

Solutions to 9/20 "Pop" Quiz (total of 5 points)

1.(2 points) Balance sheet: reports the company's financial position at a specific point in time.

- shows what the company owns and what it owes at the report date.

- like a "snap shot." pp5

Income statement: reports on how a company performed during the period(s) presented.

shows whether company's operations have resulted in a profit or loss.

Like a "motion picture." pp6

2. ($\frac{1}{2} + \frac{1}{2}$ point) Assets = Liabilities + Shareholder's Equity. pp12

3. (1 point) Accounts receivable: amounts due from customers that haven't been collected as yet.

- when goods are shipped to customers before payment or collection, an account receivable is recorded. pp14

4. (1 point) Under accrual accounting, a transaction is recognized on the income statement when the earnings process is completed, that is, when the goods and/or services have been delivered or performed or an expense has been incurred. pp 43