FBLA ACCOUNTING I PRACTICE TEST (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

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How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

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Questions

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1. What is the term used to describe the ratio of the money earned on investment relative to the amount of the investment?

A. Return on investment

B. Assessed value

C. Real property

D. Gain on plant assets

2. What does the term 'capital' specifically refer to in accounting?

A. Owner's equity

B. Assets owned by a business

C. Debts owed by the business

D. Cash flow from operations

3. Who are stakeholders in an organization?

A. Individuals who own the organization only

B. Individuals or groups who have an interest and are affected by the organization's actions

C. Only employees of the organization

D. Government officials involved in regulation

4. In financial accounting, what term is used for a detailed record of all transactions affecting a particular account?

A. Account Statement

B. Account Ledger

C. Account Journal

D. Transaction Report

5. What type of account does a sales slip typically refer to in retail transactions?

A. Inventory Account

B. Expense Account

C. Sales Revenue Account

D. Accounts Receivable Account

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6. Which type of accounts are closed at the end of a fiscal period?

A. Permanent Accounts

B. Temporary Accounts

C. Asset Accounts

D. Liability Accounts

7. Who is referred to as a depositor?

A. Anyone who writes a check

B. A person with cash deposit in a bank

C. A lender of funds

D. A bank officer

8. What financial statement shows the revenue and expenses for a fiscal period?

A. Trial Balance

B. Balance Sheet

C. Income Statement

D. Work Sheet

9. What is the term for each employee's year-to-date gross earnings?

A. Accumulated earnings

B. Annual earnings

C. Gross pay

D. Payroll total

10. What is the name of the form used to list the currency and checks to be deposited?

A. Deposit slip

B. Withdrawal form

C. Transfer ticket

D. Account statement

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Answers

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1. A
2. A
3. B
4. B
5. C
6. B
7. B
8. C
9. A
10. A

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Explanations

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1. What is the term used to describe the ratio of the money earned on investment relative to the amount of the investment?

A. Return on investment

B. Assessed value

C. Real property

D. Gain on plant assets

The term that describes the ratio of the money earned on an investment relative to the amount of the investment is known as return on investment (ROI). This financial metric is crucial for evaluating the efficiency and profitability of an investment. It quantifies how much profit or loss is generated compared to the initial investment cost, typically expressed as a percentage. By calculating ROI, investors can assess the performance of various investments and make informed decisions about where to allocate their resources. In contrast, assessed value refers to the value assigned to a property for tax purposes, which has no direct relationship to the profitability or effectiveness of an investment. Real property refers to land and any structures attached to it, and it is not a financial metric. Gain on plant assets pertains to the profit generated from the sale of long-term tangible fixed assets, but it is specific to that context and does not represent the broader concept of returns on investments. Therefore, return on investment is the most accurate and relevant term for the question posed.

2. What does the term 'capital' specifically refer to in accounting?

A. Owner's equity

B. Assets owned by a business

C. Debts owed by the business

D. Cash flow from operations

In accounting, the term 'capital' specifically refers to the financial resources that owners invest in a business, which is a component of owner's equity. Owner's equity represents the residual interest in the assets of the business after deducting liabilities. It embodies the owner's claim on the business assets and reflects the total investment made by the owners, along with retained earnings that are reinvested into the business. Understanding capital as owner's equity is essential because it indicates the financial health and stability of a business. The capital can come from various sources, including initial investments from owners, additional contributions, and retained earnings. This definition helps distinguish it from other accounting terms: assets owned by a business encompass everything the business owns, debts represent obligations or liabilities, and cash flow from operations refers to the cash generated from the core business activities, none of which specifically encapsulate the concept of capital in the context of a business's equity.

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3. Who are stakeholders in an organization?

A. Individuals who own the organization only

B. Individuals or groups who have an interest and are affected by the organization's actions

C. Only employees of the organization

D. Government officials involved in regulation

Stakeholders in an organization encompass a broad range of individuals or groups that have an interest in, or are affected by, the organization's actions and decisions. This includes not only the owners, but also employees, customers, suppliers, investors, community members, and regulators. Each of these stakeholders has a vested interest in the organization's performance, outcomes, and overall impact. For instance, employees are concerned about job security and working conditions, while customers are focused on product quality and service. Investors are interested in the profitability and growth of the organization. Community members may care about the organization's contributions to local development, and regulators ensure compliance with laws and regulations, impacting how the organization operates. This diverse involvement is what makes defining stakeholders as individuals or groups with interest in the organization's actions and potential effects on them the correct choice. It captures the essence of stakeholder theory, which emphasizes the interdependence between the organization and its various stakeholders.

4. In financial accounting, what term is used for a detailed record of all transactions affecting a particular account?

A. Account Statement

B. Account Ledger

C. Account Journal

D. Transaction Report

The term that refers to a detailed record of all transactions affecting a specific account is the Account Ledger. An account ledger consolidates all relevant transactions and adjustments made to that particular account over time, allowing for a comprehensive view of its activity. Each entry in the ledger typically includes information such as the date, description, and the amount of the transaction, providing a chronological history of the account's financial changes. This level of detail is essential for financial reporting and analysis, as it forms the basis for creating accurate financial statements. In contrast, an account statement generally summarizes account activity over a specified period, an account journal records transactions in chronological order before they are posted to the ledger, and a transaction report may focus on specific transactions rather than providing a holistic view of one account.

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5. What type of account does a sales slip typically refer to in retail transactions?

A. Inventory Account

B. Expense Account

C. Sales Revenue Account

D. Accounts Receivable Account

A sales slip in retail transactions is a document that records the details of a sale, including the items sold, the price, and the date of the transaction. When the sale occurs, the transaction impacts the Sales Revenue Account, which is used to track the income generated from those sales. In accounting, revenue is recognized at the point of sale, so when a sales slip is issued, it signifies that the company has earned income. This income is recorded in the Sales Revenue Account, reflecting the total amount earned from sales during a particular period. Understanding this, it's clear why this answer is the most relevant in the context of a retail sale, where the key function of the sales slip is to document revenue earned through goods or services provided to customers. Other options, while related to overall accounting practices, do not serve the direct purpose of reflecting income from sales at the point of transaction.

6. Which type of accounts are closed at the end of a fiscal period?

A. Permanent Accounts

B. Temporary Accounts

C. Asset Accounts

D. Liability Accounts

Temporary accounts are those that are closed at the end of a fiscal period. These typically include revenue, expense, and dividend accounts, which are reset to zero in preparation for the new accounting period. Closing these accounts allows for accurate measurement of income and expenses that occur in the next fiscal period, ensuring that no previous period's activity carries over into the new period's financial statements. On the other hand, permanent accounts, such as asset, liability, and equity accounts, retain their balance and are not closed at the end of the accounting period. This continuity is essential for tracking the ongoing financial position of the business over time. Keeping the balances in permanent accounts allows a company to reflect its overall worth and the collection of obligations accurately, aiding in long-term financial planning and reporting.

7. Who is referred to as a depositor?

A. Anyone who writes a check

B. A person with cash deposit in a bank

C. A lender of funds

D. A bank officer

A depositor is someone who places funds into a bank account, which can include cash deposits, checks, or electronic transfers. This term specifically refers to individuals who entrust their money to a financial institution, making them account holders. In this context, a person with a cash deposit in a bank is accurately described as a depositor since they have directly contributed funds to the bank for safekeeping and potential interest earnings. The other options do not sufficiently capture the essence of what constitutes a depositor in banking terms. For instance, anyone who writes a check may not necessarily have funds deposited in the bank at that moment; they might be drawing on their account balance. Similarly, a lender of funds refers specifically to someone who provides money with the expectation of receiving it back, often with interest, rather than someone who deposits money into a bank account for safekeeping. A bank officer is an employee of the bank and does not inherently fit the definition of a depositor either, as their role involves managing and facilitating bank operations rather than holding personal funds in the institution.

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8. What financial statement shows the revenue and expenses for a fiscal period?

A. Trial Balance

B. Balance Sheet

C. Income Statement

D. Work Sheet

The financial statement that shows the revenue and expenses for a fiscal period is the Income Statement. This statement provides a summary of a company's financial performance over a specified time, detailing the income generated from sales, services, and other sources, as well as the expenses incurred during that same period. The Income Statement's primary purpose is to indicate whether the company made a profit or incurred a loss over the period, making it crucial for stakeholders, such as investors and management, to assess the financial health of the organization. While the Trial Balance is a report that lists the balances of all accounts to ensure that debits and credits are in balance, it does not summarize revenue and expenses. The Balance Sheet presents a snapshot of the company's assets, liabilities, and equity at a specific point in time, rather than over a period. The Work Sheet is typically used during the accounting cycle to organize and prepare financial statements but does not function as a standalone financial report summarizing revenues and expenses.

9. What is the term for each employee's year-to-date gross earnings?

A. Accumulated earnings

B. Annual earnings

C. Gross pay

D. Payroll total

The term that best describes each employee's year-to-date gross earnings is "accumulated earnings." This refers to the total gross pay earned by an employee from the beginning of the year up to the present date, including all earnings before any deductions such as taxes or benefits. This metric is important for both employees and employers when assessing total compensation for the year. Although "annual earnings" may seem relevant, it generally refers to an employee's total earnings over a full calendar or fiscal year, rather than the cumulative amount up to a specific date within that year. "Gross pay," on the other hand, indicates the total pay for a specific pay period before any deductions, which does not reflect the year-to-date context. "Payroll total" typically refers to the total sum of money paid to all employees in a given payroll cycle, not the earnings for an individual employee's year-to-date gross earnings. Thus, "accumulated earnings" precisely captures the essence of total gross earnings for an employee year-to-date.

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10. What is the name of the form used to list the currency and checks to be deposited?

A. Deposit slip

B. Withdrawal form

C. Transfer ticket

D. Account statement

The form used to list the currency and checks to be deposited is known as a deposit slip. This document is specifically designed for customers to provide details about their deposits at a bank. It typically includes information such as the account number, the date, and the amount of cash and checks being deposited. The deposit slip is crucial for ensuring that the funds are accurately credited to the correct account and provides a record of the transaction for both the customer and the bank. It streamlines the process of depositing money, making it easier for tellers to process transactions efficiently. In contrast, withdrawal forms and transfer tickets serve different purposes, such as withdrawing funds from an account or transferring funds between accounts, while an account statement provides a summary of account transactions over a specific period.

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Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

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We wish you the very best on your exam journey. You've got this!

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