

東吳大學 104 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	會計學系二年級	考試時間	100 分鐘
科目	會計學	本科總分	100 分

注意：

1. 答案請寫在所附的「招生考試答案卷」上，試題上作答不計分。
2. 英文題請用英文作答，否則不予計分。如題中有「問答題」則中英文作答均可。

I. An analysis of the accounts of Williams Company reveals the following manufacturing cost data for the month ended June 30, 2015.

<u>Inventories</u>	<u>Beginning</u>	<u>Ending</u>
Raw materials	\$12,000	\$11,300
Work in process	7,500	5,000
Finished goods	10,000	12,000

Costs incurred: raw materials purchases \$62,500, direct labor \$51,000, manufacturing overhead \$25,650. The specific overhead costs were: indirect labor \$6,500, factory insurance \$5,000, machinery depreciation \$6,000, machinery repairs \$2,800, factory utilities \$3,600, miscellaneous factory costs \$1,750. Assume that all raw materials used were direct materials.

Required: (20%)

- (a) Prepare the cost of goods manufactured schedule for the month ended June 30, 2015.
- (b) Williams Company is considering the purchase of a new automated assembly line for its factory. The purchase would result in several changes in Williams' cost structure. Both direct labor and indirect labor would decrease by 40%. Factory insurance would increase to \$8,000, machinery depreciation would double, machinery repairs would decrease to \$500, utilities would decrease to \$2,500 and miscellaneous factory costs would increase to \$1,850. Materials usage would remain at current levels. Analyze the new purchase by preparing a cost of goods manufactured schedule for June 30, 2015 using the new data. Should Williams Company make this purchase? Explain the factors that should be considered in the decision?

II. A beginning accountant for Costas Company recorded the following transactions in the records of the company for the year ended December 31, 2014. The controller has questioned the appropriateness of the entries since she thinks that they have not been recorded in accordance with generally accepted accounting principles. Net income for the year including the entries described below is \$70,000.

1. On January 1, the company president took a personal vacation trip to Bermuda. The trip costs \$3,000. The accountant recorded the entry as follows:

	<u>Debit</u>	<u>Credit</u>
Travel Expense.....	3,000	
Accounts Payable.....		3,000

2. The company purchased on account a wastebasket on December 31 at a cost of \$20. The accountant made the following entry:

	<u>Debit</u>	<u>Credit</u>
Office Equipment.....	20	
Accounts Payable.....		20

3. Equipment with a fair market value of \$15,000 was acquired in a liquidation sale for cash at a cost of \$7,000. The accountant recorded the transaction as follows:

	<u>Debit</u>	<u>Credit</u>
Equipment.....	15,000	
Cash.....		7,000
Gain on Purchase of Equipment		8,000

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4. A customer's account receivable for \$17,000 was uncollectible and the following entry was made: (the amount was considered significant)

	<u>Debit</u>	<u>Credit</u>
Bad Debt Expense.....	17,000	
Accounts Receivable.....		17,000

Required: (15%)

For each of the above entries indicate the accounting principle or constraint that was violated and determine the correct net income for 2014.

III. The balance sheet of the ABC partnership just prior to liquidation appears below:

ABC PARTNERSHIP
Balance Sheet
December 31, 2014

Assets		Liabilities and Partners' Equity	
Cash	\$105,000	Accounts Payable	\$210,000
Land	200,000	Allan, Capital	30,000
Equipments	180,000	Bell, Capital	120,000
Less: Acc. Depr.	<u>(65,000)</u>	Craft, Capital	<u>60,000</u>
	<u>\$420,000</u>		<u>\$420,000</u>

Other information:

- The partners Allan, Bell, and Craft share profits and losses in the ratio of 5:3:2.
- The noncash assets are sold for \$225,000.
- The liabilities are paid in full.
- The remaining assets are distributed to the partners. Assume that if any partner has a capital deficiency, he will not be able to pay the amount owed to the partnership.

Required: (15%)

Prepare the entries to record the liquidation of the ABC partnership.

IV. On December 31, 2014, the adjusted trial balance of Garg Employment Agency shows the following selected data:

Accounts Receivable	\$24,000	Commission Revenue	\$92,000
Interest Expense	7,800	Interest Payable	1,500

Analysis shows that adjusting entries were made to (1) accrue \$4,200 of commission revenue and (2) accrue \$1,500 interest expense.

Required: (10%)

- Prepare the reversing entries on January 1, 2015.
- Prepare the entries to record (1) the collection of the accrued commissions on January 12, 2015 and (2) the payment of all interest due (\$2,700) on January 15, 2015 if the reversing entries are used.

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V. On June 30, 2015, Upton, Inc. sold \$3,000,000 (face value) of bonds. The bonds are dated June 30, 2015, pay interest semiannually on December 31 and June 30, and will mature on June 30, 2018. The following schedule was prepared by the accountant for 2015.

Semi-Annual Interest Period	Cash Interest Paid	Interest Expense	Amortization	Unamortized Amount	Bond Carrying Value
				\$75,000	\$2,925,000
1	\$120,000	\$131,625	\$11,625	63,375	2,936,625

Required: (20%)

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, 2015.
5. Prepare the journal entry to record the payment of interest and amortization on December 31, 2015.

VI. The following ratios have been computed for Platt Company for 2014.

Profit margin	20%
Times interest earned	12 times
Receivables turnover	5 times
Quick ratio	1.4 : 1
Current ratio	2.5 : 1
Debt to total assets ratio	24%

The 2014 financial statements for Platt Company with missing information follows:

PLATT COMPANY
Comparative Balance Sheet
December 31,

Assets	2014		2013
Cash.....	\$ 25,000		\$ 35,000
Short-term Investments.....	15,000		15,000
Accounts receivable (net).....	? (6)		50,000
Inventory.....	? (8)		50,000
Property, plant, and equipment (net).....	<u>200,000</u>		<u>160,000</u>
Total assets.....	<u>\$? (9)</u>		<u>\$310,000</u>
Liabilities and stockholders' equity			
Accounts payable.....	\$? (7)		\$ 25,000
Short-term notes payable.....	35,000		30,000
Bonds payable.....	? (10)		20,000
Common stock.....	200,000		200,000
Retained earnings.....	<u>47,000</u>		<u>35,000</u>
Total liabilities and stockholders' equity.....	<u>\$? (11)</u>		<u>\$310,000</u>

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PLATT COMPANY
Income Statement
For the Year Ended December 31, 2014

Net sales	\$200,000	
Cost of goods sold.....	<u>100,000</u>	
Gross profit	100,000	
Expenses:		
Depreciation expense.....\$? (5)	
Interest expense.....	5,000	
Selling expenses.....	10,000	
Administrative expenses	<u>15,000</u>	
Total expenses	<u> ?</u>	(4)
Income before income taxes	?	(2)
Income tax expense.....	<u> ?</u>	(3)
Net income	<u><u>\$?</u></u>	(1)

Required: (20%)

1. Use the above ratios and information from the Platt Company financial statements to find out the missing information on the financial statements. Follow the sequence indicated with number codes and write your answer sequentially in your answer sheet. Show computations that support your answers.
2. Estimate the operating cycle (in days) for Platt Company according to the above information.