

## **Glencoe Accounting**

### **Chapter 11: Cash Control and Banking Activities**

#### **I-Summary**

As you know, cash is important to any business. In this chapter, you learned important techniques to protect this valuable asset. Making deposits, writing checks, recording checking account activity, and reconciling the bank account are all controls that help safeguard cash from theft or embezzlement.

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#### **I-Quiz**

1. What is the person to whom a check is written called?
  - A. the drawer
  - B. the drawee
  - C. the payee
2. Which of the following describes a stop payment order?
  - A. a demand by the drawer that the bank should not honor a specific check
  - B. an endorsement that limits or restricts how a check may be handled
  - C. a check returned by the bank as paid
3. Which of the following terms describes the process of determining any differences between the bank statement and the checkbook?
  - A. reconciling the bank statement
  - B. transferring electronic funds
  - C. issuing stop payment orders
4. Which of the following is an example of an external control?
  - A. making daily deposits into the bank
  - B. using a cash register
  - C. verification of signatures on checks by the bank

#### **Answer Key**

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