



Entry Level Assessment Blueprint

Accounting Foundations



Test Code: 1091 / Version: 01

Specific Competencies and Skills Tested in this Assessment:

Accounting Profession

- Describe career opportunities in the accounting profession
- Explain the need for a code of ethics in accounting and ethical responsibilities required of accountants

Accounting Principles

- Define assets, liabilities, equity, revenue, expenses, gains, and losses
- Describe methods for controlling and safeguarding cash
- Record transactions affecting accounts receivable, including uncollectible accounts, write-offs, and recoveries
- Identify inventory methods
- Determine the cost of inventory for businesses and apply appropriate valuation methods
- Identify, calculate, and record depreciation and depletion and explain the impact on the financial statements
- Apply transactions for accounts payable and other short-term debt
- Record transactions for long-term debt instruments
- Describe and record equity-related transactions
- Describe and record revenue-related transactions
- Analyze transactions involving accruals
- Describe and record expense-related transactions

Accounting Process

- Analyze and describe how basic transactions impact the accounting equation
- Explain the need for adjusting entries and record basic adjusting entries
- Complete the closing process

Financial Reports

- Describe the users and uses of financial information
- Describe the information provided in each financial statement and how the statements relate

Specific Competencies and Skills continued

Financial Analysis

- Calculate component percentages
- Discuss the information that can be obtained from analyzing financial statements

Special Applications

- Prepare and calculate payroll withholdings
- Prepare and calculate gross pay
- Prepare and calculate net pay



Written Assessment:

Administration Time: 2 hours

Number of Questions: 90

Areas Covered:

Accounting Profession



8%

Accounting Principles



50%

Accounting Process



17%

Financial Reports



11%

Financial Analysis



5%

Special Applications



9%

Sample Questions:

Many people with an accounting degree go on to become the company's

- A. secretary
- B. attorney
- C. buyer
- D. comptroller

The cash receipts journal is used for

- A. only cash received on account
- B. all cash received
- C. only cash sales
- D. all credits to cash

The worksheet is completed by recording adjusting entries and extending them along with the information from the

- A. trial balance
- B. cash receipts journal
- C. balance sheet
- D. income statement

The primary internal use of financial statements is to

- A. assist users in making good business decisions
- B. entice investors to invest
- C. impress bankers
- D. meet government regulations

Calculate the income in dollars if Carl's Cycle Shop has a total of \$5,000 in sales and a gross profit margin of 65 percent.

- A. \$1,500
- B. \$1,750
- C. \$3,250
- D. \$4,692