

ACCOUNTING JEOPARDY 4 STATE UIL!

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For fun and review for the State Meet!

STATE ACCOUNTING JEOPARDY

Tri These- for each account, name the category, normal balance, and whether temp/perm

- 100** — **Discount on N/P** – *contra-liability, DR balance, permanent*
- 200** — **Capital Stock** – *S/E, CR balance, permanent*
- 300** — **Dividends** – *contra-S/E, DR balance, temporary*
- 400** — **PICEPAR** – *S/E, CR balance, permanent*
- 500** — **Retained Earnings** – *S/E, CR balance, permanent*
- 600** — **Interest Income** - *Other Revenue, CR balance, temporary*
- DD700** — **Stock of other companies** – *Investments, DR balance, permanent*
- 800** — **Prepaid Rent** – *Asset, DR balance, permanent*
- 900** — **Unearned Revenue** – *Current Liability, CR balance, permanent*
- 1000** — **Organization Costs** – *Other Assets, DR balance, permanent*

C's the Moment – Answer will start with "C"

- 100** — **Who elects a corporation's board of directors?** *Common stockholders*
- 200** — **What do you call a family-owned corporation?** *Closely held*
- 300** — **What comes from the State and serves as written permission to operate?** *Charter*
- 400** — **Debts of the business that must be paid within the next year:** *Current liabilities*
- 500** — **What is the primary medium of exchange for business transactions?** *Cash*
- 600** — **What is a term for the protection afforded corporations with regard to limited liability?** *Corporate veil*
- 700** — **This CPA states that the same forms are reported from year to year and the same-length fiscal period is used on reports.** *Comparability or Consistent Reporting*
- DD800** — **This statement provides information about the sources and uses of funds:**
Cash Flows
- 900** — **The portion of net sales that is comprised by COGS, Gross Profit, Expenses, etc. – Component percentage** *Part 2: What item does not show a component percentage?*
- 1000** — **Which basis of accounting recognizes revenue and expenses only when cash is paid or received?** *Cash basis*

It Ends in "Ends" - Dividends

- 100** — **What are the 3 important dates with regard to dividends?** *Date of declaration, date of record, date of payment*
- 200** — **What are the 3 time frames that dividends might be paid for?** *Annual, semi-annually, quarterly*
- 300** — **Who gets dividends paid first: common or preferred stockholders?** *preferred*
- 400** — **What can the amount of declared dividends not exceed?** *Retained earnings*
- 500** — **What is a dividend?** *Earnings of a corporation that are distributed to the shareholders.*
- 600** — **What account is used for amounts received for stock over par value?** *PICEPAR*
- 700** — **What two ways of calculating dividends may be used?** *An amount per share, or as a total declared amount divided among the stockholders*
- DD800** — **For what reason may dividends be cancelled after being declared?** *NONE.*
- 900** — **Usually investors buy preferred stock for what reason?** *To receive the stated dividend*
- 1000** — **How are dividend checks prorated among multiple owners of the same share during a year?** *They're not. Only shareholders as of the date of record receive the div.*

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Taking Stock

- 100** — What are the number of shares of stock that a corporation may issue called?
Authorized stock
- 200** — What are the two types of stock? *Preferred and common*
- 300** — If a share of preferred stock has a percentage in its name, what is that %age for?
The dividend amount is that percentage of the stock price.
- 400** — What advantages do common stock have over preferred? *Voting rights and cheaper*
- 500** — What advantages do preferred stock have over common? *First dividends, preference to the assets*
- DD600** — Where would you find the par value of a stock? *Printed on the stock certificate*
- 700** — What are two reasons for buying stock? *Long-term gain and short-term dividends*
- 800** — Who regulates public corporations? *Securities & Exchange Commission*
- 900** — What are the three accounts used to record paid-in capital? *Common stock, preferred stock, and PICEPAR*
- 1000** — Stock that has been bought by stockholders is called ___ shares? *Issued*

I Owe, I Owe

- 100** — What is a creditor? *Someone a biz owes money to*
- 200** — Who is the Maker of a note? *The one making the promise*
- 300** — Who is the Payee of a note? *The one the promise and the repayment will be paid to*
- 400** — What is the maturity date? *The date the note and interest become due*
- 500** — What is the face value of a note? *The original loan amount*
- 600** — What is a bank discount? *Prepaid interest taken out of the loan up front*
- 700** — What is a note called that is not paid? *dishonored note*
- 800** — What is the amount of money received from a loan? *proceeds*
- DD900** — In what account is prepaid interest recorded? *Discount on Notes Payable*
- 1000** — What happens to a dishonored note (previously A/R)? *It switches back to an A/R for the amount of principal and interest. (it was earned, even though never collected.)*

Three's Company

- 100** — What are the three principal financial statements for a corporation? *Income Statement, Statement of S/E, Balance Sheet*
- 200** — Name three advantages of the corporation form of ownership. *Limited liability, more capital funds available, ease of ownership transfer*
- 300** — Name three disadvantages of the corporation form of ownership. *Double taxation, government regulation, complicated/expensive to organize*
- 400** — Name three stockholders' equity accounts. *Common Stock, Preferred stock, Retained Earnings, PICEPAR*
- 500** — What are the three types of entries done at the end of a fiscal period? *Adjusting entries, closing entries, reversing entries*
- DD600** — Name the three principal differences between corporations and proprietorships/partnerships: *Different accounts for equity, different methods to distribute earnings, corporations pay taxes on biz. earnings.*
- 700** — What are three groups of people for whom financial statements are prepared?
Managers, Stockholders, Creditors, Government
- 800** — What is the long-term assets category often called? *Property, plant & equipment*
- 900** — What are the three factors needed to compute interest? *Principal, rate, term (time)*
- 1000** — What are the three measures of liquidity? *Current ratio, quick ratio, working capital*

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The "A's" Have It — Accruals and Deferrals or "One Man's Prepaid Asset is another's Unearned Revenue"

- 100 — What are transactions that have not yet been recorded in the accounts? *accruals*
200 — Accounting records can be kept on what two methods? *Cash and accrual*
300 — What CPA do accruals and deferrals satisfy? *Matching principle*
400 — When are reversing entries dated? *On the first day of the subsequent fiscal period*
500 — How are reversing entries determined? *They are the opposite of adjusting entries*
DD600 — What categories of account(s) can a prepaid expense be? *Asset or contra-liability*
700 — Name three expenses that are adjusted as accruals. *Interest, salaries, income tax*
800 — What do the terms accrue and defer mean? *To accumulate or amass and to delay*
900 — What are three examples of unearned revenue? *(rent, season tickets, deposit on a catering job to be performed)*
1000 — What is the danger of not using reversing entries? *Interest could be reported twice: as an accrual from the previous year and again in the new year*

Well-Adjusted—NOT!

- 100 — What is the adjustment for supplies? *Dr Supplies Expense; CR Supplies*
200 — What is the adjustment for insurance? *DR Insurance Expense; CR Prepaid Insurance*
300 — What is the adjustment for deadbeat customers? *DR Bad Debt Expense; CR AUA*
400 — What is the adjustment for equipment costs? *DR Depreciation Exp; CR Accum. Depr.*
500 — What is the adjustment for additional C-FIT owed? *DR C-FIT Expense; CR C-FIT Payable*
600 — What is the adjustment for Notes Payable? *DR Interest Expense; CR Interest Payable*
700 — What is the adjustment for Notes Receivable? *DR Interest Rec.; CR Interest Income*
DD800 — In what order are adjustments done? *In the order they appear on the worksheet*
900 — What is the adjustment for rent \$ received and recorded as revenue by the landlord but not yet earned? *CR Unearned Rent; DR Rent Income*
1000 — What is the adjustment for Salaries earned but not paid? *DR Salaries Exp; CR Sal. Pay*

Report Cards

- 100 — What is horizontal analysis and what form is it usually used on? *Comparing from one year to the next (usually balance sheet)*
200 — What is vertical analysis and what form is it usually used on? *Comparing individual items as a percentage of a total (usually as a % of net sales, income statement)*
300 — What are the three financial statements for a corporation? *Income Statement, Statement of S/H Equity, and Balance Sheet*
400 — How do you correct unacceptable percentages for expenses? *Use a budget and track expenses better*
500 — What is the source of information for the financial statements? *The worksheet*
600 — How do you correct unacceptable percentages for FIT? *None—no control over them*
DD700 — Name one section of the corporation annual report: *Management's Analysis & Discussion, financial statements*
800 — Interim financial statements are what? *Statements provided during the year so users can make decisions.*
900 — If unearned revenue is not adjusted, what is the effect on net income? *Too low because you're missing revenue*
1000 — What is the formula for what appears on the Statement of Stockholders' Equity?
Beg. Balance + Common Stock Issued + Net Income – Dividends = Ending Balance

STATE ACCOUNTING JEOPARDY

"Classified" Info— Provide the category in which each would be shown

- 100 — What is the only temporary account in the S/E section? *Dividends*
- DD200 — What are three types of assets? *Current, long-term, Other, and Investments*
- 300 — Corporate income tax? *C-FIT expense*
- 500 — How is interest income classified? *Other revenue*
- 600 — Cash spent, assets consumed, or liabilities incurred to earn revenue for the business? *Operating expenses*
- 700 — Stock of other companies? *Investments*
- 800 — Gain/Loss on Sale of assets? *Other Revenue/Expenses*
- 900 — Where is land (under our building) categorized? *Property plant & equipment*
- 900 — Name three examples of Other Revenues & Expenses. *Gain on Sale; Loss on Sale; Interest Income, Interest Expense*
- 1000 — What are two accounts that might be classified as Investments? *Land for future purposes and stock in other companies.*

The Ratio's On!

- 100 — Current Assets minus Current Liabilities equals what? *Working Capital*
- 200 — How do you calculate current ratio? *Current Assets over Current Liabilities*
- 300 — How do you calculate quick ratio? *Cash & receivables over Current Liabilities*
- 400 — How do you calculate return on sales? *Net income over net sales*
- 500 — What is the formula for return on stockholders' equity? *Net Inc. / Avg. Common S/E*
- DD600 — How do you calculate the productivity ratio? **Be specific.** *Revenue over # employees*
- 700 — Return on owner's equity is calculated how? *Net Income over capital*
- 800 — Total stockholders equity divided by total liabilities equals what? *Debt to equity ratio*
- 900 — How is price to earnings ratio calculated? *Market value per share/earnings per share*
- 1000 — What is the average price to earnings ratio? *20-25 times earnings*

Terms of Endearment

- 100 — What is a proxy? *Authorization by a stockholder to allow someone else to vote their stock*
- 200 — What does SEC stand for? *Securities & Exchange Commission*
- 300 — What is a base year? *The earlier year used in horizontal analysis*
- 400 — What is a proxy? *Substitute vote*
- 500 — What does PAUL stand for? *Prepaid=Assets; Unearned = Liability*
- 600 — What is the corporate veil? *Stockholders' protection from liabilities*
- 700 — What do the words agent and reserve have to do with? *Paying dividends*
- 800 — What are organization costs? *Costs used to bring a corporation into existence.*
- DD900 — What is the difference between vertical and horizontal analysis? *Vertical expresses all lines as a percentage of net sales; Horizontal compares two years for the same account*
- 1000 — Public corporations are regulated by what govt entity? *Securities & Exchange Comm.*

Final Jeopardy sample questions:

What prepaid expense is not an asset? *Discount on Notes Payable*

What are the four months in which corporations must pay estimated tax payments? *April, June, September, and December*

On a discounted note payable, what two things does the book value of N/P equal on the date of issue? *Proceeds and Cash DR*

A deferred expense is the same thing as what? *Prepaid expense*

Unearned revenue is classified as what? *Current liability*