

Contestant ID: \_\_\_\_\_

Time: \_\_\_\_\_

Rank: \_\_\_\_\_



# FUNDAMENTAL ACCOUNTING (100) Regional 2026

**CONCEPT KNOWLEDGE:**

Multiple Choice (30 @ 2 points each) \_\_\_\_\_ (60 points)

**APPLICATION KNOWLEDGE:**

Analyzing Transactions (15 @ 2 points each) \_\_\_\_\_ (30 points)

Accounting Calculations \_\_\_\_\_ (40 points)

Job 1: Income Statement \_\_\_\_\_ (34 points)

Job 2: Balance Sheet \_\_\_\_\_ (34 points)

***TOTAL POINTS*** \_\_\_\_\_ ***(198 points)***

**Test Time: 90 minutes**

### GENERAL GUIDELINES.

Failure to follow any of these rules may result in disqualification:

1. **Submission Requirements:** Contestants must submit this test booklet along with any printouts.
2. **Permitted Items:** Only the equipment, supplies, and materials specified for this event are allowed in the testing area. Previous BPA tests and sample tests (whether handwritten, photocopied, or typed) are not permitted.
3. **Electronic Devices:** Electronic devices will be monitored according to ACT standards.

### EXAM GUIDELINES.

You've been hired as a Financial Assistant to manage the accounting records for Digital Solutions, located at 1365 King Avenue, Columbus, Ohio 43212. Digital Solutions offers accounting and financial services to clients. Your tasks will include managing both the company's and clients' accounting records.

#### Exam Details:

- **Duration:** You have 90 minutes to complete the exam.
- **Structure:** The test is divided into two parts: Concept Knowledge and Application Knowledge.

#### Important Instructions:

- **Identification:** Do not write your name or school name on any submitted work. Instead, write your Contestant ID in the provided space.
- **Submission:** Staple all pages in order before turning in your test.

#### Assumptions for the Exam:

- Round all calculations to two decimal places at the final step.
- Round all percentages to one decimal place.
- Use 360 days for interest calculations.

**Multiple Choice**

*Directions:* Identify the letter of the choice that best completes the statement or answers the question.

1. What does a T-account primarily represent?
  - A. An income statement
  - B. A ledger account
  - C. A balance sheet
  - D. A cash flow statement
2. Which of the following is known as the accounting equation?
  - A.  $\text{Assets} = \text{Liabilities} + \text{Owner's Equity}$
  - B.  $\text{Revenue} = \text{Expenses} + \text{Profit}$
  - C.  $\text{Assets} = \text{Revenue} - \text{Expenses}$
  - D.  $\text{Liabilities} = \text{Assets} - \text{Owner's Equity}$
3. What is the primary purpose of recording transactions in accounting?
  - A. To prepare financial statements
  - B. To keep track of sales only
  - C. To calculate taxes
  - D. To manage payroll
4. A sole proprietorship is characterized by \_\_\_\_\_.
  - A. multiple owners
  - B. limited liability
  - C. one owner
  - D. a separate legal entity
5. When a business receives cash, it is recorded as a \_\_\_\_\_.
  - A. debit to cash
  - B. credit to cash
  - C. debit to revenue
  - D. credit to expenses
6. What is the purpose of a worksheet in accounting?
  - A. To record daily transactions
  - B. To close out accounts
  - C. To prepare for the income statement and balance sheet
  - D. To manage payroll
7. A transaction must be posted to a ledger account before it can be recorded in a journal.
  - A. True
  - B. False
8. The going concern principle assumes that a business will continue to operate indefinitely.
  - A. True
  - B. False

9. The statement of owner's equity shows \_\_\_\_\_.
  - A. the cash inflows and outflows
  - B. changes in the owner's equity over a period
  - C. the company's liabilities
  - D. the company's revenues
10. In accounting, what does the term "debit" refer to?
  - A. An increase in assets or expenses
  - B. A decrease in assets or expenses
  - C. An increase in liabilities
  - D. An increase in equity
11. What is the main source of income for a sole proprietorship?
  - A. Investments
  - B. The sale of goods and services
  - C. Debts
  - D. Grants
12. Which of the following accounts would typically be credited when revenue is earned?
  - A. Cash
  - B. Accounts Receivable
  - C. Revenue
  - D. Expenses
13. When expenses exceed revenues, the company has a \_\_\_\_\_.
  - A. profit
  - B. loss
  - C. break-even
  - D. surplus
14. A bank reconciliation is used to \_\_\_\_\_.
  - A. adjust the cash book balance with the bank statement
  - B. calculate taxes owed
  - C. prepare the income statement
  - D. create a budget
15. Which financial statement provides information about a company's profitability over a specific period?
  - A. Balance Sheet
  - B. Cash Flow Statement
  - C. Income Statement
  - D. Statement of Changes in Equity
16. Goodwill is an intangible asset that arises from customer loyalty.
  - A. True
  - B. False

17. What is the effect of purchasing supplies on account?
- A. Increase Assets and Increase Liabilities
  - B. Decrease Assets and Increase Liabilities
  - C. Increase Assets and Decrease Liabilities
  - D. No effect on the accounting equation
18. When recording journal entries, the first step is to \_\_\_\_\_.
- A. post to the ledger
  - B. identify the accounts affected
  - C. prepare financial statements
  - D. prepare a bank reconciliation
19. What does the term "equity" refer to in accounting?
- A. The total assets of a company
  - B. The owner's claim on the assets
  - C. The company's liabilities
  - D. The revenue generated from sales
20. The chart of accounts is a \_\_\_\_\_.
- A. list of all financial transactions
  - B. summary of all accounts used by a business
  - C. report of cash flows
  - D. balance sheet
21. What is the main function of an income statement?
- A. To disclose assets and liabilities
  - B. To show cash inflows and outflows
  - C. To report revenues and expenses
  - D. To summarize owner's equity
22. Which account would normally have a credit balance?
- A. Cash
  - B. Accounts Receivable
  - C. Accounts Payable
  - D. Expenses
23. A fiscal year is the same as a calendar year.
- A. True
  - B. False
24. When a sole proprietor takes cash for personal use, it is called \_\_\_\_\_.
- A. revenue
  - B. expense
  - C. liability
  - D. withdrawals

25. Bank reconciliations help detect fraud.
- A. True
  - B. False
26. What is the first step in the accounting cycle?
- A. Prepare financial statements
  - B. Analyze transactions
  - C. Record transactions
  - D. Close the books
27. In accounting, what is a journal?
- A. A listing of all accounts
  - B. A financial statement
  - C. A ledger of account balances
  - D. A detailed record of all transactions
28. Which of the following is a characteristic of a sole proprietorship?
- A. Limited liability protection
  - B. Simple tax structure
  - C. High startup costs
  - D. Separate legal entity
29. What is the purpose of a trial balance?
- A. To calculate profitability of a business
  - B. To determine the cash position of a company
  - C. To outline the changes in owner's equity
  - D. To prove the equality of debits and credits
30. When preparing a bank reconciliation, an outstanding check will \_\_\_\_\_.
- A. be added to the bank statement balance
  - B. have no effect on the bank statement balance
  - C. be recorded as an expense
  - D. be subtracted from the bank statement balance

**Account Identification**

*Directions:* Using the general ledger accounts listed below, analyze each transaction to determine the debit and credit accounts. Place the corresponding letter for the accounts to be debited and credited on the line under the appropriate column. You may use each account more than once and you may use more than two accounts for each transaction.

- |   |                                    |
|---|------------------------------------|
| A. Cash                                 | H. Accounts Payable – TechServ Pro |
| B. Petty Cash                           | I. Kolly Fujita, Capital           |
| C. Accounts Receivable – Tropical Tours | J. Kolly Fujita, Drawing           |
| D. Supplies                             | K. Sales                           |
| E. Prepaid Insurance                    | L. Miscellaneous Expense           |
| F. Rent Expense                         | M. Rent Expense                    |
| G. Accounts Payable – 1 Stop Office     | N. Utilities Expense               |

	DEBIT	CREDIT
1. Received cash from owner as an investment	_____	_____
2. Paid cash for rent	_____	_____
3. Bought supplies on account from TechServ Pro	_____	_____
4. Paid cash for insurance	_____	_____
5. Sold services on account to Tropical Tours	_____	_____
6. Bought supplies from 1 Stop Office, paying half down with the remainder on account	_____	_____
7. Received cash from cash and credit card sales	_____	_____
8. Paid cash on account to TechServ Pro	_____	_____
9. Received cash from cash and credit card sales	_____	_____
10. Paid the monthly bill for water and trash pickup	_____	_____
11. Performed services for Tropical Tours, who paid you part of what they owed now, with part on account	_____	_____
12. Received cash on account from Tropical Tours	_____	_____
13. Sent cash payment to 1 Stop Office	_____	_____
14. Paid cash to owner for personal use	_____	_____
15. Paid cash to establish a petty cash account	_____	_____

**Accounting Calculations**

1. On September 29, Kolly's Kopies received its bank statement dated September 25 showing a statement balance of \$1,344.58. The checkbook balance on September 29 shows a balance of \$2,609.31. There are outstanding checks totaling \$698.99 and an outstanding deposit of \$1,938.72. A bank service charge of \$25.00 appears on the statement. What are the reconciled balances for the bank statement and the checkbook?

1a. Bank Statement \_\_\_\_\_

1b. Checkbook \_\_\_\_\_

2. On October 31, the general ledger for Kolly's Kopies shows a balance of \$3,500.00 for Prepaid Insurance. A valuation of insurance premiums on October 31, is \$1,955.00. Calculate the amount of the adjustment to bring the Prepaid Insurance account up-to-date and list the account to be debited and credited for the adjustment.

2a. Adjustment Amount \_\_\_\_\_

2b. Account Debited \_\_\_\_\_

2b. Account Credited \_\_\_\_\_

3. During the month of October, Kolly's Kopies, had the following transactions. The beginning Capital balance for owner Kolly Fujita was \$25,000.00.

Cash and credit card sales totaling \$6,574.85

Sales on account totaling \$1,245.35

Additional investment from the owner of \$2,500.00

Paid the city \$72.50 for water, sewer, and garbage pickup

Paid the power bill of \$88.76

Paid \$85.00 to get the front door fixed

Bank service charge of \$25.00

Paid salaries of \$1,563.78 to her employee

Withdrawal by the owner of \$1,500.00

Did Kolly's Kopies have a Net Income or Net Loss for month? How much?

3a. Net Income/Loss \_\_\_\_\_

3b. How Much? \_\_\_\_\_

What is the ending balance for Kolly Fujita, Capital, after closing entries?

3c. Ending Balance \_\_\_\_\_



4. Below are the cash transactions for the month of November. Record each transaction in the checkbook register. At the end of the month, use the beginning balance and the total deposits and withdrawals to ensure your checkbook is in balance.

1. Initial Cash Balance: You started the month with \$3,500 in your cash account.
2. Deposits:
  - November 5, received a payment from a client for copying services: \$300.
  - November 15, a client paid you \$500 for creating a newsletter and copies.
3. Withdrawals:
  - November 10, you paid for supplies (office supplies, paper, and ink): \$250.
  - November 20, you paid your assistant for work this month: \$750.
  - November 25, you had to buy a new printer: \$1,200.

Complete the checkbook register below for the above transactions. Record a running balance.

Date	Description	Deposits	Withdrawals	Balance
11/1	Cash Balance			\$3,500.00
11/5	Client Payment			
11/10	Supplies Purchase			
11/15	Client Payment			
11/20	Assistant Paycheck			
11/25	Printer Purchase			

4a. Beginning Balance \$ \_\_\_\_\_ 4b. Total Deposits \$ \_\_\_\_\_

4c. Total Withdrawals \$ \_\_\_\_\_ 4d. Ending Balance \$ \_\_\_\_\_

5. Using your knowledge of the accounting equation, complete the following.

5a. Assets = \$32,500; Liabilities = \_\_\_\_\_; Owner's Equity = \$24,780

5b. Assets = \$83,680; Liabilities = \$36,815; Capital = \$67,714; Drawing = \_\_\_\_\_

5c. Cash = \$22,859; Accts Rec = \$8,643; Supplies = \$2,450; Prepaid Insurance = \$3,500;  
Accts Pay = \$5,712; Capital = \$ \_\_\_\_\_; Drawing = \$4,780

**Financial Statements**

Using the following ending account balances for Kolly's Kopies, fill in the missing data and complete the Income Statement and Balance Sheet for the month ending November 30, 2025. Complete all calculations, headings, labels, and include all rulings as needed.

101	Cash in Bank	32,000.00
105	Accounts Receivable—Sun, Surf, Sail	750.00
110	Accounts Receivable—Tropical Tours	475.00
115	Office Equipment	845.00
120	Office Supplies	355.00
125	Store Equipment	4,575.00
130	Store Supplies	945.00
201	Accounts Payable—1 Stop Office	550.00
205	Accounts Payable—TechServ Pro	650.00
301	Kolly Fujita, Capital	34,000.00
302	Kolly Fujita, Drawing	250.00
303	Income Summary	---
401	Copy Revenue	4,500.00
405	Design and Publishing Revenue	2,100.00
410	Postal Revenue	750.00
415	Printing Revenue	1,365.00
501	Advertising Expense	320.00
505	Miscellaneous Expense	100.00
510	Rent Expense	500.00
515	Repair Expense	750.00
520	Salaries Expense	950.00
520	Supplies Expenses	850.00
520	Utilities Expense	250.00

JOB 1: INCOME STATEMENT

Income Statement				
Revenue:				
Copy Revenue				
Design and Publishing Revenue				
Postal Revenue				
Printing Revenue				
Total Revenue				
Expenses:				
Advertising Expense				
Miscellaneous Expense				
Rent Expense				
Repair Expense				
Salaries Expense				
Supplies Expenses				
Utilities Expense				
Total Expenses				

## Balance Sheet

	<i>Assets</i>		<i>Liabilities</i>		
	<i>Cash in Bank</i>		<i>Accts. Pay.–1 Stop Office</i>		
	<i>Accts Rec. –Sun, Surf, Sail</i>		<i>Accts. Pay.–TechServ Pro</i>		
	<i>Accts. Rec. –Tropical Tours</i>		<i>Total Liabilities</i>		
	<i>Office Equipment</i>		<i>Owner’s Equity</i>		
	<i>Office Supplies</i>		<i>Kolly Fujita, Capital</i>		
	<i>Store Equipment</i>				
	<i>Store Supplies</i>				