

Answers to Study Guide Questions

CHAPTER 13

PART 1 True/False

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

PART 2 Completion—Language of Business

1. working capital
2. gross profit
3. cost goods sold
4. income from operations
5. freight in

PART 3 Financial Statement Classifications

Account Name	Financial Statement	Classification
0. Wages Expense	Income Statement	Operating Expense
0. Accounts Payable	Balance Sheet	Current Liabilities
1. Purchases	Income Statement	Cost of Goods Sold
2. Accounts Receivable	Balance Sheet	Current Assets
3. Building	Balance Sheet	Plant and Equipment
4. Freight In	Income Statement	Cost of Goods Sold
5. Interest Expense	Income Statement	Other Expenses
6. Supplies Expense	Income Statement	Operating Expenses
7. Sales Discounts	Income Statement	Revenue from Sales
8. Unearned Subscription	Balance Sheet	Current Liabilities
9. Accumulated Depreciation, Equipment	Balance Sheet	Plant and Equipment
10. Purchases Returns and Allowances	Income Statement	Cost of Goods Sold