

Name \_\_\_\_\_ Date \_\_\_\_\_ A

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

PRINCIPLES OF FINANCIAL ACCOUNTING I  
Chapter 7 – Special Journals  
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. Purchases of merchandise for cash would be recorded in the purchases journal.
- \_\_\_\_\_ 2. Sales of merchandise for cash would be recorded in the sales journal.
- \_\_\_\_\_ 3. The sale of supplies for cash to a neighboring business, as an accommodation, are recorded in the sales journal.
- \_\_\_\_\_ 4. Purchases of merchandise on account would be recorded in the purchases journal.
- \_\_\_\_\_ 5. The return of merchandise purchased for credit would be recorded in the general journal.
- \_\_\_\_\_ 6. Sales of merchandise on account would be recorded in the sales journal.
- \_\_\_\_\_ 7. A cash refund paid to a customer who returned merchandise would be recorded in the general journal.
- \_\_\_\_\_ 8. All transactions that decrease cash are recorded in the cash receipts journal.
- \_\_\_\_\_ 9. The creditors ledger is controlled by the general ledger account entitled Accounts Payable.
- \_\_\_\_\_ 10. The customers ledger is controlled by the general ledger account entitled Sales.

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

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

- 0   1. Purchases of merchandise **for cash** would be recorded in the purchases journal.
- 0   2. Sales of merchandise **for cash** would be recorded in the sales journal.
- 0   3. The sale of supplies **for cash** to a neighboring business, as an accommodation, is recorded in the sales journal.
- +   4. Purchases of merchandise on account would be recorded in the purchases journal.
- +   5. The return of merchandise purchased for credit would be recorded in the general journal.
- +   6. Sales of merchandise on account would be recorded in the sales journal.
- 0   7. A **cash refund** paid to a customer who returned merchandise would be recorded in the general journal.
- 0   8. All transactions that **decrease** cash are recorded in the **cash receipts** journal.
- +   9. The creditors ledger is controlled by the general ledger account entitled Accounts Payable.
- 0   10. The customers ledger is controlled by the general ledger account entitled Sales.