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| Philadelphia University | First Quiz | الاسم: ...................................... |
| Accounting Department | /04/2014 | الرقم الجامعي: ....................................... |
| ACC 0311111 | Serial No. …………... | الشعبة: ..................................... |

1. Admire County Bank agrees to lend Givens Brick Company $500,000 on January 1. Givens Brick Company signs a $500,000, 8%, 9-month note. The entry made by Givens Brick Company on January 1 to record the proceeds and issuance of the note is

a. Interest Expense 30,000

Cash. 470,000

Notes Payable 500,000

**b**. Cash 500,000

Notes Payable 500,000

c. Cash 500,000

Interest Expense 30,000

Notes Payable 530,000

d. Cash 500,000

Interest Expense 30,000

Notes Payable 500,000

Interest Payable 30,000

2. Admire County Bank agrees to lend Givens Brick Company $500,000 on January 1. Givens Brick Company signs a $500,000, 8%, 9-month note. What is the adjusting entry required if Givens Brick Company prepares financial statements on June 30?

**a**. Interest Expense 20,000

Interest Payable 20,000

b. Interest Expense 20,000

Cash 20,000

c. Interest Payable 20,000

Cash 20,000

d. Interest Payable 20,000

Interest Expense 20,000

3. Admire County Bank agrees to lend Givens Brick Company $500,000 on January 1. Givens Brick Company signs a $500,000, 8%, 9-month note. What entry will Givens Brick Company make to pay off the note and interest at maturity assuming that interest has been accrued to September 30?

a. Notes Payable 530,000

Cash 530,000

**b**. Notes Payable 500,000

Interest Payable 30,000

Cash 530,000

c. Interest Expense 30,000

Notes Payable 500,000

Cash 530,000

d. Interest Payable 20,000

Notes Payable 500,000

Interest Expense 10,000

*Cash 530,000*