

東吳大學 108 學年度碩士班研究生招生考試試題

第 1 頁，共 8 頁

系級	會計學系碩士班	考試時間	100 分鐘
科目	中級會計學	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(25 題，每題 2 分，共 50 分)：

1. Which of the following is **not** a benefit associated with the IASB Conceptual Framework Project?
 - a. Business entities will need far less assistance from accountants because the financial reporting process will be easy to apply.
 - b. A conceptual framework should increase financial statement users' understanding of and confidence in financial reporting.
 - c. Practical problems should be more quickly solvable by reference to an existing conceptual framework.
 - d. A coherent set of accounting standards and rules should result.
2. Which of the following would **not** be considered as a cash equivalent?

a. commercial paper	b. certificates of deposit
c. treasury bills	d. money market fund securities
3. An advantage of basing bad debt expense on the historical relationship between bad debts and net credit sales is that
 - a. it adheres to the matching concept
 - b. it considers the balance in the allowance account when making the bad debt expense estimate
 - c. it provides the best estimate of the net realizable value of accounts receivable
 - d. it provides excellent information to the credit department to use in its collection activities
4. Which of the following statements regarding the gross and net methods for trade accounts payable is **not** true?
 - a. the gross method is more widely used in practice
 - b. the net method overstates accounts payable at the end of the accounting period
 - c. the net method highlights management inefficiency because purchase discounts lost are recorded whenever an invoice is paid after the cash discount period has expired
 - d. the net method more accurately measures liquidity
5. One element of the objective of financial reporting is to provide
 - a. information that is useful in assessing cash flow prospects.
 - b. information that will attract new investors.
 - c. information about the investors in the business entity.
 - d. information about the liquidation values of the resources held by the enterprise.

東吳大學 108 學年度碩士班研究生招生考試試題

第 3 頁，共 8 頁

系級	會計學系碩士班	考試時間	100 分鐘
科目	中級會計學	本科總分	100 分

13. A contract
- a. must be in writing to be an enforceable contract.
 - b. does not need to have commercial substance.
 - c. is an agreement that creates enforceable rights and obligations.
 - d. is enforceable if each party can unilaterally terminate the contract.
14. Revenue from a contract with a customer
- a. cannot be recognized until a contract exists.
 - b. is recognized when the customer receives the rights to receive consideration.
 - c. is recognized even if the contract is still wholly unperformed.
 - d. can be recognized even when a contract is still pending.
15. Which of the following is **not** a characteristic of a defined-contribution pension plan?
- a. The employer's contribution each period is based on a formula.
 - b. The benefits to be received by employees are usually determined by an employee's several highest years of salary defined by the terms of the plan.
 - c. The benefit of gain or the risk of loss from the assets contributed to the pension fund are borne by the employee.
 - d. The accounting for a defined-contribution plan is straightforward and uncomplicated.
16. When is revenue generally recognized?
- a. When the company satisfies the performance obligation.
 - b. When cash is received.
 - c. When the warranty expires.
 - d. When production is completed.
17. Which of the following is an implication of the going concern assumption?
- a. Depreciation and amortization policies are justifiable and appropriate.
 - b. The historical cost principle is credible.
 - c. The current-noncurrent classification of assets and liabilities is justifiable and significant.
 - d. All of these answers are correct.
18. The SS Company's inventory was partially destroyed on July 4, 2014, when its warehouse caught on fire early in the morning. Inventory that had a cost of \$8,000 was saved. The accounting records, which were located in a fireproof vault, contained the following information:
- | | |
|-----------------------------------|-------------|
| Sales (1/1/14 through 7/3/14) | \$250,000 |
| Purchases (1/1/14 through 7/3/14) | 180,000 |
| Inventory (1/1/14) | 45,000 |
| Gross Profit Ratio | 25% of cost |
- Using the gross profit method, what is the estimated cost of the inventory destroyed by the fire?
- a. \$24,500
 - b. \$37,000
 - c. \$17,000
 - d. \$29,500

東吳大學 108 學年度碩士班研究生招生考試試題

第 4 頁，共 8 頁

系級	會計學系碩士班	考試時間	100 分鐘
科目	中級會計學	本科總分	100 分

19. The FF Store uses the FIFO retail inventory method to determine its ending inventory. The accounting records for FF contained the following information:

	<u>Cost</u>	<u>Retail</u>
Purchases	\$242,000	\$348,830
Sales		394,000
Sales returns		5,076
Beginning inventory	60,500	107,294
Net markups		32,800
Net markdowns		12,000

The freight-in charges for the merchandise were \$7,500. What is the cost of ending inventory for the FF store?

- a. \$49,280 b. \$59,400 c. \$57,200 d. \$55,792

20. HH Co. was organized on January 2, 2019, with 500,000 authorized shares of £10 par value ordinary shares. During 2019, HH had the following capital transactions:

January 5—issued 375,000 shares at £14 per share.

July 27—purchased 25,000 shares at £11 per share.

November 25—sold 20,000 shares of treasury shares at £13 per share.

HH used the cost method to record the purchase of the treasury shares. What would be the balance in the Share Premium—Treasury account at December 31, 2019?

- a. £40,000. b. £60,000. c. £20,000. d. £0.

21. The DD Store uses the lower of average cost or market retail inventory method to determine its ending inventory. The accounting records for the current year for DD contained the following information:

	<u>Cost</u>	<u>Retail</u>
Beginning inventory	\$19,000	\$ 27,500
Purchases	71,500	94,000
Sales		105,000
Net markups		5,167
Net markdowns		3,067

In addition, the accounting records for DD disclosed that freight-in charges were \$4,500 and sales returns were \$2,833. What is the cost-to-retail percentage to be used for ending inventory calculations?

- a. 75.0% b. 76.9% c. 71.4% d. 73.2%

東吳大學 108 學年度碩士班研究生招生考試試題

第 5 頁，共 8 頁

系級	會計學系碩士班	考試時間	100 分鐘
科目	中級會計學	本科總分	100 分

22. On December 31, 2018, the equity section of AA, Inc., was as follows:

Share capital—ordinary, par value €10; authorized 30,000 shares; issued and outstanding 9,000 shares	€ 90,000
Share premium—ordinary	116,000
Retained earnings	<u>170,000</u>
Total equity	<u>€380,000</u>

On March 31, 2019, AA declared a 10% share dividend, and accordingly 900 additional shares were issued, when the fair value was €18 per share. For the three months ended March 31, 2019, AA sustained a net loss of €32,000. The balance of AA's retained earnings as of March 31, 2019, should be

a. €121,800. b. €129,000. c. €138,000. d. €130,800.

23. On January 1, 2019 RR Company granted JB, an employee, an option to buy 100 shares of RR Co. shares for €40 per share, the option exercisable for 5 years from date of grant. Using a fair value option pricing model, total compensation expense is determined to be €1,400. JB exercised his option on September 1, 2019, and sold his 100 shares on December 1, 2019. Quoted market prices of RR Co. shares during 2019 were:

January 1	€40 per share
September 1	€48 per share
December 1	€54 per share

The service period is for two years beginning January 1, 2019. As a result of the option granted to JB, using the fair value method, RR should recognize compensation expense for 2019 on its books in the amount of

a. €0. b. €1,400 c. €700. d. €800

24. HH, Inc. received the following information from its pension plan trustee concerning the operation of the company's defined-benefit pension plan for the year ended December 31, 2019.

	1/1/19	12/31/19
Defined benefit obligation	£11,400,000	£11,760,000
Pension assets (at fair value)	6,000,000	6,900,000
Net (gains) and losses	-0-	240,000

The service cost component of pension expense for 2019 is £840,000 and the past service cost due to an increase in benefits is £180,000 effective January 1, 2019. The discount rate is 10%. What is the amount of pension expense for 2019?

a. £1,506,000 b. £1,380,000 c. £1,800,000 d. £1,578,000

25. At January 1, 2019, WW Company had plan assets of €200,000 and a defined benefit obligation of the same amount. During 2019, service cost was €27,500, the discount rate was 10%, actual and expected return on plan assets were €20,000, contributions were €22,000, and benefits paid were €17,500. Based on this information what would be the defined benefit obligation for WW Company for 2019?

a. €27,500 b. €352,500 c. €247,500 d. €230,000

東吳大學 108 學年度碩士班研究生招生考試試題

第 6 頁，共 8 頁

系級	會計學系碩士班	考試時間	100 分鐘
科目	中級會計學	本科總分	100 分

二、計算題(7 題，共 50 分)：

1. (11 分)

The accounting records for OXX, Inc. revealed the following information for April 30, 2017:

- | | |
|--|----------|
| • Bank statement balance, April 30, 2017 | \$51,500 |
| • Credit memo with bank statement for interest earned during April on bank account | 15 |
| • Debit memo with bank statement for April's service charge | 27 |
| • Deposits in transit on April 30 | 2,000 |
| • Cash on hand | 500 |
| • NSF customer check on April 30 | 1,000 |
| • A \$175 deposit made on April 3 was recorded incorrectly by the bank as | 125 |
| • The bank collected a customer's note receivable (including 10% interest) | 1,100 |
| • Outstanding checks on April 30 | 3,900 |
| • Cash account balance, April 30, 2017 | 50,500 |
| • A cash shortage might be present. | |

Required:

- (a). Prepare a bank reconciliation using good format.
- (b). Prepare any necessary adjusting journal entries for April 30, 2017.

2. (4 分)

During 2018, AAA Company acquired a new piece of equipment for its manufacturing process. In order to purchase the equipment, AAA made a down payment of \$50,000 and issued a \$200,000 five-year, 7% note. The annual payment of principal and interest was to be \$48,778. The market rate of interest for obligations of this kind is 12%.

Required:

- (a). Prepare the journal entry to record the acquisition.
- (b). Assume that the equipment had an established cash price of \$225,000. Prepare the journal entry to record the transaction under this additional assumption.

東吳大學 108 學年度碩士班研究生招生考試試題

第 7 頁，共 8 頁

系級	會計學系碩士班	考試時間	100 分鐘
科目	中級會計學	本科總分	100 分

3. (9 分)

DDD Company's net incomes for the past three years are presented below:

2019	2018	2017
\$480,000	\$450,000	\$360,000

During the 2019 year-end audit, the following transaction comes to your attention:

DDD bought a truck on January 1, 2015 for \$196,000 with a \$16,000 estimated residual value and a six-year life. The company debited an expense account and credited cash on the purchase date for the entire cost of the asset. (DDD uses straight-line method for depreciation.)

Instructions

- (a) Prepare in general journal form the entry necessary to correct the books for the transaction of this problem, assuming that the books have not been closed for the current year.
- (b) Compute the net income to be reported each year 2017 through 2019.
- (c) Assume that the beginning retained earnings balance (unadjusted) for 2017 was \$1,260,000. At what adjusted amount should this beginning retained earnings balance for 2017 be stated, assuming that comparative financial statements were prepared?
- (d) Assume that the beginning retained earnings balance (unadjusted) for 2019 is \$1,800,000 and that non-comparative financial statements are prepared. At what adjusted amount should this beginning retained earnings balance be stated?

4. (8 分)

SSS Company owns land that it purchased at a cost of £600,000 in 2016. The company chooses to use revaluation accounting to account for the land. The land's value fluctuate as follows (all amounts as of December 31): 2016, £585,000; 2017, £598,000; 2018, £630,000; and 2019, £590,000.

Instructions

Prepare the journal entries to record the revaluation of the land in each year.

5. (8 分)

TTT Co. sells €300,000 of 12% bonds on June 1, 2018. The bonds pay interest on December 1 and June 1. The due date of the bonds is June 1, 2023. The bonds yield 10%, selling for €319,390. On October 1, 2019, TTT buys back €150,000 worth of bonds for €157,500 (includes accrued interest).

Instructions (Round to the nearest dollar.)

Prepare all of the relevant journal entries from the time of sale until October 1, 2019. Amortize premium or discount on interest dates and at year-end. (Assume that reversing entries were **not** made.)

東吳大學 108 學年度碩士班研究生招生考試試題

第 8 頁，共 8 頁

系級	會計學系碩士班	考試時間	100 分鐘
科目	中級會計學	本科總分	100 分

6. (5 分)

HH Co. as lessee records a lease of machinery on January 1, 2018. The seven annual lease payments of €1,750,000 are made at the end of each year. The present value of the lease payments at 10% is €8,520,000. HH uses sum-of-the-years'-digits depreciation (**no** residual value).

Instructions (Round to the nearest dollar.)

- (a) Prepare an amortization table for 2018 and 2019.
- (b) Prepare all of HH's journal entries for 2018.

7. (5 分)

The JJ Company's comparative balance sheets and additional information, are presented below.

JJ COMPANY Comparative Balance Sheets

ASSETS	<u>December 31, 2018</u>	<u>December 31, 2017</u>
Cash	\$ 20,000	\$ 8,000
Accounts receivable	52,000	25,000
Inventory	87,000	40,000
Equipment	125,000	100,000
Accumulated depreciation	(42,000)	(34,000)
Prepaid expenses	-0-	2,000
Land	-0-	7,000
Building	<u>50,000</u>	<u>-0-</u>
Total Assets	<u>\$292,000</u>	<u>\$148,000</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	\$ 25,000	\$ 14,000
Interest payable	8,000	6,000
Taxes payable	37,000	11,000
Short-term note payable (financing purpose)	37,000	32,000
Bonds payable	75,000	50,000
Common stock, \$10 par	75,000	25,000
Retained earnings	<u>35,000</u>	<u>10,000</u>
Total Liabilities and Stockholders' Equity	<u>\$292,000</u>	<u>\$148,000</u>

Additional 2018 information:

Net income, \$31,000

Sold land for gain of \$3,000

Paid dividends of \$6,000

Issued \$50,000 stock to purchase building

Required:

Prepare **the investing section and financing section** of JJ Company's statement of cash flows.