

## **DEVRY ACCT 301 Final Exam**

**Check this A+ tutorial guideline at**

**<http://www.assignmentclick.com/acct-301/acct-301-final-exam>**

**For more classes visit**

**<http://www.assignmentclick.com>**

### **ACCT 301 Final Exam**

**1. (TCO 1) What is the accounting equation? Suppose your company sold \$12,000 in merchandise to a customer for cash. How does this transaction impact the accounting equation? (Points : 17)**

**2. (TCO 2) What are the four basic financial statements? Describe the balance sheet, and explain why it is important**

**Q3 What is the Sarbanes-Oxley Act? Do you think this act has more importance for the accounting profession or for investors? Why**

**Q4 What is horizontal analysis of financial statements? How does horizontal analysis differ from vertical analysis?**

**1. (TCO 8) Why is capital budgeting important? What is the IRR method? How is it calculated? (Points : 26)**

- 2. (TCO 9) What are five different types of decisions that could use incremental analysis? What are the relevant costs in a make-or-buy decision? (Points : 26)**
- 3. (TCO 10) How is a transfer price determined? Describe the cost-based method. Do you think it is better than the market-based method? (Points : 26)**
- 4. (TCO 11) What are direct materials? Give an example of a direct material. How do direct materials differ from indirect materials? Give an example of an indirect material. (Points : 26)**
- 1. (TCO 5) What is CVP analysis? Why is this an important analysis for a company to perform? (Points : 26)**
- 2. (TCO 6) What is an operating budget? What does it result in? What is the first step in completing an operating budget? (Points : 26)**
- 3. (TCO 7) What is responsibility accounting? What is a cost center? How does a cost center differ from a profit center? (Points : 26)**
- (1) What is the accounting equation? Suppose your company paid \$6,000 in cash for its rent. How does this transaction impact the accounting equation?**
- (2) What are the four basic financial statements? Describe the statement of cash flows, and explain why it is important.**
- (3) What is the Sarbanes-Oxley Act? Why is it important to the accounting profession?**
- (4) How does vertical analysis of financial statements differ from horizontal analysis? Which method do you think is a better analysis tool?**
- (5) Why is capital budgeting important? What is the net present value method? How do you know whether to accept a project using this method? (Points : 26)**