# ADJUSTING ENTRIES QUIZ

1. What is the concept that requires showing expenses during the same fiscal period as the one in which the revenue is earned?
   1. Going Concern
   2. Business Entity
   3. Matching Expenses with Revenue
   4. Historical Cost
2. To adjust supplies, what account is debited?
   1. Supplies
   2. Supplies Expense
   3. Prepaid Insurance
   4. Insurance Expense
3. To adjust supplies, what account is credited?
   1. Supplies
   2. Supplies Expense
   3. Prepaid Insurance
   4. Insurance Expense
4. To adjust Prepaid Insurance, what account is debited?
   1. Supplies
   2. Supplies Expense
   3. Prepaid Insurance
   4. Insurance Expense
5. To adjust Prepaid Insurance, what account is credited?
   1. Supplies
   2. Supplies Expense
   3. Prepaid Insurance
   4. Insurance Expense
6. The Trial Balance shows $520 in supplies, but the ending inventory shows $500. What is the amount of the adjustment?

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| --- | --- |
| a. | 500 |
| b. | 520 |
| c. | 20 |
| d. | None of the above |
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1. The Trial Balance shows $1200 in Prepaid Insurance, but the insurance report valuation shows its value at $980.00. What is the amount of the adjustment?

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| a. | $1200 |
| b. | $980 |
| c. | $320 |
| d. | $230 |

1. If there were no adjusting entries made, what impact would that have on net income?
   1. More
   2. Less