

系所組別：會計學系

考試科目：會計學

考試日期：0708，節次：3

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cash dividends of \$5,000. Compute the year end retained earnings balance.

- a. \$29,000 b. \$35,000 c. \$39,000 d. \$45,000

5. On May 1, 2011, Stanton Company purchased \$50,000 of Harris Company' s 12% bonds at 100 plus accrued interest of \$2,000. On June 30, 2011, Stanton received its first semiannual interest. On February 1, 2012, Stanton sold \$40,000 of the bonds at 103 plus accrued interest. The journal entry Stanton will record on February 1, 2012, will include:

- a. a credit to Interest Revenue for \$1,200. b. a credit to Gain on Sale of Investments for \$1,200.
c. a debit to Cash for \$41,200. d. a credit to Interest Receivable for \$500.

6. Benson and Orton are partners who share income in the ratio of 2:3 and have capital balances of \$30,000 and \$50,000 respectively. Ramsey is admitted to the partnership and is given a 10% interest by investing \$20,000. What is Orton' s capital balance after admitting Ramsey?

- a. \$56,000 b. \$34,000 c. \$20,000 d. \$44,000

7. If accounts payable have increased during a period

- a. revenues on an accrual basis are less than revenues on a cash basis.
b. expenses on an accrual basis are less than expenses on a cash basis.
c. expenses on an accrual basis are the same as expenses on a cash basis.
d. expenses on an accrual basis are greater than expenses on a cash basis.

8. Cash equivalents are highly liquid investments that can be converted into a specific amount of cash with maturities of

- a. 1 month or less when purchased. b. 3 months or less when purchased.
c. 6 months or less when purchased. d. 1 year or less when purchased.

9. Allowance for Doubtful Accounts has a debit balance of \$1,100 at the end of the year (before adjustment), and an analysis of customers' accounts indicates uncollectible receivables of \$12,900. Which of the following entries records the proper adjustment for Bad Debt Expense?

- a. debit Bad Debt Expense, \$14,000; credit Allowance for Doubtful Accounts, \$14,000
b. debit Allowance for Doubtful Accounts, \$14,000; credit Bad Debt Expense, \$14,000
c. debit Allowance for Doubtful Accounts, \$11,800; credit Bad Debt Expense, \$11,800
d. debit Bad Debt Expense, \$11,800; credit Allowance for Doubtful Accounts, \$11,800

10. Xavier and Yolanda have original investments of \$50,000 and \$100,000 respectively in a partnership. The articles of partnership include the following provisions regarding the division of net income: interest on original investment at 10%, salary allowances of \$27,000 and \$18,000 respectively, and the remainder equally. How much of the net loss of \$6,000 is allocated to Yolanda?

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- a. \$1,000 b. \$3,000 c. \$5,000 d. \$0

11. Elgin Company sells merchandise with a one year warranty. Sales consisted of 2,500 units in 2012 and 2,000 units in 2013. It is estimated that warranty repairs will average \$10 per unit sold, and 30% of the repairs will be made in 2012 and 70% in 2013 for the 2012 sales. Similarly, 30% of repairs will be made in 2013 and 70% in 2014 for the 2013 sales. In the 2013 income statement, how much of the warranty expense shown will be due to 2012 sales?

- a. \$7,500 b. \$17,500 c. \$25,000 d. \$0

12. Jeter Company developed the following reconciling information in preparing its September bank reconciliation:

Cash balance per bank, 9/30	\$15,400
Note receivable collected by bank	8,400
Outstanding checks	12,600
Deposits in transit	6,300
Bank service charge	105
NSF check	1,680

Using the above information, determine the cash balance per books (before adjustments) for the Jeter Company.

- a. \$13,685 b. \$21,700 c. \$2,485 d. \$21,000

13. In the month of May, Grimm Company Inc. wrote checks in the amount of \$46,250. In June, checks in the amount of \$63,290 were written. In May, \$42,340 of these checks were presented to the bank for payment, and \$54,415 in June. What is the amount of outstanding checks at the end of June?

- a. \$8,875 b. \$3,910 c. \$17,750 d. \$12,785

14. During the taking of its physical inventory on December 31, 2010, Barry's Bike Shop incorrectly counted its inventory as \$270,000 instead of the correct amount of \$190,000. The effect on the balance sheet and income statement would be as follows:

- a. assets overstated by \$80,000; retained earnings understated by \$80,000; net income statement understated by \$80,000.
 b. assets overstated by \$80,000; retained earnings understated by \$80,000; no effect on the income statement.
 c. assets and retained earnings overstated by \$80,000; net income overstated by \$80,000.
 d. assets and retained earnings overstated by \$80,000; net income understated by \$80,000.

15. A sales invoice included the following information: merchandise price, \$5,000; freight, \$900; terms 1/10, n/eom, FOB shipping point. Assuming that a credit for merchandise returned of \$700 is granted prior to payment and that the invoice is paid within the discount period, what is the amount of cash that should be received by the seller?

- a. \$5,157 b. \$4,300 c. \$4,257 d. \$4,950

背面仍有題目，請繼續作答

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16. Gowns, Inc. uses the percentage of sales basis to estimate its bad debts. For the year ended December 31, 2011, Gowns' total sales are € 900,000. Management of the company estimates that 1% of credit sales will become uncollectible. The existing balance in the Allowances for Doubtful Accounts is a credit balance of € 1,050. The Accounts Receivable balance at December 31, 2011 is € 79,200. The cash realizable value of Accounts Receivable reported on the statement of financial position at December 31, 2011 is
- a. € 70,200. b. € 71,250. c. € 69,150. d. € 87,150.
17. Which of the following transactions affects only statement of financial position accounts?
- a. Recovery of a bad debt using the allowance method.
b. Recording bad debt expense using the allowance method.
c. Writing off a bad debt using the direct write-off method.
d. Recording bad debt expense using the percentage of sales basis.
18. In management's internal control report that is now required of all public companies, which of the following does not have a direct effect on a company's internal control system?
- a. internal auditors b. independent accountants c. Board of Director's audit committee d. Board of Trustees
19. A company using the periodic inventory system has the following account balances: Merchandise Inventory at the beginning of the year, \$3,600; Freight-In, \$650; Purchases, \$10,700; Purchases Returns and Allowances, \$1,950; Purchases Discounts, \$330. The cost of merchandise purchased is equal to
- a. \$12,670 b. \$9,070 c. \$8,420 d. \$17,230
20. What is the major difference between a periodic and perpetual inventory system?
- a. Under the periodic inventory system, the purchase of inventory will be debited to the Purchases account
b. Under the periodic inventory system, no journal entry is recorded at the time of the sale of inventory for the cost of the inventory.
c. Under the periodic inventory system, all adjustments such as purchases returns and allowances and discounts are reconciled at the end of the month.
d. All are correct.
21. Merchandise inventory at the end of the year was inadvertently overstated. Which of the following statements correctly states the effect of the error on net income, assets, and owner's equity?
- a. net income is overstated, assets are overstated, owner's equity is understated
b. net income is overstated, assets are overstated, owner's equity is overstated
c. net income is understated, assets are understated, owner's equity is understated
d. net income is understated, assets are understated, owner's equity is overstated
22. In which journal is the return of supplies purchased on account recorded?

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- a. General journal b. Cash Receipts journal c. Cash Payments journal d. Purchases journal

23. Operating expenses other than depreciation for the year were \$400,000. Prepaid expenses increased by \$17,000 and accrued expenses decreased by \$30,000 during the year. Cash payments for operating expenses to be reported on the cash flow statement using the direct method would be

- a. \$353,000 b. \$413,000 c. \$447,000 d. \$383,000

24. At the end of its first year, the fair value through profit or loss securities portfolio consisted of the following ordinary shares.

	<u>Cost</u>	<u>Market</u>
Able Corporation	\$ 46,400	\$ 50,000
Benes Inc.	60,000	55,800
Cole Corporation	<u>80,000</u>	<u>76,000</u>
	<u>\$186,400</u>	<u>\$181,800</u>

In the following year, the Benes ordinary shares are sold for cash proceeds of \$57,000. The gain or loss to be recognized on the sale is a

- a. gain of \$1,200. b. loss of \$3,000. c. gain of \$200. d. loss of \$3,400.

25. The balance in the prepaid rent account before adjustment at the end of the year is \$24,000, which represents four months' rent paid on December 1. The adjusting entry required on December 31 is

- a. debit Rent Expense, \$6,000; credit Prepaid Rent, \$6,000
 b. debit Prepaid Rent, \$18,000; credit Rent Expense, \$6,000
 c. debit Rent Expense, \$18,000; credit Prepaid Rent, \$6,000
 d. debit Prepaid Rent, \$6,000; credit Rent Expense, \$6,000

Part two Exercise 注意：務請詳列計算過程，否則不予計分

- (4%) Please define and compare the Managerial Accounting vs. Financial Accounting. (you can compare the purpose, regulation and the user)
- Bob is a salesperson who works in a shoes store. One day, a young woman walks in and pays \$100 to buy one pair of shoes priced \$80 (the inventory cost of it is \$50). Bob find that there is no enough change in the register to complete this deal. Bob tries to ask for help to the next-door shop and change this bill into 10 ten-dollar bills to complete this deal. One hour later, the salesperson of next-door comes in with the bill and claims that it is fake money. Bob can only return him the real 100 dollars. Once Bob report this to the manager, he is angry about this and want Bob to cover for the loss \$180, but Bob insist that he loss of this deal is only \$150.

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Instructions:

- (a) Do you agree with any of the loss number (180 or 150)? If yes, explain your reason, if not any one of these two, show the correct number and reason. (2%)
- (b) Try to prepare the journal entries to record the related transaction and compute the net income statement effect after you post the related entries. (Under perpetual inventory system) (4%)

3. DIAMOND Company purchased equipment at the cash price \$100,000 on April 1, 2005. Related expenditure includes sales taxes \$10,000, insurance during shipping \$4,500, and installation and testing cost \$5,500. The estimated residual value is \$10,000, and the company applies double-declining-balance method to compute the depreciation.

DIAMOND Company applies revaluation procedure on December 31, 2008. The independent appraisers determined the new fair value of this equipment. At the same time, the company extends the estimated useful life of this equipment to 80 months left since December 31 2008, and the company also change the depreciation method to straight-line method (the residual value remains unchanged).

On May 1, 2012, DIAMOND Company exchanges the old equipment plus cash of \$8,000 for a new equipment. The old equipment had a fair value of \$32,000.

Instructions (Show the computations)

- (a) Prepare the entry to record the depreciation on December 31, 2008. Assume the depreciation for 2005 is \$18,000. (5%)
- (b) Prepare the entries to record the revaluation on December 31, 2008. (Assume that the depreciation expense for 2009 is \$7,500.) (5%)
- (c) Show how the equipment would be reported on December 31, 2011, statement of financial position. (3%)
- (d) Prepare the necessary entries on May 1, 2012. (7%)

4. On July 1, 2008, Gold Co. issued \$800,000 face value, 6 years bonds. Gold Co. uses the effective-interest method to amortize bond premium and discount. The bonds pay semiannual interest on July 1 and January 1.

Instructions

Answer the following question in two independent situation (Show the computations and round all computation to the nearest dollar) :

Situation I : If the effective rate is 10%, and the fair value of bonds at issued day was \$729,066 :

- (a) Compute the contractual interest rate of bonds. (4%)
- (b) Compute the discount amortization on December 31, 2010. (4%)

Situation II : If the contractual interest rate is 10% and effective rate is 8% :

- (c) Compute the fair value of bonds at issued day. (2%)
- (d) The Gold Co. retired 80% bonds at 104 after paying the interest on January 1, 2012. Prepare the necessary entries on January 1, 2012. (6%)
- (e) Prepare the necessary entries on July 1, 2012. (4%)

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Table of Present Value and Present Value an Annuity

Present Value of 1

Period	3%	4%	5%	6%	8%	10%
5	0.8626	0.8219	0.7835	0.7473	0.6806	0.6209
6	0.8375	0.7903	0.7462	0.7050	0.6302	0.5645
10	0.7441	0.6756	0.6139	0.5584	0.4632	0.3855
12	0.7014	0.6246	0.5568	0.4970	0.3971	0.3186

Present Value an Annuity of 1

Period	3%	4%	5%	6%	8%	10%
5	4.5797	4.4518	4.3295	4.2124	3.9927	3.7908
6	5.4172	5.2421	5.0757	4.9173	4.6229	4.3553
10	8.5302	8.1110	7.7217	7.3601	6.7101	6.1446
12	9.9540	9.3851	8.8633	8.3838	7.5361	6.8137