1) At year end, Smith Co.'s Assets totaled $46,000 and their Liabilities totaled $6,000. What is the amount of their Owner's Equity?
   a) $52,000
   b) $20,000
   c) $40,000
   d) $42,000

$A = L + OE$
$46 = 6 + OE$
$46 - 6 = OE$
$40 = OE$

2) During the year Jan Co.'s total Assets increased by $54,000 and total Liabilities increased by $21,000. How much did Owner's Equity change?
   a) A $75,000 increase
   b) A $33,000 increase
   c) A $75,000 decrease
   d) A $33,000 decrease

$\Delta A = \Delta L + \Delta OE$
$54 = 21 + \Delta OE$
$54 - 21 = \Delta OE$
$33 = \Delta OE$

3) When supplies are purchased on account:
   a) Assets decrease and Liabilities decrease
   b) Assets increase and Liabilities decrease
   c) Assets increase and Liabilities increase
   d) Assets decrease and Liabilities increase

$A\uparrow = L\uparrow + OE$

4) If an owner of a company withdraws money for personal use:
   a) Assets decrease and Owner's Equity decreases
   b) Assets increase and Owner's Equity decrease
   c) Assets increase and Owner's Equity increase
   d) Assets decrease and Owner's Equity increase

$A = L + OE$
$\downarrow$    $\downarrow$ -Draw

5) When supplies are purchased for cash:
   a) Assets decrease and Liabilities increase
   b) Assets increase and Liabilities increase
   c) Total Assets remain the same and Liabilities decrease
   d) Total Assets remain the same

$A = L + OE$
Sup $\uparrow$
Cash $\downarrow$

6) When the current months utility bill is paid:
   a) Assets decrease and Owner's Equity increases
   b) Assets decrease and ~~Liabilities increase~~
   c) Assets decrease and Owner's Equity decreases
   d) Assets decrease and ~~Liabilities decrease~~

$A = L + OE$
Cash $\downarrow$    $\downarrow$ -Exp

7) The following are examples of Assets:
   a) Cash, Equipment, and Accounts Payable L
   b) Cash, Supplies, and Equipment
   c) Cash, Supplies, and Accounts Payable L
   d) Supplies, Equipment, and Accounts Payable L

8) When an owner invests cash in their business:
   a) Assets remain the same
   b) Assets increase and ~~Liabilities increase~~
   c) Assets increase and Owner's Equity increases
   d) Assets ~~decrease~~ and ~~Liabilities increase~~

$A = L + OE$

↑ ↑

9) Tech Co.'s Liabilities totaled $12,000 and their Owner's Equity totaled $32,000. What is the amount of their Assets?
   a) $20,000
   b) $34,000
   c) $44,000
   d) $19,000

$A = L + OE$

$A = 12 + 32$

$A = 44$

10) A company had $4,000 in Revenue and $3,000 in Expenses for a period. How will this impact the accounting equation?
   a) A $4,000 increase in Owner's Equity
   b) A $3,000 increase in Owner's Equity
   c) A $7,000 increase in Owner's Equity
   d) A $1,000 increase in Owner's Equity

4,000 + Rev
-3,000 − Exp
1,000 − Draws / Dividends

11) An investment in a company made by the owner is referred to as:
   a) Accounts Receivable
   b) Capital
   c) Drawing
   d) Cash

12) Angela Co. received payment from a customer on account. Angela Co. should:
   a) Decrease Cash
   b) Decrease Ac~~counts Payab~~le
   c) Increase Ac~~counts Payable~~
   d) Decrease Accounts Receivable

Cash↑

13) A Balance Sheet shows:
   a) Assets and Expenses
   b) Revenue and Expenses
   c) Assets and Revenues
   d) Assets and Liabilities

$A = L + OE$

14) Slim Co. has the following account balances: Cash $25,000, Accounts Receivable $24,600, Accounts Payable $2,000, and Supplies $3,000. Based on the given information, what is the amount of their Assets & Owner's Equity?

~~a)~~ $54,600 & $50,600
b) $52,600 & $52,600
~~c)~~ $54,600 & $52,600
d) $52,600 & $50,600

A = L + OE
25,000
24,600
3,000
52,600 = 2,000 + OE
52,600 − 2,000 = OE = 50,600

15) On November 1, 2019, Jan Co.'s Balance Sheet showed Assets of $65,000, Liabilities of $30,000, and Owner's Equity of $35,000. Jan Co. had the following activity during November: an increase in Assets of $24,000, a decrease in Liabilities of $7,500, an owner's cash withdrawal from the company in the amount of $10,000, and Revenues of $50,000. What were Jan Co.'s Expenses for November?

a) $13,500
b) $8,500
c) $66,500
d) Not enough information given

11/1 65,000 (A) = 30,000 (L) + 35,000 (OE)
+24,000 −7,500 −10,000 +50,000 −Exp

89,000* = 22,500 + 75,000 −Exp*

Exp = 22,500 + 75,000 − 89,000
Exp = 8,500