

# 東吳大學 107 學年度暑假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

注意：

1. 答案請在所附「招生考試答案卷」上，由第一頁起依序作答，試題上作答不計分。
2. 請以英文正楷作答。計算題最終答案四捨五入至整數位。
3. 計算題須於答案卷上留下計算過程。

**一、選擇題(18 題，每題 2 分，共 36 分)：**

1. To be a faithful representation as described by the International Accounting Standards Board's (IASB's) Conceptual Framework, information must be all of the following **except**:
  - a. Confirmatory.
  - b. Neutral.
  - c. Complete.
  - d. Free from error.
2. Which of the following basic assumptions of accounting (used by the International Accounting Standards Board) makes depreciation and amortization policies justifiable and appropriate?
  - a. Periodicity.
  - b. Monetary unit.
  - c. Going concern.
  - d. Decision usefulness
3. Which of the following is not treated as a change in accounting policy?
  - a. A change from cost-recovery to percentage-of-completion
  - b. A change from average cost to FIFO for inventory valuation
  - c. A change to a different method of depreciation for plant assets
  - d. A change from full-cost to successful efforts in the extractive industry
4. An example of a correction of an error in previously issued financial statements is a change
  - a. in the service life of plant assets, based on changes in the economic environment.
  - b. from the FIFO method of inventory valuation to the average cost method.
  - c. from the cash basis of accounting to the accrual basis of accounting.
  - d. in the tax assessment related to a prior period.
5. KKK, Inc. estimates the cost of its physical inventory at March 31 for use in an interim financial statement. The rate of markup on cost is 25%. The following account balances are available:

Inventory, March 1	£220,000
Purchases	172,000
Purchase returns	8,000
Sales during March	300,000

The estimate of the cost of inventory at March 31 would be

- a. £144,000.
- b. £84,000.
- c. £159,000.
- d. £112,000.

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6. In an exchange with commercial substance, HHH Company traded equipment with a cost of ¥8,200,000 and book value of ¥3,120,000 and gave ¥4,698,000 cash. The old machine had a fair value of ¥2,960,000. Which of the following journal entries would HHH make to record the exchange?

- |                             |           |  |  |
|-----------------------------|-----------|--|--|
| a. Equipment                | 7,658,000 |  |  |
| Loss on Disposal            | 160,000   |  |  |
| Accumulated Depreciation    | 5,080,000 |  |  |
| Equipment                   | 8,200,000 |  |  |
| Cash                        | 4,698,000 |  |  |
| b. Equipment                | 8,208,000 |  |  |
| Equipment                   | 8,200,000 |  |  |
| Cash                        | 8,000     |  |  |
| c. Accumulated Depreciation | 5,080,000 |  |  |
| Equipment                   | 7,818,000 |  |  |
| Equipment                   | 8,200,000 |  |  |
| Cash                        | 4,698,000 |  |  |
| d. Equipment                | 7,658,000 |  |  |
| Accumulated Depreciation    | 542,000   |  |  |
| Equipment                   | 8,200,000 |  |  |

7. On September 19, 2018, MMM Co. purchased machinery for £190,000. Residual value was estimated to be £10,000. The machinery will be depreciated over eight years using the sum-of-the-years'-digits method. If depreciation is computed on the basis of the nearest full month, MMM should record depreciation expense for 2019 on this machinery of

- a. £40,903.    b. £38,750.    c. £38,845.    d. £35,000.

**Use the following information for questions 8-11.**

SSS Company applies revaluation accounting to plant assets with a carrying value of €800,000, a useful life of 4 years, and no salvage value. Depreciation is calculated on the straight-line basis. At the end of year 1, independent appraisers determine that the asset has a fair value of €750,000.

8. The journal entry to record depreciation for year one will include a
- a. debit to Accumulated Depreciation for €200,000.
  - b. debit to Depreciation Expense for €200,000.
  - c. debit to Depreciation Expense for €50,000.
  - d. credit to Accumulated Depreciation for €50,000.

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9. The journal entry to adjust the plant assets to fair value and record revaluation surplus in year one will include a
- a. debit to Accumulated Depreciation for €50,000.
  - b. credit to Revaluation Surplus for €150,000.
  - c. credit to Depreciation Expense for €150,000.
  - d. credit to Plant Assets for €150,000.
10. The financial statements for year one will include the following information
- a. Plant assets €750,000.
  - b. Accumulated depreciation €200,000.
  - c. Depreciation expense €50,000.
  - d. Revaluation surplus €50,000.
11. The entry to record depreciation for this same asset in year two will include a
- a. debit to Accumulated Depreciation for €200,000.
  - b. credit to Accumulated Depreciation for €150,000.
  - c. debit to Depreciation Expense for €200,000.
  - d. debit to Depreciation Expense for €250,000.
12. TTT, Inc. sells collectible jewelry on consignment from various manufacturers. Additionally, TTT sells its own line of specialty jewelry manufactured in-house. On December 31, 2019, during TTT, Inc 's annual inventory count, an inexperienced new staff member included in TTT's ending inventory €350,000 worth of inventory held on consignment from MMM Associates. Which of the following is correct regarding the impact of this error on TTT's income statement and statement of financial position at December 31, 2019?
- a. Ending inventory is understated by €350,000.
  - b. Cost of goods sold is overstated by €350,000.
  - c. Retained earnings is overstated by €350,000.
  - d. The financial statements are correctly stated.
13. If the beginning inventory for 2018 is overstated, the effects of this error on cost of goods sold for 2018, net income for 2018, and assets at December 31, 2019, respectively, are
- a. overstatement, understatement, overstatement.
  - b. understatement, overstatement, overstatement.
  - c. understatement, overstatement, no effect.
  - d. overstatement, understatement, no effect.

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**Use the following information for questions 14 and 15.**

HHH Co. had 200,000 ordinary shares, 20,000 shares of convertible preference shares, and €1,000,000 of 10% convertible bonds outstanding during 2019. The preference shares are convertible into 40,000 ordinary shares. During 2019, HHH paid dividends of €1.20 per share on the ordinary shares and €4 per share on the preference shares. Each €1,000 bond is convertible into 45 ordinary shares. The net income for 2019 was \$800,000 and the income tax rate was 30%.

14. Basic earnings per share for 2019 is (rounded to the nearest penny)

- a. €2.94.      b. €3.22.      c. €3.60.      d. €3.35.

15. Diluted earnings per share for 2019 is (rounded to the nearest penny)

- a. €2.77.      b. €2.81.      c. €3.33.      d. €3.05.

**Use the following information for questions 16 and 17.**

On January 1, 2018, FFF Inc. purchased equipment with a cost of €3,060,000, a useful life of 12 years and no salvage value. The company uses straight-line depreciation. At December 31, 2018, the company determines that impairment indicators are present. The fair value less cost to sell the asset is estimated to be €2,600,000. The asset's value-in-use is estimated to be €2,365,000. There is no change in the asset's useful life or salvage value

16. The 2018 income statement will report Loss on Impairment of

- a. €205,000.      b. €0.      c. €440,000.      d. €460,000.

17. The 2019 (second year) income statement will report depreciation expense for the equipment of

- a. €216,667.      b. €36,364.      c. €55,000.      d. €60,000.

18. On January 2, 2018, QQQ Inc. purchased equipment with a cost of HK\$10,440,000, a useful life of 10 years and no salvage value. The Company uses straight-line depreciation. At December 31, 2018 and December 31, 2019, the company determines that impairment indicators are present. The following information is available for impairment testing at each year end:

	<u>12/31/2018</u>	<u>12/31/2019</u>
Fair value less cost to sell	HK\$9,315,000	HK\$8,350,000
Value-in-use	HK\$9,350,000	HK\$8,315,000

There is no change in the asset's useful life or salvage value. The 2019 income statement will report

- a. Recovery of Impairment Loss of HK\$38,889.  
 b. Impairment Loss of HK\$10,000.  
 c. Recovery of Impairment Loss of HK\$3,889.  
 d. Impairment Loss of HK\$1,000,000.

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## 二、計算題(7 題，共 64 分)：

### 1. (6 分)

BBB Company purchases an oil tanker depot by cash on January 1, 2015, at a cost of \$300,000. BBB expects to operate the depot for 10 years, at which time it is legally required to dismantle the depot and remove the underground storage tanks. It is estimated that it will cost \$35,000 to dismantle the depot and remove the tanks at the end of the depot's useful life. BBB's market rate of interest is 6%.

#### Instructions

- (a) Prepare the journal entries required for the depot and the environmental liability on January 1, 2015.
- (b) Prepare any journal entries required for the depot and the environmental liability on December 31, 2015.  
BBB uses straight-line depreciation; the estimated residual value for the depot is zero.
- (c) On December 31, 2024, BBB pays a demolition firm to dismantle the depot and remove the tanks at a price of \$30,000. Prepare the journal entry for the settlement of the environmental liability.

### 2. (11 分)

During 2015, GGG Co.'s first year of operations, the company reports pretax financial income of £250,000. GGG's enacted tax rate is 40% for 2015, 35% for 2016, and 30% for all later years. GGG expects to have taxable income in each of the next 5 years. The effects on future tax returns of temporary differences existing at December 31, 2015, are summarized below.

	Future Years					Total
	2016	2017	2018	2019	2020	
Future taxable (deductible) amounts:						
Installment sales	£32,000	£32,000	£32,000			£ 96,000
Depreciation	6,000	6,000	6,000	£6,000	£6,000	30,000
Unearned rent	(50,000)	(50,000)				(100,000)

#### Instructions

- (a) Compute deferred tax asset and deferred tax liability at December 31, 2015.
- (b) Compute taxable income for 2015.
- (c) Prepare the journal entry to record income taxes payable, deferred taxes, and income tax expense for 2015.
- (d) Assuming that the company reports pretax financial income of £200,000 in 2016, prepare the journal entry to record income taxes payable, deferred taxes, and income tax expense for 2016.

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**3. (11 分)**

XXX Company sponsors a defined benefit pension plan. The following information related to the pension plan is available for 2015 and 2016.

	<u>2015</u>	<u>2016</u>
Plan assets (fair value), December 31	\$699,000	\$849,000
Defined benefit obligation, January 1	700,000	800,000
Pension asset/liability, January 1	140,000 Cr.	?
Service cost	60,000	90,000
Actual return on plan assets	24,000	30,000
Contributions (funding)	115,000	120,000
Accumulated benefit obligation, December 31	500,000	550,000
Discount (interest) rate	9%	9%

**Instructions**

- Compute pension expense for 2015 and 2016.
- Compute “asset gains and losses” for 2015 and 2016 and “liability gains and losses” for 2015.
- Prepare the journal entries to record the pension expense and the company's funding of the pension plan for both years.

**4. (6 分)**

On December 31, 2018, DDD Company sells equipment to TTT Inc. for \$125,000. DDD includes a 1-year assurance warranty service with the sale of all its equipment. The customer receives and pays for the equipment on December 31, 2018. DDD estimates the prices to be \$122,000 for the equipment and \$3,000 for the cost of the warranty.

**Instructions**

- Prepare the journal entry to record this transaction (sales and warranty arrangement) on December 31, 2018.
- Repeat the requirements for (a), assuming that in addition to the assurance warranty, Dieker sold an extended warranty (service type warranty) for an additional 2 years (2020–2021) for \$2,000.

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**5. (14 分)**

HHH, Inc. has prepared the following information for 2015 and 2016:

	<u>2016</u>	<u>2015</u>
Plant assets	\$1,260,000	\$1,050,000
Accumulated depreciation	(450,000)	(375,000)
Patent	153,000	174,000
Prepaid expenses	18,000	27,000
Inventory	150,000	180,000
Receivables	159,000	117,000
Cash	297,000	153,000
Accounts payable	120,000	115,000

The Accumulated Depreciation account has been credited only for the depreciation expense for the period.

The income statement for 2016 is as follows:

Sales	\$1,979,000
Cost of sales	<u>1,089,000</u>
Gross profit	891,000
Operating expenses	<u>690,000</u>
Net income	<u>\$ 200,000</u>

**Instructions**

- (a) From the information above, prepare the operating activity section of statement of cash flows (indirect method) for HHH, Inc. for the year ended December 31, 2016.
- (b) From the information above, prepare a schedule of cash provided by operating activities using the direct method.

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## 6. (6 分)

On June 3, BBB Company sold to AAA Company merchandise having a sales price of £3,000 with terms of 2/10, n/60. An invoice totaling £90, terms n/30, was received by AAA on June 8 from JB Transport Service for the freight cost. On June 12, the company received a check for the balance due from AAA Company.

### Instructions

- (a) Prepare journal entries on the BBB Company books to record all the events noted above under each of the following bases.
- (1) Sales and receivables are entered at gross selling price.
  - (2) Sales and receivables are entered at net of cash discounts.
- (b) Prepare the journal entry under basis (a)(2), assuming that AAA Company did not remit payment until July 29.

## 7. (10 分)

SSS Co. purchased machinery on December 31, 2014, paying \$25,000 down and agreeing to pay the balance in four equal installments of \$20,000 payable each December 31. An assumed interest of 8% is implicit in the purchase price.

### Instructions

Prepare the journal entries that would be recorded for the purchase and for the payments and interest on the following dates.

- (a) December 31, 2014.
- (b) December 31, 2015.
- (c) December 31, 2016.
- (d) December 31, 2017.
- (e) December 31, 2018.