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選擇題 共 40 題 每題 2.5 分

1. Which basic assumption may **not** be followed when a firm in bankruptcy reports financial results?
   a. Going concern assumption.
   b. Economic entity assumption.
   c. Periodicity assumption.
   d. Monetary unit assumption.

2. Which of the following are the two components of the revenue recognition principle?
   a. Cash is received and the amount is material.
   b. Production is complete and there is an active market for the product.
   c. It is probable that future economic benefits will flow to the company and it is possible to reliably measure the amount.
   d. Cash is realized or realizable and production is complete.

3. The following information is available for Ace Company for 2010:

Disbursements for purchases	$1,450,000
Decrease in trade accounts payable	80,000
Increase in merchandise inventory	50,000

   Costs of goods sold for 2010 was
   a. $1,580,000.
   b. $1,320,000.
   c. $1,420,000.
   d. $1,480,000.

4. During 2011, Lopez Corporation disposed of Pine Division, a major component of its business. Lopez realized a gain of $1,200,000, net of taxes, on the sale of Pine's assets. Pine's operating losses, net of taxes, were $1,400,000 in 2011. How should these facts be reported in Lopez's income statement for 2011?

	Total Amount to be Included in	
	Income from Continuing Operations	Results of Discontinued Operations
a.	$1,400,000 loss	$1,200,000 gain
b.	200,000 loss	0
c.	0	200,000 loss
d.	1,200,000 gain	1,400,000 loss

5. Presented below are data for Bandkok Corp.:

	2011	2012	2013
Assets, January 1	Rp 5,400	Rp6,480	?
Liabilities, January 1	3,240	?	Rp3,888
Shareholders Equity, Jan. 1	?	?	4,050
Dividends	1,080	810	918
Increase in Share Capital–ordinary	972	864	920
Shareholders' Equity, Dec. 31	?	?	3,078
Net Income	1,080	864	?

   Shareholders' Equity at January 1, 2012 is
   a. Rp1,890.
   b. Rp1,998.
   c. Rp3,132.
   d. Rp3,186.

Use the following information for questions 6 through 7.
The following data concerning the retail inventory method are taken from the financial records of Welch Company.

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	Cost	Retail
Beginning inventory	$ 49,000	$ 70,000
Purchases	224,000	320,000
Freight-in	6,000	—
Net markups	—	20,000
Net markdowns	—	14,000
Sales	—	336,000

6. The ending inventory at retail should be
   a. $74,000.
   b. $60,000.
   c. $64,000.
   d. $42,000.

7. If the ending inventory is to be valued at approximately the lower of cost or market, the calculation of the cost to retail ratio should be based on goods available for sale at (1) cost and (2) retail, respectively of
   a. $279,000 and $410,000.
   b. $279,000 and $396,000.
   c. $279,000 and $390,000.
   d. $273,000 and $390,000.

8. The actual return on plan assets
   a. is equal to the change in the fair value of the plan assets during the year.
   b. equals changes in the fair value of the fund assets adjusted for the difference between benefit paid and contribution.
   c. is equal to the expected rate of return times the fair value of the plan assets at the beginning of the period.
   d. all of these.

Use the following information for questions 9 and 10

Metro Company, a dealer in machinery and equipment, leased equipment to Sands, Inc., on July 1, 2011. The lease is appropriately accounted for as a sale by Metro and as a purchase by Sands. The lease is for a 10-year period (the useful life of the asset) expiring June 30, 2021. The first of 10 equal annual payments of $621,000 was made on July 1, 2011. Metro had purchased the equipment for $3,900,000 on January 1, 2011, and established a list selling price of $5,400,000 on the equipment. Assume that the present value at July 1, 2011, of the rent payments over the lease term discounted at 8% (the appropriate interest rate) was $4,500,000.

9. Assuming that Sands, Inc. uses straight-line depreciation, what is the amount of depreciation and interest expense that Sands should record for the year ended December 31, 2011?
   a. $225,000 and $310,320
   b. $225,000 and $155,160
   c. $270,000 and $155,160
   d. $270,000 and $180,000

10. What is the amount of profit on the sale and the amount of interest income that Metro should record for the year ended December 31, 2011?
    a. $0 and $155,160
    b. $600,000 and $180,000
    c. $600,000 and $155,160
    d. $900,000 and $360,000

11. On January 1, 2011, Frost Corp. changed its inventory method to FIFO from average cost for both financial and income tax reporting purposes. The change resulted in an $800,000 increase in the

January 1, 2011 inventory. Assume that the income tax rate for all years is 30%. The cumulative effect of the accounting change should be reported by Frost in its 2011

a. retained earnings statement as a $560,000 addition to the beginning balance.
b. income statement as a $560,000 cumulative effect of accounting change.
c. retained earnings statement as an $800,000 addition to the beginning balance.
d. income statement as an $800,000 cumulative effect of accounting change.

Use the following information for questions 12 and 13.
Ernst Company purchased equipment that cost $750,000 on January 1, 2010. The entire cost was recorded as an expense. The equipment had a nine-year life and a $30,000 residual value. Ernst uses the straight-line method to account for depreciation expense. The error was discovered on December 10, 2012. Ernst is subject to a 40% tax rate.

12. Ernst's net income for the year ended December 31, 2010, was understated by
a. $402,000.
b. $450,000.
c. $670,000.
d. $750,000.

13. Before the correction was made and before the books were closed on December 31, 2012, retained earnings was understated by
a. $332,000.
b. $336,000.
c. $354,000.
d. $450,000.

14. A company using a perpetual inventory system neglected to record a purchase of merchandise on account at year end. This merchandise was omitted from the year-end physical count. How will these errors affect assets, liabilities, and equity at year end and net income for the year?

	Assets	Liabilities	Equity	Net Income
a.	No effect	Understate	Overstate	Overstate.
b.	No effect	Overstate	Understate	Understate.
c.	Understate	No effect	Understate	Understate.
d.	Understate	Understate	No effect	No effect.

15. In 2010, Orear Manufacturing signed a contract with a supplier to purchase raw materials in 2011 for $700,000. Before the December 31, 2010 statement of financial position date, the market price for these materials dropped to $510,000. The journal entry to record this situation at December 31, 2010 will result in a credit that should be reported
a. as a valuation account to Inventory on the statement of financial position.
b. on the income statement.
c. as an appropriation of retained earnings.
d. as a current liability.

16. During the prior fiscal year, Jeremiah Corp. signed a long-term noncancellable purchase commitment with its primary supplier to purchase $2.5 million of raw materials. Jeremiah paid the $2.5 million to acquire the raw materials when the raw materials were only worth $2.2 million. Assume that the purchase commitment was properly recorded. What is the journal entry to record the purchase?

a. Debit Inventory for $2,200,000, and credit Cash for $2,200,000.
b. Debit Inventory for $2,200,000, debit Unrealized Holding Loss for $300,000, and credit Cash for $2,500,000.
c. Debit Inventory for $2,200,000, debit Purchase Commitment Liability for $300,000 and credit Cash for $2,500,000.
d. Debit Inventory for $2,500,000, and credit Cash for $2,500,000.

(背面仍有題目,請繼續作答)

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17. Goren Corporation had the following amounts, all at retail:

Beginning inventory	$ 3,600	Purchases	$100,000
Purchase returns	6,000	Net markups	18,000
Abnormal shortage	4,000	Net markdowns	2,800
Sales	72,000	Sales returns	1,800
Employee discounts	1,600	Normal shortage	2,600

What is Goren's ending inventory at retail?
a. $34,400.
b. $36,000.
c. $37,600.
d. $38,400

Use the following information for questions 18 through 19

Braum Dairy produces milk to sell to local and national ice cream producers. Braum Dairy began operations on January 1, 2011 by purchasing 650 milk cows for $780,000. The company controller had the following information available at year end relating to the cows:

Milking cows	
Carrying value, January1, 2011	$780,000
Change in fair value due to growth and price changes	242,000
Decrease in fair value due to harvest	(28,000)
Milk harvested during 2011 but not yet sold	$36,200

18. On Braum Dairy's income statement for the year ending December 31, 2011, what amount of unrealized gain on biological assets will be reported?
a. $ -0-
b. $242,000
c. $214,000
d. $36,200

19. On Braum Dairy's income statement for the year ending December 31, 2011, what amount of unrealized gain on harvest milk will be reported?
a. No gain is reported until the milk is sold.
b. $36,200
c. $8,200
d. $205,800.

20. On August 31, a hurricane destroyed a retail location of Vinny's Clothier including the entire inventory on hand at the location. The inventory on hand as of June 30 totaled $320,000. From June 30 until the time of the hurricane, the company made purchases of $85,000 and had sales of $250,000. Assuming the rate of gross profit to selling price is 40%, what is the approximate value of the inventory that was destroyed?
a. $305,000.
b. $181,500.
c. $205,000.
d. $255,000

21. To produce an inventory valuation which approximates the lower-of-cost-or-net realizable value using the conventional retail inventory method, the computation of the ratio of cost to retail should
a. include markups but not markdowns.
b. include markups and markdowns.
c. ignore both markups and markdowns.
d. include markdowns but not markups

Use the following information for questions 22 and 23.

Landis Co. purchased $500,000 of 8%, 5-year bonds from Ritter, Inc. on January 1, 2011, with interest payable on July 1 and January 1. The bonds sold for $520,790 at an effective interest rate of 7%. Using the effective-interest method, Landis Co. decreased the held-for-collection Debt Investments account for the Ritter, Inc. bonds on July 1, 2011 and December 31, 2011 by the amortized premiums of $1,770 and $1,830, respectively.

22. At December 31, 2011, the fair value of the Ritter, Inc. bonds was $530,000. What should Landis Co. report as other income and expense as part of net income, if Ritter choose the fair value option to account for this investment?
   a. $12,810.
   b. $9,210.
   c. $3,600.
   d. No entry should be made.

23. At April 1, 2012, Landis Co. sold the Ritter bonds for $515,000. After accruing for interest, the carrying value of the Ritter bonds on April 1, 2012 was $516,875. Assuming Landis Co. has a portfolio of Debt Investments that Landis managed on a held-for-collection basis, what should Landis Co. report as a gain or loss on sale of the bond?
   a. ($14,685).
   b. ($10,935).
   c. ($1,875).
   d. $ 0.

24. Santo Corporation declares and distributes a cash dividend that is a result of current earnings. How will the receipt of those dividends affect the investment account of the investor under each of the following accounting methods?

	Fair Value Method	Equity Method
a.	No Effect	Decrease
b.	Increase	Decrease
c.	No Effect	No Effect
d.	Decrease	No Effect

25. The fair value option allows a company to
   a. record income when the fair value of its investment increases.
   b. value its debt investments at fair value in some years but not other years.
   c. report most financial instruments at fair value by recording gains and losses as a separate component of stockholders' equity.
   d. All of the above are true of the fair value option.

26. Mays Company has a machine with a cost of $400,000 which also is its fair value on the date the machine is leased to Park Company. The lease is for 6 years and the machine is estimated to have an unguaranteed residual value of $40,000. If the lessor's interest rate implicit in the lease is 12%, the six beginning-of-the-year lease payments would be (present value of an annuity due of $1 is 4.60478 for i=12%, n=6; present value of a single sum $1 is 0.50663 for i=12%, n=6)
   a. $82,925
   b. $82,465.
   c. $82,180.
   d. $82,667.

Use the following information for questions 27 and 28.
Instrument Corp. has the following equity investments that were held throughout 2010–2011:

	Cost	Fair Value	
		12/31/10	12/31/11
Trading	$300,000	$400,000	$380,000
Non-trading	300,000	320,000	360,000

(背面仍有題目,請繼續作答)

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27. What amount of gain or loss would Instrument Corp. report in its income statement for the year ended December 31, 2011 related to its equity investments?
   a. $20,000 gain.
   b. $20,000 loss.
   c. $140,000 gain.
   d. $80,000 gain.

28. What amount would be reported as accumulated other comprehensive income related to investments in Instrument Corp.'s statement of financial position at December 31, 2010?
   a. $40,000 gain.
   b. $60,000 gain.
   c. $20,000 gain.
   d. $120,000 gain.

29. A major distinction between temporary and permanent differences is
   a. permanent differences are not representative of acceptable accounting practice.
   b. temporary differences occur frequently, whereas permanent differences occur only once.
   c. once an item is determined to be a temporary difference, it maintains that status; however, a permanent difference can change in status with the passage of time.
   d. temporary differences reverse themselves in subsequent accounting periods, whereas permanent differences do not reverse.

30. On December 31, 2011, Grantham, Inc. appropriately changed its inventory valuation method to FIFO cost from average cost for financial statement and income tax purposes. The change will result in a $1,500,000 increase in the beginning inventory at January 1, 2011. Assume a 30% income tax rate. The cumulative effect of this accounting change on beginning retained earnings is
   a. $0.
   b. $450,000.
   c. $1,050,000.
   d. $1,500,000.

31. Under IFRS deferred tax assets are recognized for
   I. Deductible permanent differences.
   II. Deductible temporary differences.
   III. Operating loss carryforwards.
   IV. Operating loss carrybacks.

   a. I, II, and III.
   b. I and III only.
   c. I and IV only.
   d. II and III only.

32. Black, Inc. is a calendar-year corporation whose financial statements for 2010 and 2011 included errors as follows:

Year	Ending Inventory	Depreciation Expense
2010	$162,000 overstated	$135,000 overstated
2011	54,000 understated	45,000 understated

Assume that purchases were recorded correctly and that no correcting entries were made at December 31, 2010, or at December 31, 2011. Ignoring income taxes, by how much should Black's retained earnings be retroactively adjusted at January 1, 2012?
   a. $144,000 increase
   b. $36,000 increase
   c. $18,000 decrease
   d. $9,000 increase

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33. In a sale-leaseback transaction where none of the four leasing criteria are satisfied, which of the following is false?
 a. The seller-lessee removes the asset from its books.
 b. The purchaser-lessor records a gain.
 c. The seller-lessee records the lease as an operating lease.
 d. All of the above are false statements.

Use the following information for questions 34 through 36.

The following data are for the pension plan for the employees of Lockett Company.

	1/1/10	12/31/10	12/31/11
Defined benefit obligation	\$8,100,000	\$8,400,000	\$11,100,000
Plan assets (at fair value)	6,900,000	9,000,000	9,900,000
Unrecognized Net Loss	-0-	1,440,000	1,500,000
Discount rate (for year)		10%	9%
Expected rate of return (for year)		8%	7%

Lockett's contribution was \$1,260,000 in 2011 and benefits paid were \$1,125,000. Lockett estimates that the average remaining service life is 15 years.

34. The actual return on plan assets in 2011 was
 a. \$900,000.
 b. \$765,000.
 c. \$600,000.
 d. \$465,000.

35. Assume that the actual return on plan assets in 2011 was \$800,000. The unexpected gain on plan assets in 2011 was
 a. \$191,000.
 b. \$170,000.
 c. \$149,000.
 d. \$107,000.

36. The corridor for 2011 was \$900,000. The amount of unrecognized net loss amortized in 2011 was
 a. \$100,000.
 b. \$96,000.
 c. \$42,000.
 d. \$36,000.

37. Which of the following is not a condition that must be satisfied before interest capitalization can begin on a qualifying asset?
 a. Interest cost is being incurred.
 b. Expenditures for the assets have been made.
 c. The interest rate is equal to or greater than the company's cost of capital.
 d. Activities that are necessary to get the asset ready for its intended use are in progress.

38. Ziegler Corporation purchased 25,000 ordinary shares of Sherman Corporation for \$40 per share on January 2, 2010. Sherman Corporation had 100,000 ordinary shares outstanding during 2011, paid cash dividends of \$60,000 during 2011, and reported net income of \$200,000 for 2011. Ziegler Corporation should report revenue from investment for 2011 in the amount of
 a. \$15,000.
 b. \$35,000.
 c. \$50,000.
 d. \$65,000.

(背面仍有題目,請繼續作答)

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39. Revenue is recognized by the consignor when the
   a. goods are shipped to the consignee.
   b. consignee receives the goods.
   c. consignor receives an advance from the consignee.
   d. consignor receives an account sales notification from the consignee.

40. Barton, Inc. received the following information from its pension plan trustee concerning the operation of the company's defined-benefit pension plan for the year ended December 31, 2011.

	January 1, 2011	December 31, 2011
Fair value of pension plan assets	\$4,200,000	\$4,500,000
Defined benefit obligation	4,800,000	5,160,000
Unrecognized Net Gain / Loss	-0-	(90,000)

The service cost component of pension expense for 2011 is \$360,000 and the amortization of past service cost due to an increase in benefits is \$60,000. The discount rate is 10% and the expected rate of return is 9%. What is the amount of pension expense for 2011?
   a. \$360,000
   b. \$522,000
   c. \$531,000
   d. \$432,000