

東吳大學 109 學年度暑假轉學生招生考試試題

第1頁，共4頁

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

※一律作答於答案卷上(題上作答不予計分)；並務必標明題號，依序作答。
 ※英文題請用英文作答，中文題請用中文作答，否則不予計分。

一、You have been assigned to examine the financial statements of Zarle Company for the year ended December 31, 2019. You discover the following situations.

1. Depreciation of \$3,200 for 2019 on delivery vehicles was not recorded.
2. The physical inventory count on December 31, 2018, improperly excluded merchandise costing \$19,000 that had been temporarily stored in a public warehouse. Zarle uses a periodic inventory system.
3. A collection of \$5,600 on account from a customer received on December 31, 2019, was not recorded until January 2, 2020.
4. In 2019, the company sold for \$3,700 fully depreciated equipment that originally cost \$25,000. The company credited the proceeds from the sale to the Equipment account.
5. During November 2019, a competitor company filed a patent-infringement suit against Zarle claiming damages of \$220,000. The company's legal counsel has indicated that an unfavorable verdict is probable and a reasonable estimate of the court's award to the competitor is \$125,000. The company has not reflected or disclosed this situation in the financial statements.
6. Zarle has a portfolio of investments that it manages to profit from short-term price changes. No entry has been made to adjust to fair value. Information on cost and fair value is as follows.

	Cost	Fair Value
December 31, 2018	\$95,000	\$95,000
December 31, 2019	\$84,000	\$82,000

7. At December 31, 2019, an analysis of payroll information shows salaries and wages payable of \$12,200. The Salaries and Wages Payable account had a balance of \$16,000 at December 31, 2019, which was unchanged from its balance at December 31, 2018.
8. A large piece of equipment was purchased on January 3, 2019, for \$40,000 and was charged to Maintenance and Repairs Expense. The equipment is estimated to have a service life of 8 years and no residual value. Zarle normally uses the straight-line depreciation method for this type of equipment.
9. A \$12,000 insurance premium paid on July 1, 2018, for a policy that expires on June 30, 2021, was charged to insurance expense.
10. A trademark was acquired at the beginning of 2018 for \$50,000. No amortization has been recorded since its acquisition. The maximum allowable amortization period is 10 years.

Instructions (20%)

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Assume the trial balance has been prepared but the books have not been closed for 2019. Assuming all amounts are material, prepare journal entries showing the adjustments that are required. (Ignore income tax considerations.)

二、Cleveland Group leased a new crane to Abriendo Construction under a 5-year, non-cancelable contract starting January 1, 2019. Terms of the lease require payments of \$48,555 each January 1, starting January 1, 2019. The crane has an estimated life of 7 years, a fair value of \$240,000, and a cost to Cleveland of \$240,000. The estimated fair value of the crane is expected to be \$45,000 (unguaranteed) at the end of the lease term. No bargain purchase or renewal options are included in the contract, and it is not a specialized asset. Both Cleveland and Abriendo adjust and close books annually at December 31. Collectibility of the lease payments is probable. Abriendo's incremental borrowing rate is 8%, and Cleveland's implicit interest rate of 8% is known to Abriendo.

Instructions (20%)

- a. Prepare all the entries related to the lease contract and leased asset for the year 2019 for the lessee and lessor, assuming Abriendo uses straight-line amortization for all similar leased assets, and Cleveland depreciates the asset on a straight-line basis with a residual value of \$15,000.
- b. How should be presented in the statement of financial position, the income statement, and the related notes of both the lessee and the lessor at December 31, 2019.

三、Hemera SA had a defined benefit obligation of \$3,100,000 and plan assets of \$2,900,000 at January 1, 2019. Hemera's discount rate is 6%. In 2019, actual return on plan assets is \$160,000. Hemera contributed \$200,000 to the pension fund and paid benefits of \$150,000. Service cost for 2019 is \$50,000; Hemera reports that the defined benefit obligation at December 31, 2019, is \$3,600,000.

Instructions (12%)

Determine (a) pension expense for 2019; (b) pension assets at December 31, 2019; and (c) pension asset and liability gains and losses.

四、On July 1, 2019, Torvill Construction Company Inc. contracted to build an office building for Gumbel Corp. for a total contract price of \$1,900,000. On July 1, Torvill estimated that it would take between 2 and 3 years to complete the building. On December 31, 2021, the building was deemed substantially completed. Following are accumulated contract costs incurred, estimated costs to complete the contract, and accumulated billings to Gumbel for 2019, 2020, and 2021.

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	At 12/31/19	At 12/31/20	At 12/31/21
Contract costs incurred to date	\$ 300,000	\$1,200,000	\$2,100,000
Estimated costs to complete contract	1,200,000	800,000	-0-
Billings to Gumbel	300,000	1,100,000	1,850,000

Instructions (12%)

Using the percentage-of-completion method, compute the profit or loss to be recognized as a result of this contract for the years ended December 31, 2019, 2020, and 2021. (Ignore income taxes.)

五、On December 31, 2016, Flessel plc issues 120,000 share-appreciation rights to its officers entitling them to receive cash for the difference between the market price of its shares and a pre-established price of \$10. The fair value of the SARs is estimated to be \$4 per SAR on December 31, 2017; \$1 on December 31, 2018; \$11 on December 31, 2019; and \$9 on December 31, 2020. The service period is 4 years, and the exercise period is 7 years.

Instructions (8%)

Assuming that all 120,000 SARs are exercised, please prepare all the entry on December 31, 2020.

六、Halvor Corporation is having financial difficulty and therefore has asked Frontenac National Bank to restructure its \$5 million note outstanding. The present note has 3 years remaining and pays a current rate of interest of 10%. The present market rate for a loan of this nature is 12%. The note was issued at its face value.

Instructions (16%)

Presented below are three independent situations. Prepare the journal entry that Halvor would make for each of these restructurings.

- Frontenac National Bank agrees to take an equity interest in Halvor by accepting ordinary shares valued at \$3,700,000 in exchange for relinquishing its claim on this note. The ordinary shares have a par value of \$1,700,000.
- Frontenac National Bank agrees to accept land in exchange for relinquishing its claim on this note. The land has a book value of \$3,250,000 and a fair value of \$4,000,000.
- Frontenac National Bank agrees to modify the terms of the note, indicating that Halvor does not have to pay any interest on the note over the 3-year period.

七、Yu Ltd. lost most of its inventory in a fire in December just before the year-end physical inventory was

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taken. Company records disclose the following.

Inventory (beginning)	\$ 80,000	Sales	\$ 415,000
Purchases	290,000	Sales returns	21,000
Purchase returns	28,000	Gross profit % based on net selling price	35%

Merchandise with a selling price of \$30,000 remained undamaged after the fire, and damaged merchandise has a residual value of \$8,150. The company does not carry fire insurance on its inventory.

Instructions (6%)

Please computing the fire loss incurred.

八、根據財務報導觀念架構，請分別列出 (a) 基本品質特性及 (b) 強化性品質特性為何? (6%)