

東吳大學 105 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 | 企業管理學系二年級 | 考試時間 | 100 分鐘 |
| 科目 | 會計學 | 本科總分 | 100 分 |

請於答案卷作答，所有會計科目請以英文作答

A. Match the items below by entering the appropriate code letter in the space provided. (10%)

- | | |
|---------------------------|----------------------|
| A. Account | F. Journal |
| B. Normal account balance | G. Posting |
| C. Debit | H. Chart of accounts |
| D. Revenue account | I. Trial balance |
| E. Compound entry | J. Simple entry |

- ___ 1. An entry that involves three or more accounts.
- ___ 2. Transferring journal entries to ledger accounts.
- ___ 3. The side which increases an account.
- ___ 4. A list of all the accounts used by an enterprise.
- ___ 5. A record of increases and decreases in specific assets, liabilities, and equity items.
- ___ 6. Left side of an account.
- ___ 7. An entry that involves only two accounts.
- ___ 8. A book of original entry.
- ___ 9. A list of accounts and their balances at a given time.
- ___ 10. Has a credit normal balance

B. Transaction and adjustment data for Alcott Company for the calendar year end is as follows:

- December 24 (initial salary entry): £18,000 of salaries and wages earned between December 1 and December 24 are paid.
- December 31 (adjusting entry): Salaries and wages earned between December 25 and December 31 are £3,000. These will be paid in the January 8 payroll.
- January 8 (subsequent salary entry): Total salary payroll amounting to £11,000 was paid.

Instructions (8%)

Prepare two sets of journal entries as specified below. The first set of journal entries should assume that the company does not use reversing entries, and the second set should assume that reversing entries are utilized by the company.

Assume no reversing entries

Assume reversing entries

(a) Initial Salary Entry

Dec. 24

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(b) Adjusting Entry

Dec. 31

(c) Closing Entry

Dec. 31

(d) Reversing Entry

Jan. 1

(e) Subsequent Salary Entry

Jan. 8

C. The inventory of Pedigo Company was destroyed by fire on April 1. From an examination of the accounting records, the following data for the first three months of the year are obtained:

| | |
|---------------------------------|-----------|
| Sales Revenue | \$185,000 |
| Sales Returns and Allowances | 5,000 |
| Purchases | 90,000 |
| Freight-In | 3,500 |
| Purchase Returns and Allowances | 4,000 |

Instructions (13%)

Determine the merchandise lost by fire, assuming a beginning inventory of \$60,000 and a gross profit rate of 40% on net sales.

D. Kosko Furniture Store has credit sales of \$400,000 in 2017 and a debit balance of \$600 in the Allowance for Doubtful Accounts at year end. As of December 31, 2017, \$130,000 of accounts receivable remain uncollected. The credit manager prepared an aging schedule of accounts receivable and estimates that \$4,000 will prove to be uncollectible.

On March 4, 2018, the credit manager authorizes a write-off of the \$1,000 balance owed by A. Noonan.

Instructions (12%)

(a) Prepare the adjusting entry to record the estimated uncollectible accounts expense in 2017.

(b) Show the statement of financial position presentation of accounts receivable on December 31, 2017.

(c) On March 4, before the write-off, assume the balance of Accounts Receivable account is \$140,000 and the balance of Allowance for Doubtful Accounts is a credit of \$2,000. Make the appropriate entry to record the write-off of the Noonan account.

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E. On December 31, 2017, Wayne, Inc. sold \$4,000,000 (face value) of bonds. The bonds are dated December 30, 2017, pay interest annually on December 31, and will mature on December 31, 2020. The following schedule was prepared by the accountant for 2018.

| <u>Annual Interest Period</u> | <u>Interest to be Paid</u> | <u>Interest Expense</u> | <u>Amortization</u> | <u>Bond Carrying Value</u> |
|-------------------------------|----------------------------|-------------------------|---------------------|----------------------------|
| | | | | \$3,900,000 |
| 1 | \$320,000 | \$351,000 | \$31,000 | 3,931,000 |

Instructions (15%)

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 December 31, 2017.
5. Prepare the journal entry to record the payment of interest and amortization on December 31, 2018.

F. Price Corporation has the following trading securities portfolio of share investments as of December 31, 2017.

| <u>Security</u> | <u>Cost</u> | <u>Fair Value</u> |
|-----------------|-----------------|-------------------|
| A | \$19,000 | \$16,000 |
| B | 22,000 | 26,000 |
| C | <u>34,000</u> | <u>31,000</u> |
| | <u>\$75,000</u> | <u>\$73,000</u> |

On January 22, 2018, Price Corporation sold security C for \$30,000.

Instructions (15%)

- (a) Prepare the adjusting entry for Price Corporation on December 31, 2017, to report the portfolio at fair value.
- (b) Indicate the statement of financial position and income statement presentation of the fair value data for Price Corporation at December 31, 2017.
- (c) Prepare the journal entry for the 2018 sale.

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G. At January 1, 2017, the non-trading securities portfolio held by Howe Corporation consisted of the following investments:

- 2,500 ordinary shares of Nyland purchased for \$42 per share.
- 1,500 ordinary shares of Gregg purchased for \$60 per share.

At December 31, 2017, the fair values per share were Nyland \$36 and Nyland \$66.

Instructions (15%)

- Prepare a schedule showing the cost and fair value of the portfolio at December 31, 2017.
- Prepare the adjusting entry to report the portfolio at fair value at December 31, 2017.

H. Santo Corporation experienced a fire on December 31, 2017, in which its financial records were partially destroyed. It has been able to salvage some of the records and has ascertained the following balances.

| | <u>December 31, 2017</u> | <u>December 31, 2016</u> |
|-------------------------------------|--------------------------|--------------------------|
| Cash | \$ 30,000 | \$ 10,000 |
| Accounts receivables (net) | 84,000 | 126,000 |
| Inventory | 200,000 | 180,000 |
| Accounts payable | 50,000 | 90,000 |
| Notes payable | 30,000 | 60,000 |
| Share capital – ordinary, \$100 par | 400,000 | 400,000 |
| Retained earnings | 130,000 | 101,000 |

Additional information:

- The inventory turnover is 5 times
- The return on ordinary shareholders' equity is 18%. The company had no share premium.
- The accounts receivable turnover is 9.4 times.
- The return on assets is 16%.
- Total assets at December 31, 2016, were \$585,000.

Instructions (12%)

Compute the following for Santo Corporation.

- Cost of goods sold for 2017.
- Net sales (credit) for 2017.
- Net income for 2017.
- Total assets at December 31, 2017.

~~ The End ~~