

※ 題目共三大題, 請按順序作答。

單選, 不必列出計算過程  
答對 1 題得 5 分, 答錯倒扣 1 分, 加與本大題 50 分為止。

SELECT THE BEST ANSWER FOR EACH OF THE FOLLOWING ITEMS

1. Mill, which began operations on January 1, 1988, recognizes income from long-term construction contracts under the percentage-of-completion method in its financial statements and under the completed contract method for income tax reporting. Income under each method follows:

year	Completed contract	Percentage-of-completion
1988	\$400,000	\$300,000
1989	400,000	600,000
1990	700,000	850,000

The income tax rate was 30% for 1988 through 1990. For years after 1990, the enacted tax rate is 25%. There are no other temporary differences. Mill elected early application of FASB Statement No. 96, Accounting for Income Taxes. Mill should report in its Dec. 31, 1990, balance sheet, a deferred income tax liability of

a. \$87,500    b. \$105,000    c. 162,500  
d. \$195,000    e. none of above

- c. \$108,000    \$42,000  
d. \$108,000    \$42,000  
e. none of above

5. On December 28, 1990, Kerr Manufacturing Co. purchased goods costing \$50,000. The terms were F.O.B. destination. Some of the costs incurred in connection with the sale and delivery of the goods were as follows:

Packaging for shipment	\$1,000
Shipping	1,500
Special handling charges	2,000

These goods were received on December 31, 1990, balance sheet, what amount of cost for these goods should be included in inventory?

a. \$54,500    b. \$53,500    c. \$52,000  
d. \$50,000    e. none of above

6. On January 1, 1986, Lane, Inc. acquired equipment for \$100,000 with an estimated 10-year useful life. Lane estimated a \$10,000 salvage value and used the straight-line method of depreciation. During 1990, after its 1989 financial statements had been issued, Lane determined that, due to obsolescence, this equipment's remaining useful life was only four more years and its salvage value would be \$4,000. In Lane's December 31, 1990, balance sheet, what was the carrying amount of this asset?

a. \$51,500    b. \$49,000    c. \$41,500  
d. \$39,000    e. none of above

2. Clay Corp. Had \$600,000 convertible 8% bonds outstanding at June 30, 1990. Each \$1,000 bond was convertible into 10 shares of Clay's \$50 par value common stock. On July 1, 1990, the interest was paid to bondholders, and the bonds were converted into common stock, which had a fair market value of \$75 per share. The unamortized premium on these bonds was \$12,000 at the date of conversion. Under the book value method, this conversion increased the following elements of the stockholders' equity section by

	Common stock	Additional paid-in capital
a.	\$300,000	\$312,000
b.	\$306,000	\$306,000
c.	\$450,000	\$162,000
d.	\$600,000	\$ 12,000
e.	none of above	

7. On January 1, 1990, Neal Co. issued 100,000 shares of its \$10 par value common stock in exchange for all of Frey Inc.'s outstanding stock. This business combination was accounted for as a pooling of interests. The fair value of Neal's common stock on December 31, 1989, was \$19 per share. The carrying amounts and fair values of Frey's assets and liabilities on December 31, 1989, were as follows:

	Carrying amount	Fair value
Cash	\$ 240,000	\$ 240,000
Receivables	270,000	270,000
Inventory	435,000	405,000
Property, plant, and equipment	1,305,000	1,440,000
Liabilities	(525,000)	(525,000)
Net assets	<u>\$1,725,000</u>	<u>\$1,830,000</u>

What is the amount of goodwill resulting from the business combination?

a. \$175,000    b. \$105,000    c. \$70,000  
d. \$0    e. none of above

3. During 1990, Dale Corp. Made the following accounting changes:

Method used in '89	Method used in '90	After-tax effect
Sum-of-the-years' digits depreciation	Straight-line depreciation	\$30,000
Weighted-average for inventory valuation	First-in, First-out inventory valuation	98,000

What amount should be classified in 1990 as prior period adjustments?

a. \$0    b. \$30,000    c. \$98,000  
d. \$128,000    e. none of above

4. In 1989, Seda Corp. acquired 6,000 shares of its \$1 par value common stock at \$36 per share. During 1990, Seda issued 3,000 of these shares at \$50 per share. Seda uses the cost method to account for its treasury stock transactions. What accounts and amounts should Seda credit in 1990 to record the issuance of the 3,000 shares?

	Treasury stock	Additional paid-in capital	Retained earnings	Common stock
a.		\$102,000	\$42,000	\$6,000
		\$124,000		\$6,000

8. On December 31, 1989, Adam Co. leased a machine under a capital lease for a period of ten years, contracting to pay \$50,000 on signing the lease and \$50,000 annually on December 31 of the next nine years. The present value at December 31, 1989, of the ten lease payments over the lease term discounted at 10% was \$338,000. At December 31, 1990, Adam's total capital lease liability is

a. \$303,980    b. \$266,800    c. \$259,200  
d. \$243,000    e. none of above

9. Strauch Co. has one class of common stock outstanding and no other securities that are potentially convertible into common stock. During 1989, 100,000 shares of common stock were outstanding. In 1990, two distributions of additional common shares occurred: On April 1, 20,000 shares of treasury stock were sold, and on July 1, a 2-for-1 stock split was issued. Net income was \$410,000 in 1990 and \$350,000 in 1989. What amounts should Strauch report as earnings per share in its 1990 and 1989 comparative income statements?
- |    | 1990          | 1989   |
|----|---------------|--------|
| a. | \$1.78        | \$3.50 |
| b. | \$1.78        | \$1.75 |
| c. | \$2.34        | \$1.75 |
| d. | \$2.34        | \$3.50 |
| e. | none of above |        |
10. At December 31, 1990, Salo Corp.'s balance sheet accounts increased by the following amounts compared with those at the end of the prior year:
- |                            |           |
|----------------------------|-----------|
| Assets                     | \$178,000 |
| Liabilities                | 54,000    |
| Capital stock              | 120,000   |
| Additional paid-in capital | 12,000    |
- The only charge to retained earnings during 1990 was for a dividend payment of \$26,000. Net income for 1990 amounted to
- |             |                  |             |
|-------------|------------------|-------------|
| a. \$34,000 | b. \$26,000      | c. \$18,000 |
| d. \$8,000  | e. none of above |             |

二. 計算題 (答對一題得6分, 本大題共18分, 請列出計算過程)

- A company purchased land, paying \$30,000 cash as a down payment and signing a \$120,000 note payable for the balance. In addition, the company paid back property tax of \$6,000, a title fee of \$500, and a \$3,100 charge for leveling the land and removing an unwanted building. The company constructed an office building on the land at a cost of \$640,000. It also paid \$12,000 for a fence around the boundary of the property, \$2,400 for the company sign near the entrance to the property, and \$6,000 for special lighting of the grounds. Determine the cost of the company's land, land improvements, and building.
- McMinn Construction Company builds bridges for the state of Florida. The construction period typically extends for several years. During 19x5 McMinn completed a small bridge with a contract price of \$400,000. McMinn's \$320,000 cost of the bridge was incurred as follows: \$20,000 in 19x3, \$180,000 in 19x4, and \$120,000 in 19x5. Compute McMinn's revenue for each year 19x3 through 19x5 if the company uses (a) the completed-contract method and (b) the percentage-of-completion method.
- Trade Days, Inc., has 10,000 shares of \$3.50, \$50 par preferred stock, and 100,000 of \$4 par common stock outstanding. Two years' preferred dividends are in arrears. Trade Days declares a cash dividend large enough to pay the preferred dividends in arrears, the preferred dividend for the current period, and a \$1.50 dividend to common. What is the total amount of the dividend?

三. 簡答題 (32分)

- 何謂內部控制 (INTERNAL CONTROL), 請舉三個例子, 說明為達到內部控制目的而必要採用的程序或措施。
- 為何存貨評價 (INVENTORY VALUATION) 是會計人員的致命傷?
- 公司債發行為何會折價發行? 公司債折價為何要分攤?
- 國立成功大學醫學院附設醫院有一流的教授、臨床醫師及最新的儀器設備, 成立至今已逾6年, 但年年虧損, 附設醫院高級主管解釋說: L成大醫院因折舊費用鉅大, 壞帳金額甚多, 且教學醫院負責提昇南部醫療水準, 常舉辦講習及研討會, 雖然800張(床)病几無閒置 (IDLE), 仍不能避免虧損, 請各位體諒教學醫院的苦衷。你是否同意附設醫院高級主管的看法? 如不同意, 請簡述理由。