C. Date on which the financial statements were published
D. Acquisition date of the investments or the end of the reporting period depending on the company policy
ANSWER: A

All the following items can be classified as cash equivalents, except
A. Three-month time deposit
B. Two-year treasury bill acquired 60 days before its maturity
C. Equity securities held for trading which are normally sold within 30 days from the date of acquisition
D. All of these can be classified as cash equivalents
ANSWER: C

In preparing bank reconciliation, which of the following items would be deducted from the balance per bank statement to arrive at the adjusted cash balance?
A. Bank Service Charge
B. Certified Checks
C. Deposits in Transit
D. Outstanding Checks
ASNWER: D

Which of the following items must be added to the cash balance per ledger in preparing bank reconciliation to arrive at the adjusted cash balance?
A. Erroneous Bank Credit
B. Erroneous Book Credit
C. Bank Service Charge
D. NSF Customer Check
ANSWER: B



in preparing bank reconciliation, which of the following items would be added to the balance per company books to arrive at the adjusted cash balance?
A. Deposit in Transit
B. Interest on Bank loans
C. Customer deposits credited by the bank to the company's account
D. Outstanding check
ANSWER: C

What is the treatment for the interest paid by the bank to the deposit's account?
A. a book reconciling item that is added to the book balance
B. a book reconciling item that is deducted from the book balance
C. a bank reconciling item that is deducted from the book balance
D. a bank reconciling item that is added to the book balance
ANSWER: A

which of the following will not require adjusting entry on the deposit's records?
A. Bank service charge
B. Deposit of another entity is credited to the depositor's account
C. DAIF check from customer
D. Check in settlement of accounts payable amounting to P10,500 in recorded the depositor as P105,000
ANSWER: B