

# Answers to Study Guide Questions

## CHAPTER 7

### PART 1 True/False

- |      |       |
|------|-------|
| 1. F | 6. T  |
| 2. F | 7. T  |
| 3. F | 8. F  |
| 4. F | 9. F  |
| 5. T | 10. F |

### PART 2 Completion—Language of Business

- |                            |                           |
|----------------------------|---------------------------|
| 1. payee                   | 8. ledger balance of cash |
| 2. service charge          | 9. deposit in transit     |
| 3. endorsement             | 10. change fund           |
| 4. denominations           | 11. qualified endorsement |
| 5. canceled checks         | 12. bank reconciliation   |
| 6. restrictive endorsement | 13. Outstanding checks    |
| 7. drawer                  | 14. blank endorsement     |

### PART 3 Reimbursing the Petty Cash Fund

Balance of the Petty Cash Fund, \$60

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	DATE	DESCRIPTION	POST. REF.	DEBIT	CREDIT	
1	20—					1
2	June 30	<i>Repair Expense</i>		7.10		2
3		<i>Delivery Expense</i>		4.20		3
4		<i>Miscellaneous Expense</i>		16.48		4
5		<i>H. Ball, Drawing</i>		11.50		5
6		<i>Cash</i>			39.28	6
7		<i>Issued Ck. No. 711 to reimburse</i>				7
8		<i>the petty cash fund.</i>				8
9						9