

# 6

## Accounting for Professional Enterprises: The Combined Journal (Optional)

### STUDY GUIDE QUESTIONS

#### PART 1 True/False

For each of the following statements, circle T if the statement is true and F if the statement is false.

- T F 1. When one is using the modified cash basis, there is no adjustment for accrued salaries.
- T F 2. Individuals filing their personal income tax returns use the accrual basis.
- T F 3. Accountants feel strongly that the modified cash basis gives the most realistic picture of net income.
- T F 4. The modified cash basis could be used to keep books for a shoe repair shop.
- T F 5. The combined journal is used widely by professional and service-type enterprises.
- T F 6. The modified cash basis of accounting is ideal for firms having large amounts of equipment.
- T F 7. Each amount in the Other Accounts Debit column of a combined journal is posted as a part of the column total.
- T F 8. A dash in the Post. Ref. column of a combined journal indicates that individual amounts in the special columns are being posted as totals.
- T F 9. There are no adjusting entries when using the modified cash basis.
- T F 10. When a combined journal is being used, the cash balance may be determined at any time during the month by taking the beginning balance of cash, adding the total cash credits so far during the month, and subtracting the total cash debits so far during the month.



**PART 3**

L. Barnes decides to use a combined journal. Make a tentative list of the headings for the money columns for a combined journal.

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