

本試題是否可以使用計算機：可使用，不可使用（請命題老師勾選）

考試日期：0302·節次：2

Part I: Multiple-Choice Questions: Select the best answer for each of the following questions.
(3% for each question) (90%)

1. At December 31, 2007, Malle Corp. had the following equity securities that were purchased during 2007, its first year of operation:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Trading Securities:			
Security A	\$ 90,000	\$ 60,000	\$(30,000)
B	<u>15,000</u>	<u>20,000</u>	<u>5,000</u>
Totals	<u>\$105,000</u>	<u>\$ 80,000</u>	<u>\$(25,000)</u>
Available-for-Sale Securities:			
Security Y	\$ 70,000	\$ 80,000	\$ 10,000
Z	<u>85,000</u>	<u>55,000</u>	<u>(30,000)</u>
Totals	<u>\$155,000</u>	<u>\$135,000</u>	<u>\$(20,000)</u>

All market declines are considered temporary. Fair value adjustments at December 31, 2007 should be established with a corresponding charge against

	<u>Income</u>	<u>Stockholders' Equity</u>
a. \$45,000		\$ 0
b. \$30,000		\$30,000
c. \$25,000		\$20,000
d. \$25,000		\$ 0

2. 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.

What amount of compensation expense should Merken recognize for the year ended December 31, 2007?

- a. \$0
- b. \$30,000
- c. \$300,000
- d. \$150,000

(背面仍有題目,請繼續作答)

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3. Victor Manufacturing Co. switched from FIFO to LIFO on January 1, 2004 for external reporting and income tax purposes, while retaining FIFO for internal reports. On that date, the FIFO inventory equaled \$360,000. The ensuing three-year period resulted in the following:

<u>Date</u>	<u>Inventory Year-End Costs</u>	<u>Cost Index</u>
December 31, 2004	\$438,000	1.05
December 31, 2005	460,000	1.15
December 31, 2006	520,000	1.25

The ending inventory at December 31, 2006, using the Dollar-value LIFO method would be

- a. \$422,000
b. \$402,000
c. \$426,000
d. \$420,400
4. During 2007, Aber Corporation constructed assets costing \$1,000,000. The weighted-average accumulated expenditures on these assets during 2007 was \$600,000. To help pay for construction, \$440,000 was borrowed at 10% on January 1, 2007, and funds not needed for construction were temporarily invested in short-term securities, yielding \$9,000 in interest revenue. Other than the construction funds borrowed, the only other debt outstanding during the year was a \$500,000, 10-year, 9% note payable dated January 1, 2001. What is the amount of interest that should be capitalized by Aber during 2007?
- a. \$60,000.
b. \$30,000.
c. \$58,400.
d. \$94,400.
5. General Products Company bought Special Products Division in 2006 and appropriately booked \$250,000 of goodwill related to the purchase. On December 31, 2007, the fair value of Special Products Division is \$2,000,000 and it is carried on General Product's books for a total of \$1,700,000, including the goodwill. An analysis of Special Products Division's assets indicates that goodwill of \$200,000 exists on December 31, 2007. What goodwill impairment should be recognized by General Products in 2007?
- a. \$0.
b. \$200,000.
c. \$50,000.
d. \$300,000.

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6. Software production costs related to computer software that is to be sold, leased, or otherwise marketed should be accounted for in which of the following ways:
- all software production costs should be recorded as R&D expense
 - all software production costs should be capitalized
 - all software production costs should be recorded in R&D expense until technological feasibility is established
 - all software production costs should be recorded in R&D expense until the product is available for general release to customers

7. Intracompany comparability would be violated if
- a company used LIFO as its inventory cost method while other companies in the same industry used FIFO
 - a company changed its bad debts expense estimate from one percent to two percent
 - a bank did not classify its assets as current assets and noncurrent assets
 - a company expenses all expenditures of less than \$500 even if the expenditures result in probable future economic benefit

8. Silas Company reported the following information for 2007:

Sales revenue	\$500,000
Cost of goods sold	350,000
Operating expenses	55,000
Unrealized holding gain on available-for-sale securities	20,000
Cash dividends received on the securities	2,000

For 2007, Silas would report comprehensive income of

- \$117,000.
- \$115,000.
- \$97,000.
- \$20,000.

(背面仍有題目,請繼續作答)

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9. The following condensed income statement of Scoop Corporation is presented for the two years ended December 31, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Net sales	\$10,000,000	\$9,000,000
Cost of sales	<u>6,000,000</u>	<u>6,000,000</u>
Gross profit	\$ 4,000,000	\$3,000,000
Operating expense	<u>2,500,000</u>	<u>2,000,000</u>
Operating income	\$ 1,500,000	\$1,000,000
Gain on sale of a component	<u>900,000</u>	—
	\$ 2,400,000	\$1,000,000
Income Tax Expense	<u>720,000</u>	<u>300,000</u>
Net income	<u>\$ 1,680,000</u>	<u>\$ 700,000</u>

On January 1, 2007, Scoop entered into an agreement to sell for \$2,000,000 one of its separate operating divisions. The sale resulted in a gain on disposition of \$900,000 on November 12, 2007, and qualifies as a discontinued component. This division's contribution to Scoop's reported income before income taxes for each year was as follows:

2007 \$700,000 loss

2006 \$400,000 loss

Assume an income tax rate of 30%.

In the preparation of a revised comparative income statement, Scoop should report under the caption "Discontinued Operations" for 2007 and 2006, respectively

- a. income of \$140,000 and a loss of \$280,000
- b. income of \$140,000 and a loss of \$0
- c. income of \$200,000 and a loss of \$400,000
- d. a loss of \$700,000 and a loss of \$400,000

10. 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.

Assume that Norton factors the receivables on a with recourse basis. The recourse obligation has a fair value of \$1,500. The loss to be reported is

- a. \$9,000.
- b. \$10,500.
- c. \$15,000.
- d. \$25,500.

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11. Sandy, Inc. had the following bank reconciliation at March 31, 2007:

Balance per bank statement, 3/31/07	\$37,200
Add: Deposit in transit	<u>10,300</u>
	47,500
Less: Outstanding checks	<u>12,600</u>
Balance per books, 3/31/07	<u>\$34,900</u>

Data per bank for the month of April 2007 follow:

Deposits	\$46,700
Disbursements	49,700

All reconciling items at March 31, 2007 cleared the bank in April. Outstanding checks at April 30, 2007 totaled \$6,000. There were no deposits in transit at April 30, 2007. What is the cash balance per books at April 30, 2007?

- \$28,200
 - \$31,900
 - \$34,200
 - \$38,500
12. Brown Corporation uses the FIFO method for internal reporting purposes and LIFO for external reporting purposes. The balance in the LIFO Reserve account at the end of 2007 was \$60,000. The balance in the same account at the end of 2008 is \$90,000. Brown's Cost of Goods Sold account has a balance of \$450,000 from sales transactions recorded during the year. What amount should Brown report as Cost of Goods Sold in the 2008 income statement?
- \$420,000.
 - \$450,000.
 - \$480,000.
 - \$540,000.
13. The Flying Shoe Store uses the FIFO retail inventory method to determine its ending inventory. The accounting records for Flying Shoe contained the following information:

	<u>Cost</u>	<u>Retail</u>
Purchases	\$242,000	\$348,830
Sales		394,000
Sales returns		5,076
Beginning inventory	60,500	107,294
Net markups		32,800
Net markdowns		12,000

(背面仍有題目,請繼續作答)

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The freight-in charges for the merchandise were \$7,500. What is the cost of ending inventory for the Flying Shoe store.

- a. \$49,280
- b. \$55,792
- c. \$57,200
- d. \$59,400

14. On February 1, 2009, Badger Corporation purchased a parcel of land as a factory site for \$50,000. An old building on the property was demolished, and construction began on a new building that was completed on December 12, 2009. Costs incurred during this period are listed below:

Demolition of old building	\$ 10,000
Architect's fees	22,000
Legal fees for title investigation and purchase contract	3,000
Construction costs	1,000,000

(Salvaged materials resulting from demolition were sold for \$15,000.)

Badger should record the cost of the land and the cost of the new building, respectively, as

- a. \$48,000 and \$1,022,000
- b. \$50,000 and \$1,022,000
- c. \$63,000 and \$1,032,000
- d. \$63,000 and \$1,017,000

15. On January 1, 2003, the Chipper Company purchased 30% of the 1,000,000 shares of Nixon's common stock for \$15,000,000 when 30% of Nixon's net assets totaled \$10,000,000. The excess purchase price over the underlying assets was attributable to undervalued depreciable plant assets with a remaining useful life of ten years. Nixon reported net income of \$10,000,000 and paid cash dividends of \$1,000,000 during 2003. The investment in Nixon Company stock should be reported on Chipper's December 31, 2003, balance sheet at

- a. \$15,000,000
- b. \$17,200,000
- c. \$17,700,000
- d. \$18,000,000

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Use the following information for questions 22 and 23.

Two independent companies, Mintz Co. and Pine Co., are in the home building business. Each owns a tract of land held for development, but each would prefer to build on the other's land. They agree to exchange their land. An appraiser was hired, and from her report and the companies' records, the following information was obtained:

	<u>Mintz's Land</u>	<u>Pine's Land</u>
Cost and book value	\$192,000	\$120,000
Fair value based upon appraisal	240,000	210,000

The exchange was made, and based on the difference in appraised fair values, Pine paid \$30,000 to Mintz. The exchange lacked commercial substance.

16. For financial reporting purposes, Mintz should recognize a pre-tax gain on this exchange of

- a. \$0.
- b. \$6,000.
- c. \$30,000.
- d. \$48,000.

17. The new land should be recorded on Mintz's books at

- a. \$168,000.
- b. \$192,000.
- c. \$210,000.
- d. \$240,000.

18. Given the following information concerning the Installment Company:

	<u>2008</u>	<u>2009</u>
Cost of goods sold	\$8,000	\$9,000
Cash collected:		
On 2004 sales	4,000	4,000
On 2005 sales		2,000
Sales	10,000	12,000

How much gross profit should Installment Company realize in 2009?

- a. \$3,000
- b. \$1,500
- c. \$1,200
- d. \$1,300
- e. none of the listed answers

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19. In 2004 a construction company began work on a contract with a price of \$875,000 and estimated costs of \$625,000. Data for each year of the contract are as follows:

	<u>2004</u>	<u>2005</u>	<u>2006</u>
Costs incurred during the year	\$187,500	\$302,500	\$210,000
Estimated costs to complete	437,500	210,000	-0-
Partial billings	150,000	312,500	412,500
Collections	125,000	325,000	425,000

Under the percentage-of-completion method of revenue recognition, the balance of the Construction in Progress account at the end of 2005 would be

- a. \$612,500
- b. \$490,000
- c. \$150,000
- d. \$ 27,500

20. Yount Inc. charges an initial franchise fee of \$920,000, with \$200,000 paid when the agreement is signed and the balance in five annual payments. The present value of the future payments, discounted at 10%, is \$545,872. The franchisee has the option to purchase \$120,000 of equipment for \$96,000. Yount has substantially provided all initial services required and collectibility of the payments is reasonably assured. The amount of revenue from franchise fees is

- a. \$200,000.
- b. \$721,872.
- c. \$745,872.
- d. \$920,000.

21. The following information relates to the Stevens Company:

Paid note payable	\$ 50
Bought equipment	260
Depreciation expense	500
Net income	6,000
Paid dividends	300
Issued bonds payable	1,100
Issued common stock	700
Sold land	2,400

What is the net cash provided by financing activities?

- a. \$1,450
- b. \$3,900
- c. \$4,400
- d. \$1,500

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22. Alamo, Inc., experienced the following treasury stock transactions during 2003:

- 4/1/03: Reacquired 1,200 shares of its \$5 par value common stock, originally sold at \$12 a share, for \$10 a share. This was the first time that Alamo had reacquired its own stock.
- 4/15/03: Reissued 400 shares at \$6 a share.
- 5/2/03: Reissued 600 shares at \$12 a share.
- 5/10/03: Retired the remaining 200 shares.

The entry to record the reissuance of 400 shares on 4/15/03, assuming the Cost Method was used, would include a

- a. credit to Treasury Stock for \$2,000
- b. debit to Additional Paid-In Capital from Treasury Stock for \$1,600
- c. debit to Retained Earnings for \$1,600
- d. credit to Additional Paid-In Capital-Common Stock for \$800

23. On January 1, 2007, Reed, Inc., issued \$50,000 of ten-year, 8% bonds for \$43,800.

Interest was payable semiannually. The effective yield was 10%. The effective interest method of discount amortization was used. What amount of interest expense should be recorded for the six-month period ending December 31, 2007?

- a. \$2,205.50
- b. \$2,209.00
- c. \$2,180.50
- d. \$2,199.50

24. A corporation called an outstanding bond obligation four years before maturity. At that time there was an unamortized discount of \$300,000. To extinguish this debt, the company had to pay a call premium of \$100,000. Ignoring income tax considerations, how should these amounts be treated for accounting purposes?

- a. Amortize \$400,000 over four years.
- b. Charge \$400,000 to a loss in the year of extinguishment.
- c. Charge \$100,000 to a loss in the year of extinguishment and amortize \$300,000 over four years.
- d. Either amortize \$400,000 over four years or charge \$400,000 to a loss immediately, whichever management selects.

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25. In January 2004, the Kiss Corporation purchased a patent for \$192,000 from Hug Company that had a remaining legal life of 14 years. Kiss estimated that the remaining economic life would be eight years. In January 2008, the company incurred \$30,000 in legal costs to defend the patent from an infringement. Kiss's lawyers were successful and the remaining years of benefit from the patent were estimated to be six years. The patent amortization expense for 2008 is

- a. \$16,000
- b. \$21,000
- c. \$22,200
- d. \$27,857

26. Hall Co. incurred research and development costs in 2007 as follows:

Materials used in research and development projects	\$ 450,000
Equipment acquired that will have alternate future uses in future research and development projects	3,000,000
Depreciation for 2007 on above equipment	300,000
Personnel costs of persons involved in research and development projects	750,000
Consulting fees paid to outsiders for research and development projects	150,000
Indirect costs reasonably allocable to research and development projects	<u>225,000</u>
	<u>\$4,875,000</u>

The amount of research and development costs charged to Hall's 2007 income statement should be

- a. \$1,500,000
 - b. \$1,650,000
 - c. \$1,875,000
 - d. \$4,050,000
27. Virginia Poultry Co. paid \$8,750 for some land that was expected to have 50,000 units of a natural resource on it. Development costs amounted to \$520. It was expected that the land would require \$780 of reclamation costs after production. In the first year of mining, 5,000 units of the natural resource were mined. At the beginning of the second year, it was estimated that only 40,000 units of the natural resource remained and reclamation costs would be \$935. In the second year, 9,000 units were mined. What was the amount of depletion for the second year?
- a. \$2,105.10
 - b. \$3,220.00
 - c. \$2,070.00
 - d. \$1,836.90

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28. In 1999, Morton Company purchased a tract of land as a possible future plant site. In January, 2007, valuable sulphur deposits were discovered on adjoining property and Morton Company immediately began explorations on its property. In December, 2007, after incurring \$400,000 in exploration costs, which were accumulated in an expense account, Morton discovered sulphur deposits appraised at \$2,250,000 more than the value of the land. To record the discovery of the deposits, Morton should

- a. make no entry.
- b. debit \$400,000 to an asset account.
- c. debit \$2,250,000 to an asset account.
- d. debit \$2,650,000 to an asset account.

29. A reconciliation of Reaker Company's pretax accounting income with its taxable income for 2008, its first year of operations, is as follows:

Pretax accounting income	\$3,000,000
Excess tax depreciation	<u>(90,000)</u>
Taxable income	<u>\$2,910,000</u>

The excess tax depreciation will result in equal net taxable amounts in each of the next three years. Enacted tax rates are 40% in 2008, 35% in 2009 and 2010, and 30% in 2011. The total deferred tax liability to be reported on Reaker's balance sheet at December 31, 2008, is

- a. \$36,000.
- b. \$30,000.
- c. \$31,500.
- d. \$27,000.

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30. During 2006, Younger Co. introduced a new line of machines that carry a three-year warranty against manufacturer's defects. Based on industry experience, warranty costs are estimated at 2% of sales in the year of sale, 4% in the year after sale, and 6% in the second year after sale. Sales and actual warranty expenditures for the first three-year period were as follows:

	<u>Sales</u>	<u>Actual Warranty Expenditures</u>
2006	\$ 600,000	\$ 9,000
2007	1,500,000	45,000
2008	<u>2,100,000</u>	<u>135,000</u>
	\$4,200,000	\$189,000

What amount should Younger report as a liability at December 31, 2008?

- a. \$0
- b. \$15,000
- c. \$204,000
- d. \$315,000

Part II: (10%)

中華公司 96 年度相關資料如下：

中華公司 96 年 1 月 1 日有 8,000 股普通股流通在外。中華公司於 96 年 1 月 1 日平價發行五年期，5% 可轉換公司債，面值 \$500,000，每 \$100,000 可轉換成 2,000 股普通股。96 年 7 月 1 日有 \$200,000 轉換為普通股。中華公司於 96 年 1 月 1 日起有 10,000 單位認股證流通在外，每單位可按 \$10 認購普通股 1 股，96 年 7 月 1 日有 2,000 單位行使，其餘 8,000 單位至 96 年底仍未行使。中華公司 96 年度普通股全年平均市價為 \$20，96 年 1 月 1 日至 6 月 31 日普通股平均市價為 \$16，96 年所得稅率為 30%，96 年度純益為 \$50,000。

試作：

根據我國財務會計準則公報第二十四號：(1). 根據上述資料，計算中華公司 96 年度稀釋每股盈餘 (2). 假設除上述交易外，中華公司於 96 年 4 月 1 日因新股認購權利之行使增加普通股 2,000 股，新股認購權利每 5 股可認購 1 股，行使價格每股 \$2.00，新股認購權利行使前一日之普通股公平價值為 \$12.00，計算中華公司 96 年度稀釋每股盈餘。