

**Reading Questions – Chapter 1 – An Intro to Bookkeeping – 8<sup>th</sup> Edition**

1. Bookkeeping can be defined as the process of \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
2. How can keeping detailed financial records aid a business? \_\_\_\_\_  
\_\_\_\_\_
  
3. Define **Balance Sheet**: \_\_\_\_\_  
\_\_\_\_\_ and **Income Statement**: \_\_\_\_\_  
\_\_\_\_\_
  
4. Look at Figure 1.4 to determine the relationship between Assets, Liabilities and Owner's Equity.  
\_\_\_\_\_
  
5. The three types of business are:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
6. Give one positive and one negative aspect for each type of business:  
Prop – Positive: \_\_\_\_\_  
\_\_\_\_\_  
Prop – Negative: \_\_\_\_\_  
\_\_\_\_\_  
Part – Positive: \_\_\_\_\_  
\_\_\_\_\_  
Part – Negative: \_\_\_\_\_  
\_\_\_\_\_  
Corp – Positive: \_\_\_\_\_  
\_\_\_\_\_  
Corp – Negative: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

7. Define each of the following terms and give one or more examples of each:

Assets: \_\_\_\_\_

Accounts Receivable: \_\_\_\_\_

Liabilities: \_\_\_\_\_

Accounts Payable: \_\_\_\_\_

Owner's Equity: \_\_\_\_\_

Capital: \_\_\_\_\_

Revenue: \_\_\_\_\_

Expenses: \_\_\_\_\_

8. What is the major difference between assets and expenses?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

9. List the 11 GAAP principles?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
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\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Practice Exercises:**

**Do exercises 1, 2 and 3 – All are available on Moodle as Drag and Drop Questions.**

**Think about It:** Check out this section and look back for answers to any questions you are unable to answer.