

Name \_\_\_\_\_ Date \_\_\_\_\_ B

Discussion Section \_\_\_\_\_ Row \_\_\_\_\_ Seat \_\_\_\_\_

## PRINCIPLES OF FINANCIAL ACCOUNTING I

### Chapter 2

Fall 2014

“As a student of ORU, I hereby pledge my full and hearty support to the Honor Code. I agree not only to be honest myself but to report all cases of dishonesty that are observed by me.”

Indicate whether the following are true or false by indicating + for TRUE and 0 for FALSE in the blank preceding each statement.

- \_\_\_ 1. The normal balance of an expense account is a credit; therefore, you would decrease the account with a debit.
- \_\_\_ 2. The account, John Doe, Drawing, is decreased with a credit because its normal balance is a debit.
- \_\_\_ 3. The erroneous moving of an entire number one or more spaces to the right or left, such as writing \$450 as \$45, is called a slide.
- \_\_\_ 4. The account, Supplies, can be decreased by a debit to Supplies.
- \_\_\_ 5. For a month's transactions for a typical business, the Accounts Payable account is likely to have both credit and debit entries.
- \_\_\_ 6. The right side of an account is referred to as the debit side.
- \_\_\_ 7. Posting a transaction twice will cause the trial balance totals to be unequal.
- \_\_\_ 8. Asset accounts are credited for increases.
- \_\_\_ 9. Revenue accounts are credited for decreases.
- \_\_\_ 10. A credit signifies an increase in a liability account.

**When you have finished, please put your paper face down at the end of your row.**

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- 0   1. The normal balance of an expense account is a credit; therefore, you would decrease the account with a debit.
- +   2. The account, John Doe, Drawing, is decreased with a credit because its normal balance is a debit.
- +   3. The erroneous moving of an entire number one or more spaces to the right or left, such as writing \$450 as \$45, is called a slide.
- 0   4. The account, Supplies, can be decreased by a debit to Supplies.
- +   5. For a month’s transactions for a typical business, the Accounts Payable account is likely to have both credit and debit entries.
- 0   6. The right side of an account is referred to as the debit side.
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