

Assignment 1

First question:

true or false statements.

- 1- Owners of business firms are the only people who need accounting information.
 - True
 - false
- 2- Transactions that can be measured in dollars and cents are recorded in the financial information system.
 - True
 - false
- 3- Management of a business enterprise is the major external user of information.
 - True
 - false
- 4- Accounting communicates financial information about a business enterprise to both internal and external users.
 - True
 - false
- 5- Accounting information is used only by external users with a financial interest in a business enterprise.
 - True
 - false
- 6- Financial statements are the major means of communicating accounting information to interested parties.
 - True
 - false
- 7- A partnership must have more than one owner.
 - True
 - false

- 8- The basic accounting equation states that Assets = Liabilities.
- True
 - false
- 9- The primary purpose of the statement of cash flows is to provide information about the cash receipts and cash payments of a company during a period.
- True
 - false
- 10- Identifying is the process of keeping a chronological diary of events measured in dollars and cents.
- True
 - false
- 11- In the owner's equity statement, revenues are listed first, followed by expenses, and net income (or net loss).
- True
 - false
- 12- the principle subdivisions of owner's equity are owner's capital , liabilities, drawings, and revenues.
- True
 - false
- 13- A balance sheet reports the assets, liabilities, and owner's equity for a specific period of time.
- True
 - false
- 14- expenses are the cost of assets consumed or services used in the process of earning revenue.
- True
 - false
- 15- A balance sheet reports the assets, liabilities, and owner's equity at a specific date.
- True
 - false

Second Question:

Choose the correct answer:

- 1- the resources a business owns is called:
 - A. liabilities
 - B. Assets
 - C. Drawings
 - D. Revenues

- 2- which of the following is considered an internal user of Accounting information
 - A. Production supervisor
 - B. Investors
 - C. Creditors
 - D. Customers

- 3- the process of selecting those events that are considered evidence of economic activity relevant to a particular business organization.
 - A. Identifying
 - B. Recording
 - C. Communicating
 - D. None of the above

- 4- The basic accounting equation is
 - A. Liabilities = Assets + owner's equity
 - B. Owner's equity = Assets + liabilities
 - C. Assets = liabilities – owner's equity
 - D. Assets = liabilities + owner's equity

- 5- the statement that summarizes information about the cash inflows (receipts) and outflows (payments) for a specific period of time is called
 - A. Balance sheet
 - B. Income statement
 - C. Owner's equity statement
 - D. Statement of cash flow

6- the statement that presents the revenues and expenses and resulting net income or net loss for a specific period of time.

- A. Balance sheet
- B. Income statement
- C. Owner's equity statement
- D. Statement of cash flow

7- the owner's investments in the business is called.

- A. Assets
- B. Capital
- C. Drawings
- D. Expenses

8- if the Assets of Alfagr company equal 250000 and its liabilities equal 100000 how much is its owner's equity.

- A. 100000
- B. 50000
- C. 125000
- D. 150000

9- the person who uses accounting information to make decisions to buy, hold, or sell ownership shares of a company is called.

- A. Creditor
- B. Investor
- C. Customer
- D. manager

10- the company that is owned by only one person is called.

- A. A proprietorship
- B. A partnership
- C. A corporation
- D. None of the above

Third question:

write short notes on the following topics:

- 1- the functions of accounting
- 2- the meaning of assets, liabilities and owner's equity
- 3- the subdivisions of owner's equity
- 4- the financial statements
- 5- the users and uses of accounting

The Answer sheet

Name/

Group /

Academic number/

<u>The first question</u>			<u>The second question</u>				
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