

編號： 18 系所：全校系所

科目：會計學

本試題是否可以使用計算機：可使用，不可使用（請命題老師勾選）**一、Define the following items and compare the difference(15%)**

1. Relevance vs. Reliability
2. Capital expenditures vs. Revenue expenditures
3. Cash equivalent vs. Contingent liabilities
4. Earnings management vs. Corporate governance
5. Imprest systems vs. Internal control systems

二、Multiple-Choice：Select the best answer for each the following questions (18%)

1. The following items were included in Venicio Corporation's inventory account at December 31, 2006 :
 - Merchandise out on consignment, at sales price, including 40% markup on selling price \$14,000
 - Goods purchased, in transit, shipped F.O.B shipping point \$12,000
 - Goods held on consignment by Venicio \$9,000Venicio's inventory account at December 31, 2006 should be reduced by
(a) \$14,600 (b) \$17,400 (c) \$23,000 (d) \$35,000
2. On January 1, 2006 Parke Company borrowed \$360,000 from a major customer evidenced by a non-interest-bearing note due in 3 years. Parke agreed to supply the customer's inventory needs for the loan period at lower than market price. At 12% imputed interest rate for this type of loan, the present value of the note is \$255,000 at January 1, 2006. What amount of interest expense should be included in Parke's 2006 income statement?
(a) \$43,200 (b) \$35,000 (c) \$30,600 (d) \$0
3. The Amlin Corporation was incorporated on January 1, 2006, with the following authorized capitalization :
 - 20,000 shares of common stock, no par value, stated value \$40 per share
 - 5,000 shares of 5% cumulative preferred stock, par value \$10 per shareDuring 2004 Amlin issued 12,000 shares of common stock for a total of \$600,000 and 3,000 shares of preferred stock at \$16 per share. In addition, on December 21, 2006 subscriptions for 1,000 shares of preferred stock were taken at a purchase price of \$17. These subscribed shares were paid for on January 4, 2007. What should Amlin report as

(背面仍有題目,請繼續作答)

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total contributed capital on its December 31, 2006 balance sheet issued on February 1, 2007?

- (a) \$520,000 (b) \$648,000 (c) \$665,000 (d) \$850,000

4. At December 31, 2006, Gravin Corporation had 90,000 shares of common stock and 20,000 shares of convertible preferred stock outstanding, in addition to 9% convertible bonds payable in the face amount of \$2,000,000. During 2006, Gravin paid dividends of \$2.50 per share on the preferred stock. The preferred stock is convertible into 20,000 shares of common stock. The 9% convertible bonds are convertible into 30,000 shares of common stock. Net income for 2006 was \$970,000. Assume an income tax rate of 30%. How much is the diluted earnings per share for the year ended December 31, 2006?

- (a) \$7.83 (b) \$8.82 (c) \$9.35 (d) \$10.22

5. On April 1, 2005, Pine Construction Company entered into a fixed-price contract to construct an apartment building for \$6,000,000. Pine appropriately accounts for this contract under the percentage-of-completion method. Information relating to the contract is as follows:

	At December 31, 2005	At December 31, 2006
Percentage of completion	20%	60%
Estimated costs at completion	\$4,500,000	\$4,800,000
Income recognized(cumulative)	\$300,000	\$720,000

What is the amount of contract costs incurred during the year ended December 31, 2006?

- (a) \$1,200,000 (b) \$1,920,000 (c) \$1,980,000 (d) \$2,880,000

6. The net income for Mountain Corporation was \$4,000,000 for the year ended December 31, 2006. Additional information is as follows:

• Depreciation on fixed assets	\$2,000,000
• Proceeds from sale of land	200,000
• Increase in accounts payable	300,000
• Dividends on preferred stock	400,000

The net cash provided by the year ended December 31, 2006 should be

- (a) \$6,000,000 (b) \$6,100,000 (c) \$6,300,000 (d) \$6,500,000

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三、The December 31, 2006 bank statement for Miller Corporation showed a \$204,925 balance. On this date the company's Cash account reflected a \$32,560 overdraft. In reconciling these amounts, the following information is discovered:

1. Cash on hand for undeposited sales receipts, December 31, 2006, \$13,025.
2. Customer NSF check returned with bank statement, \$42,040.
3. Cash sales of \$64,025 for the week ended December 18, 2006 were recorded on the books. The cashier reports this amount missing, and it was not deposited in the bank.
4. Note receivable of \$250,000 and interest of \$2,500 collected by the bank and not recorded on the books.
5. Deposit in transit December 31, 2006, \$35,000.
6. A customer check for \$29,040 in payment of its account was recorded on the books at \$94,020.
7. Outstanding checks, \$204,055. Includes a duplicate check of \$7,085 to C. Brown, who notified Miller that the original was lost. Miller stopped payment on the original check and has already adjusted the cash account in the accounting records for the amount.

Required : (15%)

- (a) Prepare the bank reconciliation on December 31, 2006 for Miller Corporation.
- (b) Prepare any journal entries necessary to record the above information.

四、The EKC Company uses the retail inventory method. The following information for 2006 is available:

	Cost	Retail		Cost	Retail
Inventory, January 1	\$100,000	\$180,000	Markdowns	-	\$15,000
Purchases (gross price)	320,000	600,000	Markdown cancellations	-	4,000
Purchases discounts taken	6,000	-	Sales	-	610,000
Freight-in	16,000	-	Sales returns	-	30,000
Additional markups	-	60,000	Sales discounts	-	10,000
Markup cancellations	-	12,000			

Required: Compute the cost of the ending inventory under each of the following cost flow assumptions : (20%)

- (a) FIFO ; (b) Average cost ; (c) LIFO ; (d) Lower of cost or market (based on average cost)

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五、During 2006, the controller of the Ryel Company asked you to prepare correcting journal entries for the following three situations:

1. Machine A was purchased for \$40,000 on January 1, 2004. It had an estimated residual value of \$5,000 and an estimated service life of 10 years. It has been depreciated under the double-declining-balance method for 2 years. Now, at the beginning of the third year, Ryel has decided to change to the straight-line method.
2. Machine B was purchased for \$50,000 on January 1, 2001. Straight-line depreciation has been recorded for 5 years, and the Accumulated Depreciation account has a balance of \$25,000. The estimated residual value remains at \$5,000, but the service life is now estimated to be 1 year longer than estimated originally.
3. Machine C was purchased for \$20,000 on January 1, 2005. Double-declining-balance depreciation has been recorded for 1 year. The estimated residual value of the machine is \$2,000 and the estimated service life is 5 years. The computation of the depreciation erroneously included the estimated residual value.

Required : (20%)

Prepare any necessary correcting journal entries for each situation. Also prepare the journal entry necessary for each situation to record the depreciation for 2006. (Assume that the debit is to Depreciation Expense.)

六、On December 1, 2004 the Cone Company issued its 10%, \$2 million face value bonds for \$2.3 million, plus accrued interest. Interest is payable on November 1 and May 1. On December 31, 2006 the book value of the bonds, inclusive of the unamortized premium, was \$2.1 million. On July 1, 2007 Cone reacquired the bonds at 98, plus accrued interest. Cone appropriately uses the straight-line method for the amortization because the results do not materially differ from those of the interest method.

Required : (12%)

Prepare a schedule to compute the gain or loss on this extinguishment of debt. Show supporting computations in good form.