

**Inv. B - 1997**

Match the appropriate term (letters A through M) with the items in 43 through 51. Write the correct identifying letter of the best response on your answer sheet.

- |                              |                            |
|------------------------------|----------------------------|
| A. bank statement            | H. postdated check         |
| B. blank endorsement         | I. petty cash              |
| C. checking account          | J. petty cash slip         |
| D. dishonored check          | K. refused check           |
| E. electronic funds transfer | L. restrictive endorsement |
| F. endorsement               | M. special endorsement     |
| G. laser transfer            |                            |

- 43. A bank account from which payments can be ordered by a depositor
- 44. An endorsement consisting only of the endorser's signature
- 45. An endorsement indicating a new owner of a check
- 46. A check with a future date on it
- 47. An itemized record of all the transactions occurring in a depositor's account over a given period, usually a month
- 48. A check that a bank refuses to pay
- 49. The general term for a signature or stamp on the back of a check transferring ownership
- 50. Limits how a check may be handled and protects checks from being cashed by anyone except the payee
- 51. A computerized cash payments system that uses electronic impulses to transfer funds

**2011 D2 - Group 8**

For questions 26 through 36, refer to the document below and write the identifying letter of the best response on your answer sheet.

No. 2607      \$ <u>584.00</u>		Thompson Lighting Services	No. 2607
Date <u>January 16, 2011</u>		3027 Macomb St, Ste 400	
To <u>Premium Supply Co.</u>		Nelbert, TX 77777	<u>January 16, 2011</u>
For <u>supplies</u>		Pay to the Order of <u>Premium Supply Co.</u>	<b>\$584.00</b>
Bal Brought Fwd	<u>9,250.00</u>	<b><i>Five hundred eighty-four and no/100-----DOLLARS</i></b>	
Deposits <u>Jan. 15</u>	<u>5,883.00</u>	<b>First State Bank Nelbert, Texas</b>	
Total	<u>15,133.00</u>		
This Check	<u>584.00</u>	For <u>Invoice # 540067</u>	<u>Gail Thompson</u>
Bal to Carry Fwd	<u>14,549.00</u>	:111777777:  11333 38 1782	

- 26. The payee is
 

A. Thompson Lighting Services	C. First State Bank
B. Premium Supply Co.	D. Gail Thompson
- 27. The drawer is
 

A. Thompson Lighting Services	C. First State Bank
B. Premium Supply Co.	D. Gail Thompson
- 28. The drawee is
 

A. Thompson Lighting Services	C. First State Bank
B. Premium Supply Co.	D. Gail Thompson

- \*29. The check stub balance immediately after check #2606 was written was
- A. zero
  - B. \$5,883
  - C. \$6,870
  - D. \$9,250
  - E. \$14,549
  - F. \$15,133
30. Checks should be
- A. typewritten
  - B. written in ink
  - C. written in pencil
  - D. computer-generated
  - E. either A or B only
  - F. either A, B, or D
31. When writing a check for payment, which of the following should be prepared first?
- A. the check stub
  - B. the check
  - C. the check endorsement
  - D. the bank reconciliation
32. Only authorized persons may sign a check. An authorized person is the person(s) who
- A. is listed on the company's website.
  - B. the bank personnel designate for each account.
  - C. signed the signature card for the account when the account was opened.
  - D. is selected by the FDIC.
33. A system that allows banks to transfer funds among accounts quickly and accurately without the exchange of checks is called
- A. Paperless Monetary Exchange System
  - B. Electronic Funds Transfer System
  - C. E-bank Money Transport System
  - D. Internet Funds Exchange
34. In an effort to protect a check from alteration some businesses prepare checks using a check-writing machine which \_\_\_?\_\_\_ the amount of the check in words on the Dollars line.
- A. endorses
  - B. paints a hologram of
  - C. uses a special dye to encrypt
  - D. perforates
35. Which of the following statements about a voided check is false?
- A. If an error is made while writing a check, that check is not used.
  - B. Corrected checks look suspicious to banks so the incorrect check is voided and a new check is prepared.
  - C. A voided check may be placed in a special file or it may be folded and stapled to the check stub.
  - D. A voided check is not journalized for purposes of internal control of cash.
36. Determining that the balance shown in the checkbook agrees to the balance of the Cash In Bank account is called
- A. proving the ledger
  - B. the Schedule of Cash
  - C. a bank reconciliation
  - D. proving cash
  - E. reconciling petty cash