

Question 1: Which of the following represents the negative future cash flows for an enterprise?

- Assets
- Owners equity
- Liabilities
- Capital

Question 2: Which of the following is deducted from the net income while preparing cash flow statement by indirect method?

- Decrease in inventories
- Increase in accounts payable
- Depreciation
- Increase in inventories

Question 3: All of the following accounts would be closed in Income Summary Account EXCEPT:

- Commission earned account
- Prepaid insurance
- Salaries Expense account
- Wages account

Question 4: Which of the following expenses would normally be classified as other or Non Operating Expense on a multiple-step income statement?

- Interest expense
- Depreciation expense
- Insurance expense
- Salaries expense

Question 5: Which of the following is not true about the Account?

- Accounts are only prepared by the business entities
- Account always reflects the amount of the single transaction only
- Account is effected both by economic and non economic events
- All of the given options

Question 6: Which of the following is the largest single expense of most merchandising firms?

- Cost of goods sold
- Rent Expense
- Amortization Expense
- Salaries Expense

Question 7: An account that will not be included in After Closing Trial Balance is: