

Bookkeeping Tips

Bookkeeping Quiz: How Good Are Your Skills?

Each month, AIPB members receive a quiz like the one below in *The General Ledger* newsletter (www.aipb.org/general_ledger.html), the monthly technical briefing for members.

We have put the answers on page 2 so you don't see them while taking the quiz. Good luck!

1. When distributing a company's profits to the owners, you (debit/credit) Retained Earnings.
2. If you are keeping the books for related parties A and B, at year end you must reconcile A's accounts receivable to B's _____. _____.
3. Leased fixed assets generally are (depreciated/expensed).
4. _____ assets are those that the business will convert to cash or use up within one operating cycle or one year, whichever is (longer/shorter).
5. Supper money for employees working overtime is nontaxable if given _____ and _____.
6. Repairs that create a benefit in the period when made are (expensed/depreciated); repairs that create a benefit in future periods are (expensed/depreciated).
7. Joe retired after working in your marketing department for 20 years, then decided to come back and work for the marketing department two or three days a month. Is Joe an employee or an independent contractor?
8. If sole proprietor Alice drives her auto 80% for business, she can depreciate ____% of the auto and, if she leases the auto, she adds back ____% of the IRS inclusion amount.

Answers:

1. debit
2. accounts payable
3. expensed
4. Current, shorter
5. occasionally, infrequently
6. expensed, depreciated
7. employee
8. 80%, 80%

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The American Institute of Professional Bookkeepers (AIPB), is the national association for bookkeepers, currently with 30,000 active members

AIPB was founded in 1987 for the following purposes:

- To recognize bookkeepers as accounting professionals
- To make sure that each member has the latest bookkeeping, accounting and tax information
- To answer members' everyday bookkeeping and accounting questions on the telephone at no charge.
- To provide bookkeepers with low-cost continuing professional education.
- To return the membership fees of any bookkeeper who is dissatisfied with the benefits of membership