

東吳大學 103 學年度轉學生(含進修學士班轉學生)招生考試試題

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系級	會計學系三年級	考試時間	100 分鐘
科目	會計學 (二)	本科總分	100 分

作答說明：

1. 未依規定作答者，不給分。
2. 除題目另有說明，答案請四捨五入取至整數位。
3. 分錄之會計科目請列示英文會計科目。
4. 請依 2010 年版之國際財務報導準則(IFRS)及國際會計準則(IAS)規定作答。
5. 各題(除另有規定)請列示計算過程。

I. (20%) The board of directors of Orange Construction Company is meeting to choose between the cost-recovery method and the percentage-of-completion method of accounting for long-term contracts in the company's financial statements. You have been engaged to assist Orange's controller in the preparation of a presentation to be given at the board meeting. The controller provides you with the following information:

1. Orange commenced doing business on January 1, 2013.
2. Construction activities for the year ended December 31, 2013, were as follows:

<u>Project</u>	<u>Total Contract Price</u>	<u>Billings Through 12/31/2013</u>	<u>Cash Collections Through 12/31/2013</u>
A	\$ 515,000	\$ 340,000	\$ 310,000
B	690,000	210,000	210,000
C	475,000	475,000	390,000
D	200,000	100,000	65,000
E	<u>480,000</u>	<u>400,000</u>	<u>400,000</u>
	<u>\$2,360,000</u>	<u>\$1,525,000</u>	<u>\$1,375,000</u>

<u>Project</u>	<u>Contract Costs Incurred Through 12/31/2013</u>	<u>Estimated Additional Costs to Complete Contracts</u>
A	\$ 424,000	\$101,000
B	195,000	455,000
C	350,000	-0-
D	123,000	97,000
E	<u>320,000</u>	<u>80,000</u>
	<u>\$1,412,000</u>	<u>\$733,000</u>

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3. Each contract is with a different customer.

4. Any work remaining to be done on the contracts is expected to be completed in 2014.

Instructions

Prepare a schedule by project, computing the amount of revenue and income (or loss) before selling, general, and administrative expenses for the year ended December 31, 2013, which would be reported under (完工百分比請四捨五入取至百分比之整數位，如計算求得為 42.6%，經四捨五入後為 43%):

1. The percentage-of-completion method (based on estimated costs).
2. The cost-recovery method. Orange Construction Company estimates 80% of the cost (expense) recognized that are recoverable before the project completed.

II. (18%) Comparative statement of financial position accounts of Unit Company are presented below:

UNIT COMPANY.

(Partial) Comparative Statement of Financial Position Accounts
December 31, 2013 and 2012

Debit Accounts	December 31	
	2013	2012
Cash	\$45,000	\$33,750
Accounts receivable	?	60,000
Merchandise inventory	30,000	24,000
.....
Credit Accounts		
Allowance for doubtful accounts	\$2,250	1,500
Accumulated depreciation-machinery	5,625	2,250
Accumulated depreciation-buildings	13,500	9,000
Accounts payable	30,000	?
Accrued expense payable	3,375	2,625
.....

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Unit Company's 2013 partial income statement follows (ignore taxes):

Sales	\$540,000
Less cost of goods sold	380,000
Gross margin	<u>\$160,000</u>
Less: Operating expenses (includes \$8,625 depreciation and \$5,400 bad debts)	?
Income from operations

The net cash flow from operating activities for year 2013 using direct method of Unit Company as following:

<u>Net Cash Flow from Operating Activities</u>		
Cash received from customers		\$527,850
Cash payments to suppliers	\$380,750	
Cash payments for operating expenses	<u>105,675</u>	<u>(486,425)</u>
Net cash provided by operating activities		<u>\$41,425</u>

Instructions :

1. Compute the amount of Accounts Receivable on December 31, 2013.
 2. Compute the amount of Accounts Payable on December 31, 2012.
 3. Compute the amount of Operating Expenses (includes depreciation and bad debts) on income statement for year 2013.
- III. (15%) On December 31, 2013, you were hired by Backer Company, a closely held company, as a staff member of its newly created internal auditing department. While reviewing the company's records for 2011, 2012 and 2013, you discover following items:
1. A computer costing \$8,000 was expensed when purchased on December 31, 2012. It is expected to have a 4-year life with no salvage value. The company typically uses straight-line depreciation for all property, plant and equipment.
 2. Research costs of \$36,000 were incurred early in 2012. They were capitalized and were to be amortized over a 3-year period. Amortization of \$11,000 was recorded for 2012 and \$12,000 for 2013.
 3. Interest expense of \$14,100 was not accrued at the end of 2012. It was recorded when paid in February 2013.

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4. In reviewing the December 31, 2013, inventory, Backer discovered errors in its inventory taking procedure that have caused inventories for the last 3 year to be incorrect, as follows:

December 31, 2011	Understated	\$16,000
December 31, 2012	Overstated	\$21,000
December 31, 2013	Understated	\$8,000

Backer has already made an entry that established the incorrect December 31, 2013, inventory amount.

Instructions :

The incorrect net income for year 2011, 2012 and 2013 are \$80,000, \$95,000 and \$98,000 before adjusted the above items. Compute the correct net income for year 2011, 2012 and 2013.

IV. (10%) Assume that on January 1, 2014, John Company contracted with Peter Construction Co. to have a building constructed, that qualifies for interest capitalization. John Company had the specific construction debt \$3,000,000, that debt's interest rate is 15%, 3-year note to finance construction of the building, dated April 1, 2014, with interest payable annually on December 31. The excess borrowed funds (not yet using amount) were invested in short-term securities, the rate of return on the investment is 2%. The payments made by John during year 2014 to Peter Construction Co. are shown in the schedule below:

Date	Amount
April 1	\$ 500,000
July 1	1,300,000
December 1	1,200,000

Instructions :

Compute the amount of capitalized interest for year 2014.

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V. (6%) Joe Company has computed its pretax financial income to be \$60,000 in year 2013 after including the effects of the appropriate items from the following information:

1. Depreciation taken for tax purposes	\$40,000
2. Officers' life insurance premium expense recorded on accounting records	20,000
3. Interest revenue on investment in municipal bonds recorded on accounting records	25,000
4. Estimated product warranty expense recorded on accounting records	30,000
5. Gross profit on installment sales recognized for financial reporting purposes	91,000
6. Depreciation taken for financial reporting purposes	58,000
7. Actual product warranty costs deducted for tax purposes	20,000
8. Gross profit on installment sales recognized for tax purposes	80,000
9. Officers' life insurance premium expense recognized for tax purposes	30,000

Instructions :

Compute the Joe Company's taxable income for year 2013.

VI. (5%) Newton Inc. uses a calendar year for financial reporting. The company is authorized to issue 9,000,000 shares of \$10 par ordinary share. At no time has Newton issued any potentially dilutive securities. Listed below is a summary of Newton's ordinary shares activities.

1. Number of ordinary shares issued and outstanding at December 31, 2010	2,000,000
2. Shares issued as a result of a 10% share dividend on September 30, 2011	200,000
3. Shares issued for cash on July 1, 2012	2,000,000
Number of ordinary shares issued and outstanding at December 31, 2012	<u>4,200,000</u>
4. A 2-for-1 share split of Newton's ordinary shares took place on March 31, 2013.	

Instructions:

Compute the weighted-average number of ordinary shares used in computing earnings per ordinary share for year 2012 on the year 2013 comparative income statement.

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VII. (16%) The following four situations are independent.

1. An analysis of Thrift Corp.'s unadjusted prepaid expense account at December 31, 2013, revealed the following:

- An opening balance of \$1,500 for Thrift's insurance policy. Thrift had paid an annual premium of \$3,000 on July 1, 2012.
- A \$3,200 annual insurance premium payment made July 1, 2013.
- A \$2,000 advance rental payment for a warehouse Thrift leased for 1 year beginning January 1, 2014.

Instructions:

In its December 31, 2013 statement of financial position, what amount should Thrift report as prepaid expenses (including insurance and rental)?

2. Decker Company assigns some of its patents to other enterprises under a variety of licensing agreements. In some instances advance royalties are received when the agreements are signed, and in others, royalties are remitted within 60 days after each license year end. The following data are included in Decker's December 31 statement of financial position:

	2012	2013
Royalties receivable	\$90,000	\$85,000
Unearned royalties	60,000	40,000

During 2013 Decker received royalty remittances of \$200,000 (for Royalties Receivable).

Instructions:

Compute the amount of royalty income in income statement for the year ended December 31, 2013.

3. Here Co.'s inventory at December 31, 2013, was \$1,500,000 based on a physical count priced at cost, and before any necessary adjustment for the following:

- Merchandise costing \$90,000, shipped FOB shipping point from a vendor on December 30, 2013, was received and recorded on January 5, 2014.
- Goods in the shipping area were excluded from inventory although shipment was not made until January 4, 2014. The goods, billed to the customer FOB shipping point on December 30, 2013, had a cost of \$120,000.

Instructions:

What amount should Here report as inventory in its December 31, 2013 statement of financial position?

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4. Kew Co.'s accounts payable balance at December 31, 2013, was \$2,200,000 before considering the following data:

- Goods shipped to Kew FOB shipping point on December 22, 2013, were lost in transit. The invoice cost of \$40,000 was not recorded by Kew. On January 7, 2014, Kew filed a \$40,000 claim against the common carrier.
- On December 27, 2013, a vendor authorized Kew to return, for full credit, goods shipped and billed at \$70,000 on December 3, 2013. The returned goods were shipped by Kew on December 28, 2013. A \$70,000 credit memo was received and recorded by Kew on January 5, 2014.
- Goods shipped to Kew FOB destination on December 20, 2013, were received on January 6, 2014. The invoice cost was \$50,000.

Instructions:

What amount should Kew report as accounts payable in its December 31, 2013 statement of financial position?

VIII. 簡答題

1. (2%) 說明「存貨跌價損失」之會計科目應表達於何項報表？及該報表中的那一項目內？
2. (2%) 說明「遞延所得稅資產」該如何劃分為流動及非流動資產。
3. (6%) 說明於確定(退休)福利計畫下所發生之前期服務成本(Past service cost)應於何時認列為費用及該如何決定各年度認列之金額。