

Glencoe Accounting

Chapter 8: The Six-Column Work Sheet

I-Summary

Every trade has its tools. The work sheet is one of the accountant's most important tools. With the work sheet, you can gather everything needed to prepare financial statements and complete other *end-of-period* accounting activities. You learned how to prepare the trial balance, extend amounts to the income statement and balance sheet columns, rule the work sheet, and complete the work sheet showing a net income or net loss.

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I-Quiz

1. In which order are general ledger accounts listed on the work sheet?
 - A. Revenues, Expenses, Assets, Liabilities, Owner's Equity
 - B. Assets, Liabilities, Owner's Equity, Expenses, Revenues
 - C. Assets, Liabilities, Owner's Equity, Revenues, Expenses

2. In accounting, what does a double rule mean?
 - A. amounts just above the rules are totals and no other entries will be made in that column
 - B. the account balance is zero
 - C. amounts below the rules are totals

3. To which column on the work sheet will the balance of Advertising Expense be extended?
 - A. debit column of the Balance Sheet section
 - B. debit column of the Income Statement section
 - C. credit column of the Income Statement section

4. If a company's revenues exceed its expenses, the amount of net income will appear in which column of the Income Statement section of the work sheet?
 - A. debit column
 - B. credit column
 - C. none of the above

Answer Key

1. C
2. A
3. B
4. A