

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://fblla-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	15

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.

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!

Questions

SAMPLE

- 1. What is the purpose of amortization?**
 - A. To increase the value of an asset
 - B. To spread the cost of an intangible asset over its useful life
 - C. To calculate future cash flows
 - D. To determine the resale value of an asset
- 2. What characterizes a dishonored check?**
 - A. A check that has been signed incorrectly
 - B. A check the bank refuses to pay
 - C. A check with insufficient funds
 - D. A check used for electronic payments
- 3. What document provides written acknowledgment for cash received?**
 - A. Receipt
 - B. Invoice
 - C. Check
 - D. Statement
- 4. What overall role do internal and external controls serve in a business?**
 - A. Improving customer relations
 - B. Enhancing financial integrity and safeguarding assets
 - C. Facilitating employee training programs
 - D. Regulating workplace behavior
- 5. What does the term "intangible asset" refer to?**
 - A. An asset that has a physical form
 - B. Properties that can be touched
 - C. An asset without physical substance
 - D. Assets that are tangible but not fixed
- 6. What action is taken when a check is endorsed?**
 - A. It is canceled
 - B. It is transferred to another person or entity
 - C. It is voided
 - D. It is deposited in the bank

- 7. What financial tool provides a monthly statement of transactions in a business?**
- A. General Ledger
 - B. Work Sheet
 - C. Bank Statement
 - D. Income Statement
- 8. What does a component percentage represent in financial statements?**
- A. The proportion of each account to total assets
 - B. The distribution of expenses across different categories
 - C. The relative size of individual components relative to the total
 - D. The aggregate of assets, liabilities, and equity
- 9. Which accounting tool allows a business to manage funds for day-to-day operations?**
- A. Savings Account
 - B. Mutual Fund
 - C. Checking Account
 - D. Investment Account
- 10. What does "loss on plant assets" indicate?**
- A. Income from selling plant assets at book value
 - B. Revenue from selling a plant asset for less than its book value
 - C. A change in value of the remaining plant assets
 - D. An increase in depreciation expense

Answers

SAMPLE

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

SAMPLE

Explanations

SAMPLE

1. What is the purpose of amortization?

- A. To increase the value of an asset
- B. To spread the cost of an intangible asset over its useful life**
- C. To calculate future cash flows
- D. To determine the resale value of an asset

The purpose of amortization is to spread the cost of an intangible asset over its useful life, which aligns perfectly with the chosen answer. Amortization is a systematic approach to allocating the initial cost of intangible assets—such as patents, copyrights, and trademarks—over time. This method matches the expense of using the asset with the revenue it generates, leading to a more accurate representation of a company's financial performance. By doing so, companies can ensure that their financial statements reflect the ongoing utility and contribution of those intangible assets to operations. This process helps in maintaining an accurate portrayal of net income and expenses, which is critical for stakeholders making economic decisions based on the financial statements. The other options, while related to asset management and finance, do not accurately define the primary function of amortization. For instance, increasing the value of an asset is not the aim of amortization; rather, it aims to capture costs in a manageable way. Similarly, calculating future cash flows and determining resale values pertain to different accounting or financial analysis processes and do not relate to the systematic allocation of intangible assets' costs over time.

2. What characterizes a dishonored check?

- A. A check that has been signed incorrectly
- B. A check the bank refuses to pay**
- C. A check with insufficient funds
- D. A check used for electronic payments

A dishonored check is characterized by the bank's refusal to pay it, which is the correct answer. When a check is presented to the bank for payment, a dishonor can occur for various reasons, including issues with the account, insufficient funds, or the account being closed. The essential characteristic is that the bank does not honor the check as valid payment, leading to the payee not receiving the funds. In the context of this question, it's important to understand the nuances of the other options. A check signed incorrectly could lead to a bank refusing payment, but it does not encompass all reasons for a check being dishonored. Similarly, while a check with insufficient funds is a common reason for dishonor, it is just one scenario and doesn't fully define what a dishonored check is. The option regarding electronic payments is not pertinent; dishonored checks specifically relate to traditional paper checks, and electronic payments are a different form of transaction entirely.

3. What document provides written acknowledgment for cash received?

- A. Receipt**
- B. Invoice
- C. Check
- D. Statement

A receipt is the correct answer because it serves as a formal document confirming that a specific amount of cash has been received in exchange for goods or services. It typically includes essential details such as the date of the transaction, the amount received, the method of payment, and a description of the items or services provided. In accounting and business transactions, receipts are important for record-keeping purposes, aiding both the payer in tracking their expenses and the payee in acknowledging the income received. They also play a crucial role during audits or financial reviews, providing verifiable proof of transactions. In contrast, an invoice is a request for payment, not a confirmation of received cash. A check is a form of payment rather than a document that acknowledges receipt of cash, while a statement is typically a summary of transactions over a period and does not serve the same purpose as a receipt.

4. What overall role do internal and external controls serve in a business?

- A. Improving customer relations
- B. Enhancing financial integrity and safeguarding assets**
- C. Facilitating employee training programs
- D. Regulating workplace behavior

Internal and external controls play a crucial role in a business by enhancing financial integrity and safeguarding assets. These controls are designed to ensure that a company's financial reporting is accurate and complies with applicable laws and regulations. They help prevent fraud, errors, and mismanagement of resources by establishing checks and balances within the organization. Internal controls generally involve processes and procedures that a company implements internally to protect its assets and ensure the reliability of financial records. This might include segregation of duties, regular audits, and standardized procedures. External controls, on the other hand, could include regulations imposed by governmental bodies, the requirements of external auditors, and compliance standards that further ensure the integrity of financial reporting and operational practices. By effectively implementing these controls, businesses can instill trust among stakeholders, including investors, customers, and employees, as they demonstrate a commitment to ethical practices and transparency in financial operations. This foundation of financial integrity is vital for long-term sustainability and growth.

5. What does the term "intangible asset" refer to?

- A. An asset that has a physical form
- B. Properties that can be touched
- C. An asset without physical substance**
- D. Assets that are tangible but not fixed

The term "intangible asset" specifically refers to an asset that does not have a physical form, which is why option C is the correct answer. Intangible assets can include things such as patents, trademarks, copyrights, brand recognition, and goodwill. These assets hold value and can contribute to a company's revenue-generating capabilities, despite lacking a tangible presence. In accounting, the distinction between tangible and intangible assets is significant, as it affects how they are recorded on the balance sheet and how they are amortized or depreciated over time. Intangible assets are often more challenging to assess in terms of value compared to tangible assets, which can be physically measured or observed. The other options involve physical attributes of assets, which do not align with the concept of intangibility. Therefore, they are not suitable definitions of intangible assets. Understanding this differentiation is crucial for those studying accounting principles, as it impacts financial reporting and analysis.

6. What action is taken when a check is endorsed?

- A. It is canceled
- B. It is transferred to another person or entity**
- C. It is voided
- D. It is deposited in the bank

When a check is endorsed, it is typically transferred to another person or entity. Endorsement involves the signature of the payee on the back of the check, which authorizes the transfer of the check's ownership to another party. This action allows someone else to cash or deposit the check instead of the original payee. In many cases, endorsements can be specific or blank. A specific endorsement names a particular person or entity to whom the check is being transferred, while a blank endorsement simply consists of the payee's signature, allowing the check to be cashed or deposited by anyone holding it. This makes endorsement a crucial process for the negotiability of checks in financial transactions. The other options do not accurately describe the function of an endorsement. Canceled checks result from checks that are marked as no longer valid, often after payment, while voided checks are those that are declared invalid before being processed. Depositing a check is a subsequent action that may occur following endorsement, but endorsement itself specifically refers to the transfer of ownership.

7. What financial tool provides a monthly statement of transactions in a business?

- A. General Ledger
- B. Work Sheet
- C. Bank Statement**
- D. Income Statement

A bank statement is indeed the financial tool that provides a monthly statement of transactions in a business. It details all the transactions that have occurred in a business's bank account over the course of the month, including deposits, withdrawals, fees, and interest earned. This document is critical for businesses to reconcile their financial records with the bank's records, ensuring accuracy in financial reporting. The general ledger, while essential for tracking all transactions systematically in a business's accounting system, does not provide a monthly summary on its own; it includes detailed records of every transaction throughout the accounting period. A work sheet, on the other hand, is used during the accounting process for organizing adjustments and ensuring that data is correctly processed and balanced, but it does not serve as a statement of transaction activities. Lastly, an income statement summarizes revenues and expenses over a period but does not detail individual transactions like a bank statement does.

8. What does a component percentage represent in financial statements?

- A. The proportion of each account to total assets
- B. The distribution of expenses across different categories
- C. The relative size of individual components relative to the total**
- D. The aggregate of assets, liabilities, and equity

A component percentage in financial statements indicates the relative size of individual components compared to the total. This metric is commonly used in common-size financial statements, where each line item is expressed as a percentage of a total figure. For example, in an income statement, each expense can be shown as a percentage of total revenue, thus allowing for easier comparison across time periods or with other companies, regardless of size. This approach helps analysts and stakeholders quickly understand how each component contributes to the overall financial picture, facilitating more insightful analysis of trends and performance. By focusing on proportions rather than absolute values, it's easier to identify changes and anomalies, enhancing decision-making and strategic planning.

9. Which accounting tool allows a business to manage funds for day-to-day operations?

- A. Savings Account
- B. Mutual Fund
- C. Checking Account**
- D. Investment Account

The checking account is specifically designed for handling daily financial transactions, making it an essential tool for managing funds for day-to-day operations. This type of account allows a business to deposit and withdraw money quickly and efficiently, facilitating the payment of expenses such as wages, utility bills, and supplies. Checking accounts also come with various features, such as checks, debit cards, and online banking services, which enhance the ease and speed of accessing funds. This capability is critical for businesses that require immediate access to cash for routine operations and transactions. The nature of a checking account, with its focus on liquidity and frequent transactions, aligns perfectly with the needs of a business managing its daily operational funds.

10. What does "loss on plant assets" indicate?

- A. Income from selling plant assets at book value
- B. Revenue from selling a plant asset for less than its book value**
- C. A change in value of the remaining plant assets
- D. An increase in depreciation expense

"Loss on plant assets" signifies that a company has sold a plant asset for an amount lower than its book value, which is the value of the asset recorded in the company's financial statements. When this occurs, it reflects a reduction in the asset's value due to wear and tear, obsolescence, or market conditions that affect its selling price. This loss adversely impacts the company's financial results because it results in a negative entry on the income statement, reducing overall profitability. The concept is important for accurately reporting a company's financial position, as it helps stakeholders understand the economic realities faced by the company regarding asset management and performance. Understanding this metric aids in financial analysis and decision-making processes about asset utilization and replacement strategies. The other options do not accurately reflect the meaning of a loss on plant assets. For example, selling an asset for its book value would imply no gain or loss; a change in remaining asset values doesn't specifically relate to a loss on individual asset sales, and an increase in depreciation expense pertains to accounting for asset value reduction over time rather than the outcome of an asset sale.

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://fbia-accounting.examzify.com>

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

SAMPLE