

Name _____ Date _____ B

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

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