Accounting Equation Quiz Questions

1. True or False: the accounting equation is a mathematical principle?

2. What is based on the accounting equation?

3. What is the accounting equation?

4. Match the following:

<table>
<thead>
<tr>
<th></th>
<th>Example</th>
<th>What the business ownership represents</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Example</td>
<td>What the business ownership represents</td>
</tr>
<tr>
<td>B</td>
<td>Assets</td>
<td>What the business owes</td>
</tr>
<tr>
<td>C</td>
<td>Liabilities</td>
<td>Answers</td>
</tr>
<tr>
<td>D</td>
<td>Equity</td>
<td>What the business owns</td>
</tr>
</tbody>
</table>

5. From this list, tick the ones that are assets:
- Cash, Office equipment, Loans, Subscriptions, Machinery, Vehicles, Overheads, Accounts receivable

6. What are the accounts found under assets, liabilities and equity known as?

7. From this list, tick the ones that are liabilities:
- Bank loans, Building, Funds borrowed from a finance institution, Income, Accounts payable, Sales

8. What are the accounts found under income and expenses known as?

9. What accounting report are assets, liabilities and equity found on?

10. What does the balance sheet indicate about the business?

For more info, go to [www.beginner-bookkeeping.com/the-accounting-equation.html](http://www.beginner-bookkeeping.com/the-accounting-equation.html)
Accounting Equation Quiz Answers

1. True
2. Double-entry bookkeeping
3. Assets equals liabilities plus equity
4. | A | Example | | B | Assets | What the business owes | | C | Liabilities | Answer | | D | Equity | What the business owns |
5. Office equipment, Machinery, Vehicles, Accounts Receivable
6. Permanent
7. Bank loans, Funds Borrowed, Accounts Payable
8. Temporary accounts
9. Balance sheet
10. The financial condition of a business