

## Quiz Questions for Chapter 7

1. Government accounting systems should be organized by:
  - A. Function
  - B. Program
  - C. Site
  - D. Fund
2. Recording revenues when they are known and receivable is a requirement of:
  - A. Cash basis accounting
  - B. Encumbrance accounting
  - C. Modified accrual accounting
  - D. All the above
3. The \_\_\_\_\_ requires that states to report expenditure data by school:
  - A. *No Child Left Behind Act*
  - B. Governmental Accounting Standards Board
  - C. *Every Student Succeeds Act*
  - D. Department of Education
4. Most states use a chart of accounts that include the following elements for expenditures:
  - A. Fund, function
  - B. Fund, object
  - C. Fund, function, object
  - D. Fund, program, object
5. For the most part, states limit public schools to low risk investments such as:
  - A. Treasury bills
  - B. Program Bonds
  - C. Certificates of Deposit
  - D. All the above
6. To provide effective oversight, boards of education should receive monthly financial statements that are:
  - A. Monthly
  - B. Reconciled
  - C. Accurate
  - D. All of the above

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7. Which of the following statements is incorrect:
  - A. The auditor's primary responsibility is to render an opinion on the fairness of the financial statements
  - B. A qualified opinion is the most common issued by the auditors
  - C. Auditors report to the Board of Education
  - D. District staff are required to respond to any concerns in the management letter
8. Employee benefits is an example of a:
  - A. Object
  - B. Fund
  - C. Program
  - D. Function
9. Custody, authorization and transaction recording are key concepts in:
  - A. Accounting controls
  - B. Segregating duties
  - C. Administrative duties
  - D. Cybersecurity
10. The issuance of a purchase order is an example of:
  - A. Cash basis accounting
  - B. Encumbrance accounting
  - C. Modified accrual accounting
  - D. All the above

### Answers

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