

系所組別：會計學系學士班

考試科目：會計學

考試日期：0710，節次：3

※ 考生請注意：本試題 可 不可 使用計算機 請勿在本試題紙上作答，否則不予計分

Please read the following instructions very carefully before answering the questions.

Instructions:

1. There are 35 multiple choice questions. Each accounts for 3 points. (Full scores=105 points)
2. Please put your answers on a separate answer booklet. No grades will be counted if you write your answers on this exam.
3. When answering the questions, please follow the International Financial Reporting Standards (IFRS) unless otherwise stated.

1. What is a major objective of financial reporting?
 - a. Provide information that is useful to management in making decisions.
 - b. Provide information that clearly portray nonfinancial transactions.
 - c. Provide information that is useful to assess the amounts, timing, and uncertainty of perspective cash receipts.
 - d. Provide information that excludes claims to the resources.
2. When comparing U.S. GAAP and International Financial Reporting Standards (IFRS)
 - a. IFRS are considered more comprehensive than U.S. GAAP.
 - b. IFRS contain more implementation guidance than U.S. GAAP.
 - c. IFRS are considered more principles-based than U.S. GAAP.
 - d. All of the choices are correct regarding U.S. GAAP and IFRS
3. If ending accounts receivable exceeds the beginning accounts receivable:
 - a. cash collections during the period exceed the amount of revenue earned.
 - b. net income for the period is less than the amount of cash basis income.
 - c. no cash was collected during the period.
 - d. cash collections during the year are less than the amount of revenue earned.
4. Ace Co. prepared an aging of its accounts receivable at December 31, 2010 and determined that the net realizable value of the receivables was \$300,000. Additional information is available as follows:

Allowance for uncollectible accounts at 1/1/10—credit balance	\$ 34,000
Accounts written off as uncollectible during 2010	23,000
Accounts receivable at 12/31/10	325,000
Uncollectible accounts recovered during 2010	5,000

For the year ended December 31, 2010, Ace's uncollectible accounts expense would be

- a. \$25,000.
 - b. \$23,000.
 - c. \$16,000.
 - d. \$9,000.
5. Opera Corp. uses dollar-value LIFO method of computing its inventory cost. Data for the past four years is as follows (US GAAP):

Year ended	Inventory at	Price
December 31.	End-of-year	Index
	Prices	
2010	\$ 65,000	1.00
2011	126,000	1.05
2012	135,000	1.10

What is the 2012 inventory balance using dollar-value LIFO?

- a. \$135,000.
- b. \$128,500.

(背面仍有題目,請繼續作答)

系所組別：會計學系學士班

考試科目：會計學

考試日期：0710，節次：3

※ 考生請注意：本試題 可 不可 使用計算機

- c. \$122,750.
d. \$125,750.

6. Henke Co. uses the retail inventory method to estimate its inventory for interim statement purposes. Data relating to the computation of the inventory at July 31, 2010, are as follows:

	<u>Cost</u>	<u>Retail</u>
Inventory, 2/1/10	\$ 200,000	\$ 250,000
Purchases	1,000,000	1,575,000
Markups, net		175,000
Sales		1,750,000
Estimated normal shoplifting losses		20,000
Markdowns, net		110,000

Under the lower-of-cost-or-net realizable value method, Henke's estimated inventory at July 31, 2010 is

- a. \$72,000.
b. \$84,000.
c. \$96,000.
d. \$120,000.
7. When cash is involved in a non-monetary exchange having commercial substance.
- gains or losses are recognized in their entirety.
 - a gain or loss is computed by comparing the fair value of the asset received with the fair value of the asset given up.
 - only gains should be recognized.
 - only losses should be recognized.

Use the following information to answer questions 8-10.

Arlington Company is constructing a building. Construction began on January 1 and was completed on December 31. Expenditures were \$2,400,000 on March 1, \$1,980,000 on June 1, and \$3,000,000 on December 31. Arlington Company borrowed \$1,200,000 on January 1 on a 5-year, 12% note to help finance construction of the building. In addition, the company had outstanding all year a 10%, 3-year, \$2,400,000 note payable and an 11%, 4-year, \$4,500,000 note payable.

8. What are the weighted-average accumulated expenditures?
- \$4,380,000
 - \$3,155,000
 - \$7,380,000
 - \$3,690,000
9. What is the weighted-average interest rate used for interest capitalization purposes?
- 11%
 - 10.85%
 - 10.5%
 - 10.65%
10. What is the avoidable interest for Arlington Company?
- \$144,000
 - \$463,808
 - \$164,281
 - \$352,208
11. Recovery of impairment is recognized for all the following except
- Patent held for sale.

系所組別： 會計學系學士班

考試科目： 會計學

考試日期： 0710 · 節次： 3

※ 考生請注意：本試題 可 不可 使用計算機

- b. Patent held for use.
- c. Trademark.
- d. Goodwill.

12. A company uses the equity method to account for an investment. This would result in what type of difference and in what type of deferred income tax?

	Type of Difference	Deferred Tax
a.	Permanent	Asset
b.	Permanent	Liability
c.	Temporary	Asset
d.	Temporary	Liability

Use the following information for questions 13 and 14.

Eilert Construction Company had a contract starting April 2011, to construct a \$15,000,000 building that is expected to be completed in September 2012, at an estimated cost of \$13,750,000. At the end of 2011, the costs to date were \$6,325,000 and the estimated total costs to complete had not changed. The progress billings during 2011 were \$3,000,000 and the cash collected during 2011 was \$2,000,000. Eilert uses the percentage-of-completion method.

13. For the year ended December 31, 2011, Eilert would recognize gross profit on the building of

- a. \$0.
- b. \$527,083.
- c. \$575,000.
- d. \$675,000.

14. At December 31, 2011, Eilert would report Construction in Process in the amount of

- a. \$6,900,000.
- b. \$6,325,000.
- c. \$5,900,000.
- d. \$575,000.

15. Compensation expense resulting from a compensatory share option plan is generally

- a. recognized in the period of exercise.
- b. recognized in the period of the grant.
- c. allocated to the periods benefited by the employee's required service.
- d. allocated over the periods of the employee's service life to retirement.

Use the following information for questions 16 and 17.

Hanson Co. had 200,000 ordinary shares, 20,000 shares of convertible preference shares, and \$1,000,000 of 10% convertible bonds outstanding during 2011. The preference shares are convertible into 40,000 ordinary shares. During 2011, Hanson paid dividends of \$1.20 per share on the ordinary shares and \$4 per share on the preference shares. Each \$1,000 bond is convertible into 45 ordinary shares. The net income for 2011 was \$800,000 and the income tax rate was 30%.

16. Basic earnings per share for 2011 is (rounded to the nearest penny)

- a. \$2.94.
- b. \$3.22.
- c. \$3.35.
- d. \$3.60.

17. Diluted earnings per share for 2011 is (rounded to the nearest penny)

- a. \$2.77.
- b. \$2.81.
- c. \$3.05.
- d. \$3.33.

(背面仍有題目,請繼續作答)

系所組別：會計學系學士班

考試科目：會計學

考試日期：0710，節次：3

※ 考生請注意：本試題 可 不可 使用計算機

18. Dividends are not paid on
- noncumulative preference shares.
 - nonparticipating preference shares.
 - treasury shares.
 - Dividends are paid on all of these.
19. An investor has a long-term investment in ordinary shares. Regular cash dividends received by the investor are recorded as

	<u>Fair Value Method</u>	<u>Equity Method</u>
a.	Income	Income
b.	A reduction of the investment	A reduction of the investment
c.	Income	A reduction of the investment
d.	A reduction of the investment	Income

20. The following information is related to the pension plan of Long, Inc. for 2011.

Actual return on plan assets	\$200,000
Amortization of net gain	82,500
Amortization of past service cost due to increase in benefits	150,000
Expected return on plan assets	230,000
Interest on defined benefit obligation	362,500
Service cost	800,000

Pension expense for 2011 is

- \$1,195,000.
- \$1,165,000.
- \$1,030,000.
- \$1,000,000

Heinz Company began operations on January 1, 2010, and uses the FIFO method in costing its raw material inventory. Management is contemplating a change to the average cost method and is interested in determining what effect such a change will have on net income. Accordingly, the following information has been developed:

<u>Ending Inventory</u>	<u>2010</u>	<u>2011</u>
FIFO	\$640,000	\$ 712,000
Average	560,000	636,000
<u>Net Income</u> (computed under the FIFO method)	980,000	1,080,000

21. Based on the above information, a change to the average cost method in 2011 would result in net income for 2011 of
- \$1,120,000.
 - \$1,084,000.
 - \$1,004,000.
 - \$1,000,000.

Use the following information for questions 22 and 23.

Fleming Company provided the following information on selected transactions during 2011:

Dividends paid to preference shareholders	\$ 150,000
Loans made to affiliated corporations	750,000
Proceeds from issuing bonds	900,000
Proceeds from issuing preference shares	1,050,000

系所組別： 會計學系學士班

考試科目： 會計學

考試日期： 0710，節次： 3

※ 考生請注意：本試題 可 不可 使用計算機

Proceeds from sale of equipment	450,000
Purchases of inventories	1,200,000
Purchase of land by issuing bonds	300,000
Purchases of treasury shares	600,000

22. The net cash provided (used) by investing activities during 2011 is

- a. \$(600,000).
- b. \$(300,000).
- c. \$150,000.
- d. \$450,000.

23. The net cash provided (used) by financing activities during 2011 is

- a. \$(1,650,000).
- b. \$450,000.
- c. \$750,000.
- d. \$1,200,000.

The following information applies to both questions 24 and 25.

On October 1, 2010 Macklin Corporation issued 5%, 10-year bonds with a face value of \$1,000,000 at 108 (a 4% yield). Interest is paid on October 1 and April 1, with any premiums or discounts amortized on an effective-interest basis.

24. The entry to record the issuance of the bonds would include a credit of

- a. \$25,000 to interest Payable.
- b. \$80,000 to Bonds Payable.
- c. \$1,000,000 to Bonds Payable.
- d. \$1,080,000 to Bonds Payable.

25. Bond interest expense reported on the December 31, 2010 income statement of Macklin Corporation would be

- a. \$10,800
- b. \$12,500
- c. \$13,500
- d. \$21,600

26. During 2010, Eaton Co. introduced a new product carrying a two-year warranty against defects. The estimated warranty costs related to dollar sales are 2% within 12 months following sale and 4% in the second 12 months following sale. Sales and actual warranty expenditures for the years ended December 31, 2010 and 2011 are as follows:

	<u>Sales</u>	<u>Actual Warranty Expenditures</u>
2010	\$ 800,000	\$12,000
2011	<u>1,000,000</u>	<u>30,000</u>
	<u>\$1,800,000</u>	<u>\$42,000</u>

At December 31, 2011, Eaton should report an estimated warranty liability of

- a. \$0.
- b. \$10,000.
- c. \$30,000.
- d. \$66,000.

27. What is the effect of freight-in on the cost-retail ratio when using the conventional retail method?

- a. Increases the cost-retail ratio.
- b. No effect on the cost-retail ratio.
- c. Depends on the amount of the net markups.

(背面仍有題目,請繼續作答)

系所組別： 會計學系學士班

考試科目： 會計學

考試日期： 0710 · 節次： 3

※ 考生請注意：本試題 可 不可 使用計算機

d. Decreases the cost-retail ratio.

28. The income statement provides investors and creditors information that helps them predict
- the amounts of future cash flows.
 - the timing of future cash flows.
 - the uncertainty of future cash flows.
 - All of the above.

29. In preparing its August 31, 2010 bank reconciliation, Bing Corp. has available the following information:

Balance per bank statement, 8/31/10	\$21,650
Deposit in transit, 8/31/10	3,900
Return of customer's check for insufficient funds, 8/30/10	600
Outstanding checks, 8/31/10	2,750
Bank service charges for August	100

At August 31, 2010, Bing's correct cash balance is

- \$22,800.
- \$22,200.
- \$22,100.
- \$20,500.

30. On June 2, 2011, Olsen Inc. purchased a trademark with a cost €4,720,000. The trademark is classified as an indefinite-life intangible asset. At December 31, 2011 and December 31, 2012, the following is available for impairment testing:

	<u>12/31/2011</u>	<u>12/31/2012</u>
Fair value less costs to sell	€4,560,000	€4,530,000
Value-in-use	€4,680,000	€4,780,000

The 2012 income statement will report

- no Impairment Loss or Recovery of Impairment.
- Impairment Loss of €40,000.
- Recovery of Impairment of €40,000.
- Recovery of Impairment of €100,000.

31. 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?

	<u>Assets</u>	<u>Liabilities</u>	<u>Equity</u>	<u>Net Income</u>
a.	No effect	Understate	Overstate	Overstate.
b.	No effect	Overstate	Understate	Understate.
c.	Understate	Understate	No effect t	No effect.
d.	Understate	No effect	Understate	Understate.

32. The fair value of pension plan assets is used to determine the corridor and to calculate the expected return on plan assets.

	<u>Corridor</u>	<u>Expected Return on Plan Assets</u>
a.	Yes	Yes
b.	Yes	No
c.	No	Yes
d.	No	No

系所組別：會計學系學士班

考試科目：會計學

考試日期：0710，節次：3

※ 考生請注意：本試題 可 不可 使用計算機

33. Metcalf Company leases a machine from Vollmer Corp. under an agreement which meets the criteria to be a finance lease for Metcalf. The six-year lease requires payment of \$102,000 at the beginning of each year, including \$15,000 per year for maintenance, insurance, and taxes. The incremental borrowing rate for the lessee is 10%; the lessor's implicit rate is 8% and is known by the lessee. The present value of an annuity due of 1 for six years at 10% is 4.79079. The present value of an annuity due of 1 for six years at 8% is 4.99271. Metcalf should record the leased asset at

- a. \$509,256.
- b. \$488,661.
- c. \$434,366.
- d. \$416,799.

Use the following information for questions 34 and 35.

Kraft Company made the following journal entry in late 2010 for rent on property it leases to Danford Corporation.

Cash	60,000	
Unearned Rent		60,000

The payment represents rent for the years 2011 and 2012, the period covered by the lease. Kraft Company is a cash basis taxpayer. Kraft has income tax payable of \$92,000 at the end of 2010, and its tax rate is 35%.

34. What amount of income tax expense should Kraft Company report at the end of 2010?

- a. \$53,000
- b. \$71,000
- c. \$81,500
- d. \$113,000

35. Assuming the taxes payable at the end of 2011 is \$102,000, what amount of income tax expense would Kraft Company record for 2011?

- a. \$81,000
- b. \$91,500
- c. \$112,500
- d. \$123,000