

Accounts and Debit-Credit Theory
Practice Quiz
(30 marks)

Part A: Debit-Credit Theory

(12 marks)

Use a check mark in the appropriate column to identify each of the following descriptors as a debit or credit to the specified account.

Question No.	Descriptor	Debit	Credit
<i>Example</i>	<i>Increase a "Mortgage Payable" account.</i>		✓
1	Decrease the "Cash" account.		
2	Decrease an "Account Payable" account.		
3	Increase the "Automobile" account.		
4	Increase the "Capital" account.		
5	Increase a "Bank Loan Payable" account.		
6	Increase an "Account Payable" account.		
7	Increase the "Equipment" account.		
8	Increase the "Supplies" account.		
9	Decrease the "Furniture" account.		
10	Increase the "Cash" account.		
11	Decrease an "Account Receivable" account.		
12	Decrease the "Automobile" account.		

Part B: Transactions

(12 marks)

Using only the accounts indicated below, write the correct account title in the appropriate column to identify which account would be debited and which account would be credited for each of the following transactions. (Note: No amounts are given, so no amounts need to be recorded.)

Question No.	Descriptor	Debit	Credit
<i>Example</i>	<i>Pay down a bank loan.</i>	<i>Bank Loan Payable</i>	<i>Cash</i>
1	The owner invests money into the business.		
2	The business purchases equipment on credit from Home Depot.		
3	The business takes out a Bank Loan. (The money is deposited directly into the business bank account.)		
4	The business purchases supplies on account from Grand & Toy.		
5	The business provides their service to D. Hendricks on account. (i.e. D. Hendricks does not pay for the service yet.)		
6	The business buys furniture for cash.		
7	The business purchases equipment on account from <i>Acme Suppliers</i> .		
8	The business pays the Acme Suppliers account created in the above transaction.		
9	The business returns some of the furniture that it purchased in transaction no. 6.		
10	The business receives payment on the D. Hendricks account. (i.e. D. Hendricks is paying down the money that she owes.)		
11	The business pays the Grand & Toy account created in transaction no. 4.		
12	The owner withdraws cash from the business.		

Cash	Bank Loan Payable
Supplies	A/P – D. Hendricks
Equipment	A/P – Acme Suppliers
Furniture	A/P – Ontario Hydro
Fixtures	A/P – Home Depot
A/R – D. Hendricks	A/P – Grand & Toy
A/R – Acme Suppliers	Capital
A/R – Ontario Hydro	
A/R – Grand & Toy	
A/R – Home Depot	

Part C: Account Balances

(6 marks)

Write the current balance for the following accounts in the space provided beside each account. Also, indicate whether the balance is a debit or a credit balance.

Cash	
Debit	Credit
4,000.00	
	700.00
	450.00
250.00	
	35.00
35.00	

Balance: _____
Debit or Credit: _____

Equipment	
Debit	Credit
8,000.00	
1,000.00	
500.00	
	600.00
	700.00

Balance: _____
Debit or Credit: _____

Bank Loan	
Debit	Credit
	10,000.00
500.00	
500.00	
	3,000.00
500.00	

Balance: _____
Debit or Credit: _____

Capital	
Debit	Credit
	4,000.00
	1,000.00
	500.00
	600.00
	1,400.00

Balance: _____
Debit or Credit: _____

Account Payable / Staples	
Debit	Credit
	3,000.00
250.00	
250.00	
250.00	
250.00	

Balance: _____
Debit or Credit: _____

Hydro Expense	
Debit	Credit
50.00	
110.00	
87.00	
78.00	
25.00	

Balance: _____
Debit or Credit: _____

