一、(15%) It is March 31 and Fry Company is ready to prepare its March bank reconciliation. The following information is available:

a. **Company Cash Account**

March 1 balance	28,350	Checks	53,000
Deposits	51,468		

b. Bank statement, March 31:

Balance, March 1	$30,800
Deposits	51,198
Checks cleared	(54,118)
NSF check (Customer Zinny)	(100)
Note collected for depositor (including interest, $80)	1,680
Interest on bank balance	36
Bank service charge	(14)
Balance, March 31	$29,482

c. Additional information:
(1) The company overstated one of its deposits by $20; the bank recorded it correctly.
(2) The bank cleared a $178 check as $187; the error has not been corrected by the bank.
(3) End of February: deposits in transit, $1,550; checks outstanding, $4,000.

Required

1. Based on the data given above, compute the March 31 deposits in transit and checks outstanding.
2. Prepare a bank reconciliation for March. (Hint: A check figure, $28,400). Use bank and book balance to correct cash balance format.
3. Give all journal entries that should be made based on you. bank reconciliation.

二、(15%) The records of Largo Company reflected the following：

Sales revenue		$205,000
Cost of goods sold:		
Beginning inventory	$ 10,000	
Purchases	105,000	
Goods available for sale	115,000	
Ending inventory	25,000	90,000
Gross margin		115,000
Expenses		60,000
Income (pretax)		$ 55,000

The following errors were found that had not been corrected:

a. Revenues collected in advance amounting to $5,000 are included in the sales revenue amount.
b. Accrued expenses not recognized, $7,000.
c. Goods costing $10,000 were incorrectly included in the ending inventory (they were being held on consignment from Carter Company). No purchase was recorded.
d. Goods costing $5,000 were correctly included in the ending inventory; however, no purchase was recorded (assume a credit purchase).

Required

1. Prepare the income statement on a correct basis.
2. What amounts would be incorrect on the balance sheet if the errors are not corrected?

(背面仍有題目,請繼續作答)

三、(10%) The records of Georgia Company provided the following information on September 1, 2002：

Inventory, 1/1	$ 50,000
Purchases, January 1 to September 1	300,000
Sales, January 1 to September 1	400,000
Purchase returns and allowances	3,000
Sales returns (goods returned to stock)	5,000
Freight-in	4,000

A fire completely destroyed the inventory on September 1, 2002 except for goods marked to sell at $6,000, which had an estimated residual value of $4,000, and for goods in transit to which Georgia had ownership; the purchase had been recorded. Invoices recorded on the latter show merchandise cost of $2,000 and freight-in of $100. The average rate of gross margin on sales in recent years has been 30 percent.

Required

1. Compute the inventory fire loss.
2. Under what conditions would your response to (1) above be questionable?

四、(10%) On January 1, 2003, Sty Company issued $400,000 of bonds payable with a stated interest rate of 5 percent, payable annually each December 31. The bonds mature in 10 years and are callable after the fourth year at 101. The bonds originally sold on January 1, 2003, at 104. On June 30, 2008, the bonds were callable. The company uses straight-line amortization, and the accounting period ends December 31.

Required

1. Give the issuance entry on January 1, 2003.
2. Give any entries on the extinguishments (i.e., call) date.

五、(15%) At the end of 1994 the records of Bostix Corporation showed the following：

Common stock, nopar, authorized 250,000 shares:	
Outstanding 1/1/1994, 84,000 shares	$420,000
Purchased treasury shares 4/1/1994, 2,000 shares (at cost)	(46,000)
Issued a 100% stock dividend on 12/1/1994 on outstanding shares (82,000 additional shares).	
Preferred stock, par $10:	
Class A, 6% nonconvertible, noncumulative, outstanding 20,000 shares	200,000
Class B, 8% nonconvertible, cumulative, outstanding 40,000 shares	400,000
Contributed capital in excess of par, preferred stock	200,000
Retained earnings (no dividends declared in 1994)	570,000
Bonds payable, 7%, nonconvertible, issued at par in 1990	120,000
Income before extraordinary items	360,000
Extraordinary gain (net of tax)	24,000
Net income	384,000
Average income tax rate, 40%.	

Required

1. Is this a simple or a complex capital structure? Explain.
2. What kind of EPS presentation is required? Explain.
3. Compute the required EPS amounts (show computations).

六、(15%) Able Corporation has the following stock outstanding：

Common, $50 par value—6,000 shares.

Preferred, 6 percent, $100 par value—1,000 shares.

Compute the amount of dividends payable in total and per share on the common and preferred stock for each separate case:

Case A Preferred is cumulative and nonparticipating; two years in arrears; dividends declared, $34,000.

Case B Preferred is noncumulative and fully participating; dividends declared, $40,000.

Case C Preferred is cumulative and partially participating up to an additional 3 percent; three years in arrears; dividends declared, $60,000.

Case D Preferred is cumulative and fully participating; three years in arrears; dividends declared, $50,000.

七、(20%) **The differences between the Boole Inc. balance sheet accounts of December 31, 2001 and 2002, are presented below：**

Assets	**Increase (decrease)**
Cash and cash equivalents	$ 120,000
Short-term investments	300,000
Accounts receivable, net	—
Inventory	80,000
Long-term investments	(100,000)
Plant assets	700,000
Accumulated depreciation	—
	$1,100,000
Liabilities and Stockholders' Equity	
Accounts payable and accrued liabilities	$ (5,000)
Dividends payable	160,000
Short-term bank debt	325,000
Long-term debt	110,000
Common stock, $10 par	100,000
Additional paid-in capital	120,000
Retained earnings	290,000
	$1,100,000

Additional information for 2002：

1. Both short- and long-term investments are classified as available for sale. The market value of the short-term investments did not change during 2002, the market value of the long-term investments did not change until 2002. There was no associated valuation allowance for either account.
2. A building costing $600,000 and having a carrying amount of $350,000 was sold for $350,000.
3. Equipment costing $110,000 was acquired through issuance of long-term debt.
4. A long-term investment was sold for $135,000. There were no other transactions affecting long-term investments.
5. 10,000 shares of common stock were issued for $22 a share.
6. Net income was $790,000.

Required

1. Net cash provided by operating activities.
2. Net cash used in investing activities.
3. Net cash provided by financing activities.