FUTURE BUSINESS LEADERS OF AMERICA (FBLA) ACCOUNTING PRACTICE TEST (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

VISIT US ONLINE FOR THE FULL VERSION STUDY GUIDE

https://fbla-accounting.examzify.com

Copyright © 2026 by Examzify - A Kaluba Technologies Inc. product.

ALL RIGHTS RESERVED.

No part of this book may be reproduced or transferred in any form or by any means, graphic, electronic, or mechanical, including photocopying, recording, web distribution, taping, or by any information storage retrieval system, without the written permission of the author.

Notice: Examzify makes every reasonable effort to obtain accurate, complete, and timely information about this product from reliable sources.

SAMPLE

Table of Contents

Copyright 1
Table of Contents 2
Introduction 3
How to Use This Guide 4
Questions 5
Answers 8
Explanations 10
Next Steps 16

SAMPLE

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.

SAMPLE

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!

SAMPLE

Questions

SAMPLE

1. What term describes anything of value that a business owns?

A. Liabilities

B. Investments

C. Assets

D. Equities

2. What is a signature card used for in banking?

A. To summarize employee tax deductions

B. To confirm a depositor's signature on file

C. To calculate quarterly tax returns

D. To document cash withdrawals

3. What is an accounts receivable subsidiary ledger?

A. A summary of total sales for a period

B. A separate ledger containing accounts for all charge customers

C. An index of all company assets

D. A record of all cash transactions

4. Which method of depreciation results in greater expense recorded in earlier years?

A. Straight-line method of depreciation

B. Sum-of-the-years' digits method

C. Declining-balance method of depreciation

D. Units of production method

5. What is the primary purpose of financial statements?

A. To determine market value

B. To summarize financial operations and condition

C. To project future earnings

D. To assess employee productivity

6. What does assessed value refer to?

A. The market value of an asset

B. The value determined by tax authorities for calculating taxes

C. The net book value of property

D. The estimated sale price of an asset

SAMPLE

7. What signifies a gain on plant assets?

A. The asset sold for less than its book value

B. The asset sold for more than its book value

C. The asset was disposed of without profit

D. The asset was written off as a loss

8. What is a 'Chart of Accounts' in the context of a business?

A. A summary of employee salaries

B. A list of accounts used by a business

C. An inventory of physical assets

D. A record of business meetings

9. Which term describes an itemized record of transactions in an account for a specific period?

A. Deposit ticket

B. Check register

C. Bank statement

D. Transaction slip

10. What is a general ledger?

A. A ledger for personal accounts

B. A ledger containing all accounts needed to prepare financial statements

C. A record of daily transactions

D. A form used to calculate payroll

SAMPLE

Answers

SAMPLE

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

SAMPLE

Explanations

SAMPLE

1. What term describes anything of value that a business owns?

A. Liabilities

B. Investments

C. Assets

D. Equities

The term that describes anything of value that a business owns is "assets." Assets include a wide range of resources that have economic value and are expected to provide future benefits to the business. Examples of assets include cash, inventory, property, equipment, and accounts receivable. In accounting, assets are an essential part of the balance sheet, which provides a snapshot of the company's financial position at a specific point in time. They are categorized into current assets, such as cash and inventory that can be converted to cash within a year, and non-current assets, like property and equipment that are held for the long term. Understanding assets is crucial for analyzing a business's financial health, as they indicate the resources available to generate revenue and fulfill obligations. This foundational concept distinguishes assets from other financial terms like liabilities, which represent obligations the business owes to others, and equities, which refer to the ownership interest in the business after all liabilities have been deducted. Investments generally refer to the act of allocating resources, typically in the form of money, to generate returns rather than being a direct descriptor of owned value.

2. What is a signature card used for in banking?

A. To summarize employee tax deductions

B. To confirm a depositor's signature on file

C. To calculate quarterly tax returns

D. To document cash withdrawals

A signature card is an essential document used by banks to verify the identity of account holders. It is primarily maintained to have a reliable record of the depositor's signature on file. When an individual opens a bank account, they complete a signature card that includes their signature, which the bank uses for comparison when the account holder conducts transactions. This ensures that the bank can authenticate the identity of the customer when they make withdrawals, deposits, or any other transaction that requires their signature. This process helps prevent fraud and unauthorized access to the account. Other options, while related to different banking functions, do not pertain to the primary purpose of a signature card. For instance, summarizing employee tax deductions and calculating quarterly tax returns are tasks more aligned with payroll and tax accounting rather than banking operations. Documenting cash withdrawals may occur during transactions but does not relate to the verification of the depositor's identity in the way a signature card does. Thus, confirming a depositor's signature on file is the specific function that distinguishes the role of a signature card in banking.

SAMPLE

3. What is an accounts receivable subsidiary ledger?

A. A summary of total sales for a period

B. A separate ledger containing accounts for all charge customers

C. An index of all company assets

D. A record of all cash transactions

An accounts receivable subsidiary ledger is a specialized ledger that contains detailed accounts for all charge customers, reflecting the amounts they owe to the business. This ledger provides a breakdown of individual customer balances and transactions, allowing for easier tracking and management of credit sales and collections. By maintaining a separate subsidiary ledger, businesses can efficiently monitor the financial interactions with each customer, facilitating better cash flow management and credit control. The subsidiary ledger is essential for reconciling with the accounts receivable control account in the general ledger, ensuring that the total recorded in the subsidiary ledger matches the aggregate amount in the control account. This helps in identifying any discrepancies quickly and provides a clearer picture of the credit sales performance. In contrast, other options do not accurately define the nature of an accounts receivable subsidiary ledger. For example, a summary of total sales for a period provides aggregate sales information rather than detailed customer accounts. An index of all company assets relates to physical and intangible assets, not amounts owed by customers. A record of all cash transactions pertains to cash inflows and outflows, which is distinct from receivables that deal with credit sales. Thus, the most accurate definition is that the accounts receivable subsidiary ledger contains accounts for all charge customers.

4. Which method of depreciation results in greater expense recorded in earlier years?

A. Straight-line method of depreciation

B. Sum-of-the-years' digits method

C. Declining-balance method of depreciation

D. Units of production method

The declining-balance method of depreciation results in greater expense recorded in the earlier years of an asset's useful life because it applies a fixed percentage to the asset's book value at the beginning of each period. This percentage remains constant, leading to a higher depreciation expense in the initial years when the asset's book value is higher. As the asset ages, its book value decreases, resulting in a lower depreciation expense in subsequent periods. This accelerated depreciation reflects the reality that many assets lose value more quickly in their earlier years, making this method particularly useful for tax purposes or for assets that experience significant improvements and innovations quickly. In contrast, the straight-line method spreads the expense evenly over the asset's useful life, while the sum-of-the-years' digits method, although also front-loaded, does so in a manner that is less aggressive than the declining-balance method. The units of production method ties depreciation expenses directly to the usage of the asset, which can result in varying expenses that do not necessarily favor earlier years specifically.

SAMPLE

5. What is the primary purpose of financial statements?

A. To determine market value

B. To summarize financial operations and condition

C. To project future earnings

D. To assess employee productivity

The primary purpose of financial statements is to summarize financial operations and condition. These statements, which include the balance sheet, income statement, and cash flow statement, provide a comprehensive overview of a company's financial health at a given point in time. They communicate essential information about the firm's revenues, expenses, assets, liabilities, and equity, offering stakeholders such as investors, creditors, and management a clear view of the company's financial performance and position. By condensing complex financial data into standardized formats, financial statements enable users to analyze trends, assess profitability, and make informed decisions based on the organization's financial results. They serve as a vital tool for understanding how effectively a business has operated in the past and its current financial standing, contributing to strategic planning and investment decisions.

6. What does assessed value refer to?

A. The market value of an asset

B. The value determined by tax authorities for calculating taxes

C. The net book value of property

D. The estimated sale price of an asset

Assessed value specifically refers to the value determined by tax authorities for the purpose of calculating property taxes. This figure is crucial for local governments, as it establishes a basis for levying taxes on property owners. Unlike market value, which may fluctuate based on real estate trends and buyer demand, the assessed value is often a predetermined percentage of the market value or established through a set methodology by the taxing jurisdiction. This value ensures a consistent and fair means of taxation within that area. In the context of property taxation, understanding assessed value is essential for property owners, as it directly influences the amount of tax they will owe. It is distinct from other terms such as market value or net book value, which serve different purposes in financial analysis and reporting.

7. What signifies a gain on plant assets?

A. The asset sold for less than its book value

B. The asset sold for more than its book value

C. The asset was disposed of without profit

D. The asset was written off as a loss

A gain on plant assets occurs when the asset is sold for more than its book value. Book value is the value of the asset recorded on the balance sheet, which is typically the original cost minus any accumulated depreciation. When an asset is sold for a price exceeding this booked amount, the difference between the sale price and the book value is recognized as a gain. This gain reflects positively on a company's financial performance because it indicates that the asset was able to generate more cash than its remaining value on the books. In terms of accounting, this gain is often recognized in the income statement, contributing to the net income of the reporting period. In contrast, when an asset is sold for less than its book value or disposed of without profit, it is recorded as a loss, which negatively affects the company's financial statements. Recognizing and reporting gains and losses correctly is crucial for accurately showcasing a company's financial health.

SAMPLE

8. What is a 'Chart of Accounts' in the context of a business?

A. A summary of employee salaries

B. A list of accounts used by a business

C. An inventory of physical assets

D. A record of business meetings

A 'Chart of Accounts' serves as a crucial organizational tool for a business's financial management. It is essentially a structured list or categorization of all accounts that a business uses in its accounting system. This includes accounts for assets, liabilities, equity, revenues, and expenses, providing a framework for recording and tracking financial transactions. By organizing accounts into categories, a Chart of Accounts enhances clarity and understanding for stakeholders, including accountants and managers. It allows for streamlined financial reporting and analysis, making it easier to prepare financial statements and gain insights into the company's financial health. Each account typically has a unique code or number, making it easier to identify and reference specific accounts during accounting processes. In contrast, other options provided do not accurately define what a Chart of Accounts is. For example, a summary of employee salaries relates to payroll accounting, while an inventory of physical assets would pertain to asset management. A record of business meetings falls under organizational documentation, unrelated to financial account management. Therefore, identifying the Chart of Accounts as a list of accounts used by a business is both precise and foundational to understanding basic accounting principles.

9. Which term describes an itemized record of transactions in an account for a specific period?

A. Deposit ticket

B. Check register

C. Bank statement

D. Transaction slip

The correct term describing an itemized record of transactions in an account for a specific period is a bank statement. A bank statement is a comprehensive summary provided by a financial institution that details all the transactions conducted in a specific account, typically over a monthly period. It includes deposits, withdrawals, and any fees or interest earned, allowing account holders to track their financial activity, verify their account balance, and reconcile their own records. Understanding the function of a bank statement is crucial for maintaining accurate financial records and ensuring that personal or business accounts are managed effectively. The bank statement acts as an official record from the bank, reflecting all activity that has occurred, making it essential for budgeting, auditing, and financial planning purposes.

SAMPLE

10. What is a general ledger?

A. A ledger for personal accounts

B. A ledger containing all accounts needed to prepare financial statements

C. A record of daily transactions

D. A form used to calculate payroll

A general ledger is a comprehensive record that includes all the accounts necessary to prepare a company's financial statements. It serves as the central repository for all financial data, encompassing every transaction that affects the financial position of a business. This includes asset, liability, equity, revenue, and expense accounts. The general ledger allows accountants and financial professionals to track financial transactions systematically and provides the detailed information needed to compile a complete and accurate set of financial statements, such as the balance sheet and income statement. By organizing all financial activities in one location, it simplifies the process of monitoring a company's overall financial health and ensures compliance with accounting standards. In contrast, other options do not represent the full scope of what a general ledger encompasses. For instance, a ledger for personal accounts focuses only on specific accounts rather than all financial aspects of a business. A record of daily transactions typically refers to a journal that captures transactional data before it is posted to the general ledger. A form used to calculate payroll addresses a specific function rather than the comprehensive, multifaceted nature of a general ledger.

SAMPLE

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:

https://fbla-accounting.examzify.com

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

SAMPLE