一、選擇題，每題四分，計一百分。

Use the following to answer question 1:

Meyer Corp. reports operating expenses in two categories: (1) selling and (2) general and administrative. The adjusted trial balance at December 31, 2007, included the following expense accounts:

Accounting and legal fees	$140,000
Advertising	120,000
Freight-out	75,000
Interest	60,000
Loss on sale of long-term investments	30,000
Officers' salaries	180,000
Rent for office space	180,000
Sales salaries and commissions	110,000

One-half of the rented premises is occupied by the sales department.

1. How much of the expenses listed above should be included in Meyer's selling expenses for 2007?
   A) $230,000.
   B) $305,000.
   C) $320,000.
   D) $395,000.

Use the following to answer question 2:

Hogan Corp.'s trial balance of income statement accounts for the year ended December 31, 2007 included the following:

	Debit	Credit
Sales		$140,000
Cost of sales	$ 50,000	
Administrative expenses	25,000	
Loss on sale of equipment	9,000	
Commissions to salespersons	8,000	
Interest revenue		5,000
Freight-out	3,000	
Loss due to earthquake damage	12,000	
Bad debt expense	3,000	
Totals	$110,000	$145,000

Other information:
Hogan's income tax rate is 30%. Finished goods inventory:

January 1, 2007	$80,000
December 31, 2007	70,000

On Hogan's multiple-step income statement for 2007,

2. Cost of goods manufactured is
   A) $63,000.
   B) $60,000.
   C) $43,000.
   D) $40,000.

3. On January 4, 2007, Gregg Co. leased a building to Cole Corp. for a ten-year term at an annual rental of $75,000. At inception of the lease, Gregg received $300,000 covering the first two years' rent of $150,000 and a security deposit of $150,000. This deposit will not be returned to Cole upon expiration of the lease but will be applied to payment of rent for the last two years of the lease. What portion of the $300,000 should be shown as a current and long-term liability in Gregg's December 31, 2007 balance sheet?

	Current Liability	Long-term Liability
a.	$0	$300,000
b.	$75,000	$150,000
c.	$150,000	$150,000
d.	$150,000	$75,000

   A) A
   B) B
   C) C
   D) D

Use the following to answer question 4:

On February 1, 2007, Norton Company factored receivables with a carrying amount of $300,000 to Koch Company. Koch Company assesses a finance charge of 3% of the receivables and retains 5% of the receivables. Relative to this transaction, you are to determine the amount of loss on sale to be reported in the income statement of Norton Company for February.

4. Assume that Norton factors the receivables on a without recourse basis. The loss to be reported is
   A) $0.
   B) $9,000.
   C) $15,000.
   D) $24,000.

Use the following to answer question 5:

Ely Company had January 1 inventory of $100,000 when it adopted dollar-value LIFO. During the year, purchases were $600,000 and sales were $1,000,000. December 31 inventory at year-end prices was $126,500, and the price index was 110.

5. What is Ely Company's gross profit?
   A) $415,000.
   B) $416,500.
   C) $426,500.
   D) $883,500.

Use the following to answer question 6:

Sloan Company, a wholesaler, budgeted the following sales for the indicated months:

	June	July	August
Sales on account	$1,800,000	$1,840,000	$1,900,000
Cash sales	180,000	200,000	260,000
Total sales	$1,980,000	$2,040,000	$2,160,000

All merchandise is marked up to sell at its invoice cost plus 20%. Merchandise inventories at the beginning of each month are at 30% of that month's projected cost of goods sold.

6. The cost of goods sold for the month of June is anticipated to be
   A) $1,440,000.
   B) $1,500,000.
   C) $1,520,000.
   D) $1,650,000.

（背面仍有題目.請繼續作答）

Use the following to answer question 7:

The following data concerning the retail inventory method are taken from the financial records of Stone Company.

	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

7. The ending inventory at retail should be
   A) $74,000.
   B) $60,000.
   C) $64,000.
   D) $42,000.

8. Gray Football Co. had a player contract with Vance that is recorded in its books at $3,600,000 on July 1, 2007. Day Football Co. had a player contract with Simms that is recorded in its books at $4,500,000 on July 1, 2007. On this date, Gray traded Vance to Day for Simms and paid a cash difference of $450,000. The fair value of the Simms contract was $5,400,000 on the exchange date. The exchange had no commercial substance. After the exchange, the Simms contract should be recorded in Gray's books at
   A) $4,050,000.
   B) $4,500,000.
   C) $4,950,000.
   D) $5,400,000.

Use the following to answer question 9:

For 2007, Colaw Company reports beginning of the year total assets of $900,000, end of the year total assets of $1,100,000, net sales of $1,250,000, and net income of $250,000.

9. Colaw's 2007 asset turnover ratio is
   A) .23 times.
   B) .25 times.
   C) 1.14 times.
   D) 1.25 times.

10. Fleming Corporation acquired Out-of-Sight Products on January 1, 2008 for $4,000,000, and recorded goodwill of $750,000 as a result of that purchase. At December 31, 2008, the Out-of-Sight Products Division had a fair value of $3,400,000. The net identifiable assets of the Division (excluding goodwill) had a fair value of $2,900,000 at that time. What amount of loss on impairment of goodwill should Fleming record in 2008?
A) $ -0-
B) $250,000
C) $350,000
D) $600,000

11. On January 1, 2007, Didde Co. leased a building to Ellis Corp. for a ten-year term at an annual rental of $80,000. At inception of the lease, Didde received $320,000 covering the first two years' rent of $160,000 and a security deposit of $160,000. This deposit will not be returned to Ellis upon expiration of the lease but will be applied to payment of rent for the last two years of the lease. What portion of the $320,000 should be shown as a current and long-term liability, respectively, in Didde's December 31, 2007 balance sheet?

	Current Liability	Long-term Liability
a.	$0	$320,000
b.	$80,000	$160,000
c.	$160,000	$160,000
d.	$160,000	$80,000

A) a
B) b
C) c
D) d

12. Brye Co. is indebted to Dole under a $400,000, 12%, three-year note dated December 31, 2005. Because of Brye's financial difficulties developing in 2007, Brye owed accrued interest of $48,000 on the note at December 31, 2007. Under a troubled debt restructuring, on December 31, 2007, Dole agreed to settle the note and accrued interest for a tract of land having a fair value of $360,000. Brye's acquisition cost of the land is $290,000. Ignoring income taxes, on its 2007 income statement Brye should report as a result of the troubled debt restructuring

	Gain on Disposal	Restructuring Gain
a.	$158,000	$0
b.	$110,000	$0
c.	$70,000	$40,000
d.	$70,000	$88,000

A) a
B) b
C) c
D) d

13. According to the FASB, redeemable preferred stock should be
    A) included with common stock.
    B) included as a liability.
    C) excluded from the stockholders' equity heading.
    D) included as a contra item in stockholders' equity.

Use the following to answer question 14:

Winger Corporation had the following information in its financial statements for the year ended 2007 and 2008:

Cash Dividends for the year 2008	$ 15,000
Net Income for the year ended 2008	124,000
Market price of stock, 12/31/08	24
Common stockholders' equity, 12/31/07	2,200,000
Common stockholders' equity, 12/31/08	2,400,000
Outstanding shares, 12/31/08	120,000
Preferred dividends for the year ended 2008	30,000

14. What is the payout ratio for Winger Corporation for the year ended 2008?
    A) 12.1%
    B) 16.0%
    C) 36.3%
    D) 41.3%

Use the following to answer question 15:

On May 1, 2007, Logan Co. issued $300,000 of 7% bonds at 103, which are due on April 30, 2017. Twenty detachable stock warrants entitling the holder to purchase for $40 one share of Logan's common stock, $15 par value, were attached to each $1,000 bond. The bonds without the warrants would sell at 96. On May 1, 2007, the fair value of Logan's common stock was $35 per share and of the warrants was $2.

15. On May 1, 2007, Logan should record the bonds with a
    A) discount of $12,000.
    B) discount of $3,360.
    C) discount of $3,000.
    D) premium of $9,000.

Use the following to answer question 16:

On January 1, 2006, Merken, Inc. established a stock appreciation rights plan for its executives. It entitled them to receive cash at any time during the next four years for the difference between the market price of its common stock and a pre-established price of $20 on 60,000 SARs. Current market prices of the stock are as follows:

January 1, 2006	$35 per share
December 31, 2006	38 per share
December 31, 2007	30 per share
December 31, 2008	33 per share

Compensation expense relating to the plan is to be recorded over a four-year period beginning January 1, 2006.

16. What amount of compensation expense should Merken recognize for the year ended December 31, 2006?
   A) $180,000
   B) $270,000
   C) $225,000
   D) $1,080,000

Use the following to answer question 17:

Oliver Company purchased $400,000 of 10% bonds of McGee Co. on January 1, 2008, paying $376,100. The bonds mature January 1, 2018; interest is payable each July 1 and January 1. The discount of $23,900 provides an effective yield of 11%. Oliver Company uses the effective-interest method and plans to hold these bonds to maturity.

17. For the year ended December 31, 2008, Oliver Company should report interest revenue from the McGee Co. bonds of:
   A) $42,392.
   B) $41,409.
   C) $41,368.
   D) $40,000.

Use the following to answer question 18:

Parker Construction Co. uses the percentage-of-completion method. In 2007, Parker began work on a contract for $5,500,000; it was completed in 2008. The following cost data pertain to this contract:

	Year Ended December 31	
	2007	2008
Cost incurred during the year	$1,950,000	$1,400,000
Estimated costs to complete at the end of year	1,300,000	—

18. If the completed-contract method of accounting was used, the amount of gross profit to be recognized for years 2007 and 2008 would be

	2007	2008
a.	$2,250,000.	$0.
b.	$2,150,000.	$(100,000).
c.	$0.	$2,150,000.
d.	$0.	$2,250,000.

A) a
B) b
C) c
D) d

Use the following to answer question 19:

The following information relates to Haywood, Inc.:

	For the Year Ended December 31,	
	2007	2008
Plan assets (at fair value)	$1,260,000	$1,824,000
Pension expense	570,000	450,000
Accumulated benefit obligation	1,620,000	1,884,000
Annual contribution to plan	600,000	450,000
Unrecognized prior service cost	480,000	420,000

Prior to 2007, cumulative pension expense recognized equaled cumulative contributions.

19. The amount reported as the total liability for pensions on the December 31, 2007 balance sheet is
A) $ -0-.
B) $30,000.
C) $360,000.
D) $390,000.

20. Estes Co. leased a machine to Dains Co. Assume the lease payments were made on the basis that the residual value was guaranteed and Estes gets to recognize all the profits, and at the end of the lease term, before the lessee transfers the asset to the lessor, the leased asset and obligation accounts have the following balances:

Leased equipment under capital lease	$400,000
Less accumulated depreciation--capital lease	384,000
	$ 16,000
Interest payable	$ 1,520
Obligations under capital leases	14,480
	$16,000

If, at the end of the lease, the fair market value of the residual value is $8,800, what gain or loss should Estes record?
A) $6,480 gain
B) $7,120 loss
C) $7,200 loss
D) $8,800 gain

Use the following to answer question 21:

Carey Company purchased a machine on January 1, 2005, for $300,000. At the date of acquisition, the machine had an estimated useful life of six years with no salvage. The machine is being depreciated on a straight-line basis. On January 1, 2008, Carey determined, as a result of additional information, that the machine had an estimated useful life of eight years from the date of acquisition with no salvage. An accounting change was made in 2008 to reflect this additional information.

21. What is the amount of depreciation expense on this machine that should be charged in Carey's income statement for the year ended December 31, 2008?
A) $30,000
B) $37,500
C) $60,000
D) $75,000

Use the following to answer question 22:

Company provided the following information on selected transactions during 2008:

Dividends paid to preferred stockholders	$ 150,000
Loans made to affiliated corporations	750,000
Proceeds from issuing bonds	900,000
Proceeds from issuing preferred stock	1,050,000
Proceeds from sale of equipment	450,000
Purchases of inventories	1,200,000
Purchase of land by issuing bonds	300,000
Purchases of treasury stock	600,000

22. The net cash provided (used) by financing activities during 2008 is
   A) $(1,650,000).
   B) $450,000.
   C) $750,000.
   D) $1,200,000.

Use the following to answer question 23:

Paxson Mining Co. has recently decided to go public and has hired you as an independent CPA. One statement that the enterprise is anxious to have prepared is a statement of cash flows. Financial statements of Paxson Mining Co. for 2008 and 2007 are provided below.

BALANCE SHEETS

		12/31/08		12/31/07
Cash		$204,000		$ 96,000
Accounts receivable		180,000		108,000
Merchandise inventory		192,000		240,000
Property, plant and equipment	$304,000		$480,000	
Less accumulated depreciation	(160,000)	144,000	(152,000)	328,000
		$720,000		$772,000
Accounts payable		$ 88,000		$ 48,000
Income taxes payable		176,000		196,000
Bonds payable		180,000		300,000
Common stock		108,000		108,000
Retained earnings		168,000		120,000
		$720,000		$772,000

INCOME STATEMENT
For the Year Ended December 31, 2008

Sales		$4,200,000
Cost of sales		3,576,000
Gross profit		624,000
Selling expenses	$300,000	
Administrative expenses	96,000	396,000
Income from operations		228,000
Interest expense		36,000
Income before taxes		192,000
Income taxes		48,000
Net income		$ 144,000

The following additional data were provided:

1. Dividends for the year 2008 were $96,000.
2. During the year, equipment was sold for $120,000. This equipment cost $176,000 originally and had a book value of $144,000 at the time of sale. The loss on sale was incorrectly charged to cost of sales.
3. All depreciation expense is in the selling expense category.

Questions 55 through 59 relate to a statement of cash flows (direct method) for the year ended December 31, 2008, for Paxson Mining Company.

23. The net cash provided (used) by financing activities is
    A) $(120,000).
    B) $24,000.
    C) $(216,000).
    D) $96,000.

Use the following to answer questions 24-25:

Information for Morales Corp. is given below:

Morales Corp.
Balance Sheet
December 31, 2008

Assets		Equities	
Cash	$ 100,000	Accounts payable	$ 210,000
Accounts receivable (net)	650,000	Federal income tax payable	63,000
Inventories	813,000	Miscellaneous accrued payables	75,000
Plant and equipment, net of depreciation	661,000	Bonds payable (10%, due 2012)	625,000
Patents	87,000	Preferred stock ($100 par, 6% cumulative nonparticipating)	250,000
Other intangible assets	25,000	Common stock (no par, 20,000 shares authorized, issued and outstanding)	375,000
Total Assets	$2,336,000	Retained earnings	813,000
		Treasury stock—500 shares of preferred	(75,000)
		Total Equities	$2,336,000

Morales Corp.
Income Statement
Year Ended December 31, 2008

Net sales	$3,000,000
Cost of goods sold	2,000,000
Gross profit	1,000,000
Operating expenses (including bond interest expense)	500,000
Income before income taxes	500,000
Income tax	150,000
Net income	$ 350,000

<u>Additional information</u>:
There are no preferred dividends in arrears, the balances in the Accounts Receivable and Inventory accounts are unchanged from January 1, 2008, and there were no changes in the Bonds Payable, Preferred Stock, or Common Stock accounts during 2008. Assume that preferred dividends for the current year have *not* been declared.

24. At December 31, 2008, the current ratio was
    A) 750 ?210.
    B) 2,225 ?273.
    C) 1,563 ?273.
    D) 1,563 ?348.

25. The number of times interest was earned during 2008 was
    A) 350 ?62.5.
    B) 500 ?62.5.
    C) 562 ?62.5.
    D) 437 ?62.5.