
B. Cash	4–5–6. Recorded cash and credit card sales, plus sales tax. (p. 279)	4. _____	5. _____	6. _____
C. Penny Kellar		7. _____	8. _____	9. _____
D. Jim Tauras	7–8–9. Received cash on account from Jim Tauras. (p. 280)	10. _____	11. _____	12. _____
E. Sales	10–11–12. Received cash on account from Penny Kellar, less sales discount. (p. 282)	13. _____	14. _____	15. _____
F. Sales Discount				
G. Sales Returns and Allowances	13–14–15. Granted credit to Jim Tauras for merchandise returned, plus sales tax. (p. 286)			
H. Sales Tax Payable				

# Study Skills

## Setting Priorities

Do you work hard every day but never seem to get your work completed? Do you spend hours on an assignment only to find that it is of little importance? Do you sometimes feel that you waste your time? If you answer yes to these questions, you should take a close look at your priorities.

You have only a limited amount of time available, and you will likely never be able to do everything you would like to do. Therefore, you must decide which things are the most important and concentrate on them.

### Placing a Value on Jobs

There may be jobs that you do not enjoy doing, and under ordinary circumstances, you might put them off and complete other work instead. However, the things that you put off may be the most important things that you should do. They should be given a high priority.

There may be jobs that you enjoy doing, but these jobs might be of little real value to you in your personal, business, or school life. These activities should receive a low priority.

When you decide which jobs to spend your time on, you should look at each one and determine its overall value in relation to the other jobs that you should do.

### Getting Your Jobs in Order

An easy method of setting priorities is to sit down every morning and list the things that you should do during the day. Let's suppose that your list contains six jobs. When you have decided what should be done, you should rank the jobs in order of importance. The most important should be first, and the least important should be last.

You should then begin working at the top of the list. As you do each task, mark it off. Perhaps you will be able to mark off all the items, but you may complete only three or four. This is satisfactory, however, because you used your time on the items of most importance. If you do not complete one or two jobs at the bottom of the list, do not worry. They were the least important.

### Conclusion

You will probably never complete every job you want to do. If you do the most important things every day, however, you will accomplish a great deal. You will be successful because you have set your priorities correctly.

**10-1 APPLICATION PROBLEM, p. 289**

**Journalizing sales on account; proving and ruling a sales journal**

**1., 2.**

SALES JOURNAL

PAGE

DATE	ACCOUNT DEBITED	SALE NO.	POST. REF.	1			2			3			
				ACCOUNTS RECEIVABLE DEBIT	SALES CREDIT	SALES TAX PAYABLE CREDIT							
1													1
2													2
3													3
4													4
5													5
6													6
7													7
8													8
9													9
10													10
11													11
12													12
13													13
14													14
15													15
16													16
17													17
18													18
19													19

**2.**

Col. No.	Column Title	Debit Totals	Credit Totals
1	Accounts Receivable Debit .....	_____	_____
2	Sales Credit .....	_____	_____
3	Sales Tax Payable Credit .....	_____	_____
	Totals .....	=====	=====

**Journalizing cash receipts; proving and ruling a cash receipts journal**

1., 2., 4.

**CASH RECEIPTS JOURNAL**

PAGE

DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	GENERAL		ACCOUNTS RECEIVABLE CREDIT	SALES CREDIT	SALES TAX PAYABLE CREDIT	SALES DISCOUNT DEBIT	CASH DEBIT	
				DEBIT	CREDIT						
				1	2						
1											1
2											2
3											3
4											4
5											5
6											6
7											7
8											8
9											9
10											10
11											11
12											12
13											13
14											14

**2.**

Col. No.	Column Title	Debit Totals	Credit Totals
1	General Debit . . . . .	_____	_____
2	General Credit . . . . .	_____	_____
3	Accounts Receivable Credit . . . . .	_____	_____
4	Sales Credit . . . . .	_____	_____
5	Sales Tax Payable Credit . . . . .	_____	_____
6	Sales Discount Debit . . . . .	_____	_____
7	Cash Debit . . . . .	_____	_____
	Totals . . . . .	=====	=====

**3.**

**CASH PROOF**

Cash on hand at the beginning of the month . . . . .	_____
Plus total cash received during the month . . . . .	_____
<i>Equals</i> total . . . . .	_____
Less total cash paid during the month . . . . .	_____
<i>Equals</i> cash balance on hand at end of the month . . . . .	=====
Checkbook balance on the next unused check stub . . . . .	=====

**10-3 APPLICATION PROBLEM, p. 290**

**Journalizing sales returns and allowances using a general journal**

**1.**

GENERAL JOURNAL

PAGE

DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	DEBIT			CREDIT			PAGE
1										1
2										2
3										3
4										4
5										5
6										6
7										7
8										8
9										9
10										10
11										11
12										12
13										13
14										14
15										15
16										16
17										17
18										18
19										19
20										20
21										21
22										22
23										23
24										24
25										25

**10-4 MASTERY PROBLEM, p. 290**

**Journalizing sales and cash receipts transactions; proving and ruling journals**

**1., 2., 3.**

SALES JOURNAL

PAGE 19

DATE	ACCOUNT DEBITED	SALE NO.	POST. REF.	1				2				3											
				ACCOUNTS RECEIVABLE DEBIT				SALES CREDIT				SALES TAX PAYABLE CREDIT											
1 <sup>20--</sup> Oct. 24	Brought Forward		✓	1	4	9	6	6	7	0	1	4	5	2	1	5	5	4	4	5	1	5	1
2																						2	
3																						3	
4																						4	
5																						5	
6																						6	
7																						7	
8																						8	
9																						9	
10																						10	
11																						11	
12																						12	
13																						13	
14																						14	
15																						15	
16																						16	
17																						17	
18																						18	

**2.**

Col. No.	Column Title	Debit Totals	Credit Totals
1	Accounts Receivable Debit . . . . .	_____	
2	Sales Credit . . . . .		_____
3	Sales Tax Payable Credit . . . . .		_____
	Totals . . . . .	=====	=====