

系所組別： 財務金融研究所在職專班乙組

考試科目： 財務會計學(專班)

考試日期：0222，節次：3

※ 考生請注意：本試題可使用計算機。請於答案卷(卡)作答，於本試題紙上作答者，不予計分。

1. (10%) Dover Company began operations in 2010 and determined its ending inventory at cost and at a LCNRV at December 31, 2010, and December 31, 2011. This information is presented below.

| | <u>Cost</u> | <u>Net Realizable Value</u> |
|----------|-------------|-----------------------------|
| 12/31/10 | £520,000 | £485,000 |
| 12/31/11 | 615,000 | 585,000 |

Instructions

Prepare the journal entries required at December 31, 2010, and December 31, 2011, assuming that the inventory is recorded at LCNRV, using a perpetual inventory system and the cost-of-goods-sold account.

2. (10%) An inventory taken the morning after a large theft discloses \$60,000 of goods on hand as of March 12. The following additional data is available from the books:

| | |
|--------------------------------------|-----------|
| Inventory on hand, March 1 | \$ 84,000 |
| Purchases received, March 1 – 11 | 63,000 |
| Sales (goods delivered to customers) | 120,000 |

Past records indicate that sales are made at 50% above cost.

Instructions

Estimate the inventory of goods on hand at the close of business on March 11 by the gross profit method and determine the amount of the theft loss. Show appropriate titles for all amounts in your presentation.

3. (10%) Presented below is information related to Kuchinsky Company.

| | <u>Cost</u> | <u>Retail</u> |
|------------------------|-------------|---------------|
| Beginning inventory | € 280,000 | € 390,000 |
| Purchases | 1,820,000 | 3,000,000 |
| Markups | | 130,000 |
| Markup cancellations | | 20,000 |
| Markdowns | | 47,000 |
| Markdown cancellations | | 7,000 |
| Sales | | 3,150,000 |

Instructions

Compute the inventory by the conventional retail inventory method.

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4. (10%) The records for Kiley Company showed the following for 2010:

| | <u>Jan. 1</u> | <u>Dec. 31</u> |
|--|---------------|----------------|
| Unearned revenue | HK\$1,600 | HK\$2,160 |
| Accrued revenue | 1,260 | 920 |
| Cash collected during the year for revenue, HK\$70,000 | | |

Show the computation of the amount of revenue that should be reported on the income statement.

5. (25%) Benson Plastics Company deposits all receipts and makes all payments by check. The following information is available from the cash records:

MARCH 31 BANK RECONCILIATION

| | |
|----------------------------|-----------------|
| Balance per bank | \$26,746 |
| Add: Deposits in transit | 2,100 |
| Deduct: Outstanding checks | <u>(3,800)</u> |
| Balance per books | <u>\$25,046</u> |

Month of April Results

| | <u>Per Bank</u> | <u>Per Books</u> |
|--|-----------------|------------------|
| Balance April 30 | \$27,995 | \$28,855 |
| April deposits | 10,784 | 13,889 |
| April checks | 11,600 | 10,080 |
| April note collected (not included in April deposits) | 3,000 | -0- |
| April bank service charge | 35 | -0- |
| April NSF check of a customer returned by the bank (recorded by bank as a charge) | 900 | -0- |

Instructions

- (a) Calculate the amount of the April 30:
 1. Deposits in transit
 2. Outstanding checks
- (b) What is the April 30 adjusted cash balance? Show all work.

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6. (35%) Selected financial statement information and additional data for Johnston Enterprises is presented below. Prepare a statement of cash flows for the year ending December 31, 2012

| Johnston Enterprises | | |
|---|-----------------------------|-----------------------------|
| Statement of Financial Position and Income Statement Data | | |
| | December 31, <u>2012</u> | December 31, <u>2011</u> |
| Property, Plant, and Equipment | HK\$1,241,000 | HK\$ 1,122,000 |
| Less: Accumulated Depreciation | <u>(476,000)</u> | <u>(442,000)</u> |
| | <u>765,000</u> | <u>680,000</u> |
| Current Assets: | | |
| Inventory | 391,000 | 340,000 |
| Accounts Receivable | 238,000 | 306,000 |
| Cash | <u>153,000</u> | <u>119,000</u> |
| Total Current Assets | <u>782,000</u> | <u>765,000</u> |
| Total Assets | <u>HK\$1,547,000</u> | <u>HK\$1,445,000</u> |
| Shareholders' Equity: | | |
| Share capital—ordinary | HK\$ 510,000 | HK\$ 467,500 |
| Retained Earnings | <u>374,000</u> | <u>340,000</u> |
| Total Shareholders' Equity | <u>884,000</u> | <u>807,500</u> |
| Non-Current Liabilities: | | |
| Bonds Payable | <u>340,000</u> | <u>391,000</u> |
| Current Liabilities: | | |
| Accounts Payable | 187,000 | 102,000 |
| Notes Payable | 51,000 | 68,000 |
| Income Tax Payable | <u>85,000</u> | <u>76,500</u> |
| Total Current Liabilities | <u>323,000</u> | <u>246,500</u> |
| Total Liabilities | <u>663,000</u> | <u>637,500</u> |
| Total Liabilities & Shareholders' Equity | <u>HK\$1,547,000</u> | <u>HK\$1,445,000</u> |
| Sales | HK\$1,615,000 | HK\$1,513,000 |
| Less Cost of Goods Sold | <u>731,000</u> | <u>731,000</u> |
| Gross Profit | 884,000 | 782,000 |
| Expenses: | | |
| Depreciation Expense | 153,000 | 136,000 |
| Salary Expense | 391,000 | 357,000 |
| Interest Expense | 34,000 | 34,000 |
| Loss on Sale of Equipment | <u>17,000</u> | <u>0</u> |
| Income Before Taxes | 289,000 | 255,000 |
| Less Income Tax Expense | <u>119,000</u> | <u>102,000</u> |
| Net Income | <u>HK\$ 170,000</u> | <u>HK\$ 153,000</u> |

Additional Information: During the year, Johnston sold equipment with an original cost of HK\$153,000 and accumulated depreciation of HK\$119,000 and purchased new equipment for HK\$272,000.