



Accounting and Financial Reporting – Extra Questions

Meeting 1



Welcome To Success Formula Extra Questions

What Is It?

This free set of custom questions gives you a clear taste of what to expect on the exam and helps you check if you are keeping up with the material. They are based on our Weekly Meetings and cover the key topics you need to know. The difficulty of each question is shown in the corner by the number of lit Success Formula logos. Share, discuss, and have fun testing your knowledge with them! 😊

How Does It Work?

Give the questions a go on your own! We are not giving the answers on purpose. Peeking would make it way too easy. Stuck or unsure? Come into into our WhatsApp group and discuss them with us. The link/QR is on the last slide if these questions were shared with you.



Exam Time!



Question

If total assets increased by 10,000€ and equity increased by 5,000€ during a period, then total liabilities must change by what amount and direction during that same period?

Answers

- A. Decrease by 5,000€
 - B. Increase by 5,000€
 - C. Decrease by 10,000€
 - D. Increase by 10,000€
-



Exam Time!



Question

Success Formula would like to record the purchase of a new office. We did not have enough cash on hand, so we had to take out a bank loan for half of the value. The correct entry would include a:

Answers

- A. Debit to PPE, credit to cash and credit to bank loan
 - B. Credit to PPE, credit to cash and a debit to bank loan
 - C. Debit to PPE and a credit to Bank Loan
 - D. Debit to PPE and a credit to Cash
-



Exam Time!



Question

Which of the following accounts does not have a regular debit balance

Answers

- A. Dividends
 - B. Expenses
 - C. Cash
 - D. Accumulated Depreciation
-



Exam Time!



Question

To ensure that the accounting equation holds at all times, a transaction must always:

Answers

- A. Have an equal number of debits and credits.
 - B. Affect both sides of the accounting equation.
 - C. Affect exactly two accounts.
 - D. Have an equal balance in debits and credits.
-



Exam Time!



Question

Success Formula had 100,000€ in assets and 50,000€ in liabilities at the start of the period. Use the following information to compute the total equity value at the end of the period:

- Purchasing 10,000€ worth of inventory on account.
- Paying salaries of 5,000€ for the current period.
- Collecting 5,000€ in receivables from students that attended sessions last period.
- Paying an outstanding invoice of 5,000€ from last period.
- Taking out a bank loan for 10,000€ to finance our expansion.

Answers

- A. 35,000€
 - B. 40,000€
 - C. 45,000€
 - D. 50,000€
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