

# 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	商學(進修學士班)二年級	考試時間	100 分鐘
科目	會計學	本科總分	100 分

一、 Multiple Choice 30%

請於答案卷上繪製下列表格，並依序填入各題答案

1.	2.	3.	4.	5
6.	7.	8.	9	10.
11.	12.	13.	14.	15.

1. The manager of Yates Company is given a bonus based on income before income taxes. Net income, after taxes, is \$12,600 for FIFO and \$9,450 for average-cost. The tax rate is 30%. The bonus rate is 20%. How much higher is the manager's bonus if FIFO is adopted instead of average-cost?

- A. \$630
- B. \$900
- C. \$945
- D. \$3,150

2. Carlsberg Corporation has 2,000 units of product#1 and 4,000 units of product#2 in its inventory at December 31, 2014. Specific data with respect to each product follows:

	<u>Product#1</u>	<u>Product#2</u>
Historical cost	\$40	\$72
Net realizable value	48	54

What amount will be reported on the company statement of financial position at December 31, 2014 for ending inventory using lower-of-cost-or-net realizable value?

- A. \$288,000.
- B. \$296,000.
- C. \$368,000.
- D. \$384,000.

3. In preparing its bank reconciliation for the month of April 2014, Franklin, Inc. has available the following information.

Balance per bank statement, 4/30/14	\$58,710
NSF check returned with 4/30/14 bank statement	525
Deposits in transit, 4/30/14	7,500
Outstanding checks, 4/30/14	7,800
Bank service charges for April	80

What should be the adjusted cash balance at April 30, 2014?

- A. \$59,535.
- B. \$58,410.
- C. \$57,885.
- D. \$57,805.

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<p>4. If a check correctly written and paid by the bank for \$817 is incorrectly recorded on the company's books for \$871, the appropriate treatment on the bank reconciliation would be to</p> <p>A. add \$54 to the book's balance.                  B. add \$54 to the bank's balance.                  C. deduct \$54 from the bank's balance.                  D. deduct \$817 from the book's balance.</p> <p>5. In 2014, the Dugan Co. had net credit sales of \$850,000. On January 1, 2014, Allowance for Doubtful Accounts had a credit balance of \$16,000. During 2014, \$30,000 of uncollectible accounts receivable were written off. Past experience indicates that the allowance should be 10% of the balance in receivables (percentage of receivable basis). If the accounts receivable balance at December 31 was \$200,000, what is the required adjustment to the Allowance for Doubtful Accounts at December 31, 2014?</p> <p>A. \$4,000      B. \$20,000      C. \$34,000      D. \$36,000</p> <p>6. ABC Company accepted a national credit card for a \$8,000 purchase. The cost of the goods sold is \$6,000. The credit card company charges a 3% fee. What is the impact of this transaction on net operating income?</p> <p>A. Increase by \$1,760                  B. Increase by \$1,940                  C. Increase by \$2,000                  D. Increase by \$7,760</p> <p>7. When the allowance method of recognizing bad debts expense is used, the entry to recognize that expense</p> <p>A. increases net income.                  B. decreases current assets.                  C. has no effect on current assets.                  D. has no effect on net income.</p> <p>8. In an exchange of plant assets that has commercial substance</p> <p>A. neither gains nor losses are recognized immediately.                  B. gains, but not losses, are recognized immediately.                  C. losses, but not gains, are recognized immediately.                  D. both gains and losses are recognized immediately.</p> <p>9. A truck that cost \$86,000 and on which \$72,000 of accumulated depreciation has been recorded was disposed of for \$21,000 cash. The entry to record this event would include a</p> <p>A. gain of \$7,000.                  B. loss of \$7,000.                  C. credit to the Truck account for \$14,000.                  D. credit to Accumulated Depreciation for \$72,000.</p>			

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10. The following data are available for Cole Company.

Increase in accounts payable	\$120,000
Increase in bonds payable	500,000
Sale of investments	280,000
Issuance of ordinary shares	300,000
Payment of cash dividends	150,000

Net cash provided by financing activities is:

- A. \$450,000.
- B. \$650,000.
- C. \$810,000.
- D. \$880,000.

11. Walker Clothing Store had a balance in the Accounts Receivable account of \$429,000 at the beginning of the year and a balance of \$451,000 at the end of the year. Net credit sales during the year amounted to \$3,300,000. The average collection period of the receivables in terms of days was

- A. 365 days.
- B. 274 days.
- C. 49 days.
- D. 30 days.

12. Huang Company owns 15,000 of the 50,000 outstanding ordinary shares of Xi Inc. The balance in the investment account at January 1, 2014 was \$600,000. During 2014, Xi earned \$960,000 and paid cash dividends of \$768,000.

The balance in the Investment in Xi account reported on Huang's December 31, 2014 statement of financial position should be

- A. \$888,000.
- B. \$792,000.
- C. \$657,600.
- D. \$600,000.

13. The following data is available for BOX Corporation at December 31, 2014:

Ordinary shares, par \$10 (authorized 30,000 shares)	\$200,000
Treasury shares (at cost \$15 per share)	1,500

Based on the data, how many ordinary shares are outstanding?

- A. 30,000
- B. 29,900
- C. 20,000
- D. 19,900

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14. Manner, Inc. has 5,000 shares of 6%, \$100 par value, cumulative preference shares and 20,000 ordinary shares with a \$1 par value outstanding at December 31, 2014. There were no dividends declared in 2013. The board of directors declares and pays a \$65,000 dividend in 2014. What is the amount of dividends received by the ordinary shareholders in 2014?

- A. \$0
- B. \$5,000
- C. \$35,000
- D. \$65,000

15. LF's Pest Control Products has the following information available:

Net Income	\$15,000
Cash Provided by Operations	35,000
Cash Sales	65,000
Capital Expenditures	11,000
Dividends Paid	3,000

What is LF's free cash flow?

- A. \$30,000
- B. \$24,000
- C. \$21,000
- D. \$1,000

二、6%

The income statement of ABC, Inc. includes the items listed below:

Sales	\$900,000
Gross profit	360,000
Beginning inventory	90,000
Purchase discounts	15,000
Purchase returns and allowances	5,000
Freight-in	10,000
Sales discounts	5,000
Operating expenses	300,000
Purchases	550,000

**Instructions** (Show computations)

Use the appropriate items listed above as a basis for determining:

1. Cost of goods sold.
2. Ending inventory.

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三、17%

Wham Company accumulates the following adjustment data at December 31.

1. Revenue of \$600 collected in advance has been earned.
2. Salaries of \$500 are unpaid.
3. Prepaid rent totaling \$400 has expired.
4. Supplies of \$650 have been used.
5. Revenue earned but unbilled total \$700.
6. Utility expenses of \$350 are unpaid.
7. Interest of \$250 has accrued on a note payable.

**Instructions**

1. Prepare the adjusting entries.
2. Assume net income before the adjustments listed above was \$12,500. What is the adjusted net income?

四、12%

On June 30, 2014, Way, Inc. sold \$6,000,000 (face value) of bonds. The bonds are dated June 30, 2014, pay interest semiannually on December 31 and June 30, and will mature on June 30, 2017. Way uses the effective-interest method. The following schedule was prepared by the accountant for 2014.

<u>Semi-Annual Interest Period</u>	<u>Interest to be Paid</u>	<u>Interest Expense</u>	<u>Amortization</u>	<u>Bond Carrying Value</u>
				\$5,850,000
1	\$240,000	\$263,250	\$23,250	5,873,250

**Instructions**

On the basis of the above information, answer the following questions. (Round your answer to the nearest dollar or percent.)

1. What is the stated interest rate for this bond issue?
2. What is the market interest rate for this bond issue?
3. What was the selling price of the bonds as a percentage of the face value?
4. Prepare the journal entry to record the sale of the bond issue on June 30, 2014.
5. Prepare the journal entry to record the payment of interest and amortization on December 31, 2014 and June 30, 2015.

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五、10%

Selected information from the comparative financial statements of Fry Company for the year ended December 31, appears below:

	<u>2014</u>	<u>2013</u>
Inventory	\$ 140,000	\$160,000
Accounts receivable (net)	225,000	250,000
Total assets	1,000,000	600,000
Non-current liabilities	340,000	300,000
Current liabilities	140,000	110,000
Net credit sales	1,520,000	1,200,000
Cost of goods sold	825,000	630,000
Interest expense	50,000	25,000
Income tax expense	60,000	29,000
Net income	160,000	85,000

**Instructions**

Answer the following questions relating to the year ended December 31, 2014. Show computations.

1. Inventory turnover for 2014 is \_\_\_\_\_.
2. Times interest earned in 2014 is \_\_\_\_\_.
3. The debt to total assets ratio for 2014 is \_\_\_\_\_.
4. Accounts receivable turnover for 2014 is \_\_\_\_\_.
5. Return on assets for 2014 is \_\_\_\_\_.

六、14%

Fareast Co. purchased equipment on January 1, 2012, at a cost of \$60,000,000. The estimated useful life of the aircraft is 10 years, with an estimated residual value of \$5,000,000. On January 1, 2015 the airline revises the total estimated useful life to 8 years with a revised residual value of \$3,000,000.

**Instructions** (Show computations)

1. Compute the depreciation and book value at December 31, 2014 using (a) the straight-line method; (b) the double-declining-balance method; (c) the sum of the years' digits method.
2. Assuming the straight-line method is used, compute the depreciation expense for the year ended December 31, 2015.

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七、11%

Eckert Company reported the following summarized annual data at the end of 2014:

Sales revenue	\$1,200,000
Cost of goods sold*	<u>720,000</u>
Gross margin	480,000
Operating expenses	<u>350,000</u>
Income before income taxes	<u>\$ 130,000</u>

\*Based on an ending FIFO inventory of \$280,000.

The income tax rate is 30%. The controller of the company is considering a switch from FIFO to average-cost. He has determined that on an average-cost basis, the ending inventory would have been \$220,000.

**Instructions**

1. Restate the summary information on an average-cost basis.
2. What effect, if any, would the proposed change have on Eckert's income tax expense, net income, and cash flows?