

# Jmaddox15



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journal entries recorded to update general ledger accounts at the end of a fiscal period are called adjusting entries. Adjusting entries are recorded on the next journal page following the page on which the last daily transactions for the month are recorded. True. If the beginning balance of Supplies was \$2,500.00 and the ending balance of Supplies is \$1,750.00, what is the amount of the adjusting entry to Supplies Expense for the period? \$750. If the balance in Prepaid Insurance is a debit of \$2,400.00 and the value of insurance coverage remaining at the end of the period is \$600.00, what entry should be made to adjust Insurance Expense and Prepaid Insurance? Debit Insurance Expense for \$600.00 and credit Prepaid Insurance for \$600.00. Accounts used to accumulate information from one fiscal period to the next are called permanent accounts. The ending account balances of permanent accounts for one fiscal period are "zeroed out" for the next fiscal period. False. Accounts used to accumulate information until it is transferred to the owner's capital account are called real accounts. False. Nominal accounts are also known as temporary accounts. True. Temporary accounts show changes in the owner's capital for a single fiscal period. True. Temporary accounts begin a new fiscal period with the ending balance from the previous fiscal period. False. The income summary account is unique because it does not have a normal balance side. Withdrawals are assets that the owner takes out of a business and which decrease the amount of owner's equity. The drawing account is a(n) neither revenue nor expense account. If a business incurs a net loss, the closing entry is a credit to the owner's capital account and a debit to the income summary account. False. A trial balance prepared after the closing entries are posted is called a post-closing trial balance. True. Only general ledger accounts with balances are included on a

post-closing trial balance. True Although the temporary accounts are closed and have zero balances, they still appear on a post-closing trial balance to prove that they've been "zeroed out." False The series of accounting activities included in recording financial information for a fiscal period is called a(n) accounting cycle When total expenses are more than revenue resulting in a net loss, the income summary account has a debit balance A temporary account titled Income Summary is used to summarize the closing entries for the revenue and expense accounts ONJMADDOX15 SPECIFICALLY FOR YOU FOR ONLY \$13.90/PAGE Order Now