東吳大學 111 學年度暑假轉學生招生考試試題

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

注意事項：
1. 一律以英文作答於答案卷上(題上作答不予計分)；並務必標明題號，依序作答。
2.現值因子請以簡式計算機求算並四捨五入至小數點第六位(Ex. 0.1234567=0.123457)。

I. (8%) On Jan. 1, 2021，Mert Company borrowed $170,000 cash by signing a 7% installment note that is to be repaid in 7 annual end-of-year payments. The first payment is due on Dec. 31, 2021.
INSTRUCTIONS: All amounts must be rounded to total dollars. For Mert Company,
1. Compute the amount of annual end-of-year payments.
2. Prepare the journal entry on Dec. 31, 2025.
3. Compute the amount of installment note payable to be reported as a current liability on Dec. 31, 2025.
4. Compute the amount of installment note payable to be reported as a non-current liability on Dec. 31, 2025.

II. (6%) Brislin, Humphreys, and Watkins are partners who share income and losses in a ratio of 3:2:5, respectively. The capital account balances of the partners are Brislin $600,000, Humphreys $360,000 and Watkins $260,000. Watkins withdraws from partnership under the following independent circumstances:
1. The partners agree that Watkins should be paid $280,000 by the partnership for his interest.
2. The partners agree that Watkins should be paid $220,000 by the partnership for his interest.
3. Brislin agrees to pay Watkins $180,000 for half of his capital interest and Humphreys agrees to pay Watkins $180,000 for the other half of his capital interest in a personal transaction among the partners.

INSTRUCTIONS: Under each independent circumstance above, compute the capital account balances of Brislin and Humphreys after the withdrawal of Watkins. **Please copy the table below in your answer sheet and fill your answers in it.**

circumstances	Brislin, Capital	Humphreys, Capital
1.		
2.		
3.		

III. (6%) An inexperienced accountant made the following three entries.

1.	Cash	240,000	
	Share Capital-Ordinary		240,000
	(Issued 15,000 shares of no-par ordinary share, stated value $10 per share)		
2.	Share Capital-Ordinary	32,000	
	Retained Earnings	4,000	
	Cash		36,000
	(Purchased 2,000 shares issued on entry 1 for the treasury at $18 per share)		
3.	Cash	20,000	
	Share Capital-Ordinary		16,000
	Gain on Sale of Shares		4,000
	(Sold 1,000 shares of the treasury share purchased on entry 2 at $20 per share)		

INSTRUCTIONS: For each incorrect entry above, prepare the correcting entry respectively. Do not reverse the original entry and omit explanations.

IV. (8%) Ramirez Company exchanges its old equipment for a new equipment. The following information pertains to the exchange. The old equipment is with a cost of $84,000 and accumulated depreciation of $57,000. The fair value of the new equipment is of $56,500. Ramirez completes the exchange transaction under the following independent circumstances:

系級	會計學系二年級	考試時間	100 分鐘
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1. The exchange has commercial substance and Ramirez Company pay the cash $16,000.
2. The exchange has commercial substance and Ramirez Company pay the cash $36,000.
3. The exchange lacks commercial substance and Ramirez Company pay the cash $16,000.
4. The exchange lacks commercial substance and Ramirez Company pay the cash $36,000.

INSTRUCTIONS: Under each independent circumstance above, for Ramirez Company to record the exchange, compute (a) the carrying amount of the new equipment and(b) the gain(loss) on disposal of equipment. **Please copy the table below your answer sheet and fill your answers in it.**

circumstances	(a)	(b)
1.		
2.		
3.		
4.		

V. (22%) The net *changes* in the statement of financial position accounts of Hartman Corporation for the year 2022 are shown below::

Account	Increase(Decrease)
Cash	$ (234,400)
Accounts receivable	(64,000)
Allowance for Loss	14,000
Inventory	217,200
Prepaid Expenses	20,000
Land	320,000
Equipment	100,000
Accumulated Depreciation	20,000
Accounts payable	(183,200)
Accrued liabilities	72,000
Share capital-ordinary ($10 par)	199,200
Share premium-ordinary	180,000
Retained earnings	?

<u>Additional information for 2022:</u>

- A land was acquired for cash.
- The land that had a carrying amount of $240,000 was sold for cash of $108,000.
- An old equipment (cost of $60,000 and carrying amount of $20,000) was exchanged for a new one with additional cash payment. The exchange lacks commercial substance.
- 12,000 shares of ordinary share were issued for cash.
- Cash dividends $128,000 and a large share dividend were declared and paid.

INSTRUCTIONS: Compute the following amounts for 2022.

1. The net change in the account balance of Retained earnings.
2. The depreciation expenses.
3. The cash payment for the acquisition of land.
4. The cash payment for the exchange of equipment.
5. The proceeds from the issuance of 12,000 shares of ordinary share.
6. The shares dividends declared and paid.
7. The Net Income.
8. The net cash provided (used) by investing activities.
9. The net cash provided (used) by financing activities.
10. The net cash provided (used) by operating activities.

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

VI. (8%) The followings are events which are mutually independent. Assuming the periodic inventory system is used.

1. Goods in transit shipped "FOB destination" were recorded as a purchase but were excluded from ending inventory.
2. Goods held on consignment were included in inventory count and recorded as a purchase..
3. Goods in transit shipped " FOB shipping point" were not recorded as a sale and were included in ending inventory.
4. Goods were shipped and appropriately excluded from ending inventory but sale was not recorded..

INSTRUCTIONS: For each event, analyze the impact on the indicated items by placing the appropriate code letter in the table. Code"O"= item is overstated; Code"U"= item is understated; Code"NA"= item is not affected. **Please copy the table below in your answer sheet and fill your answers in it.**

Events	Items				
	Accounts Receivable	Inventory	Accounts Payable	Sales	Cost of Goods Sold
1.					
2.					
3.					
4.					

VII. (8%) Wayne company acquires Nana company 1%, 5-year, $20,000 bonds at par on Jan. 1, 2021. The coupon interest of $200 is received by Wayne company on Dec. 31. 2021. The fair value of the debt investment on Dec. 31, 2021 is $19,000. Wayne company sell the debt investment all at $19,600 on Jan. 1, 2022. Wayne completes these transactions under the following independent circumstances:

1. The debt investment is classified as the financial assets measured at amortized cost.
2. The debt investment is classified as the financial asset measured at fair value through other comprehensive income.

INSTRUCTIONS: Ignore credit loss and tax. Under each independent circumstance above, for Wayne Company to record these transactions, compute (a) the total effect on the net income for 2021, (b) the total effect on the net income for 2022, (c) the total effect on the other comprehensive income for 2021 and (d) the total effect on the other comprehensive income for 2022. **Please copy the table below in your answer sheet and fill your answers in it.**

circumstances	effects on the net income		effects on the other comprehensive income	
	(a)	(b)	(c)	(d)
1.				
2.				

VIII. (8%) Wayne company acquires 20% of the ordinary shares of Falcone company for $20,000 on Jan. 1, 2021. A cash dividend of $200 that is the return on the equity investment is received by Wayne company on Dec. 31. 2021. The fair value of the equity investment on Dec.31, 2021 is $19,000. For 2021, Falcone company reports net income $3,000. Wayne company sell the equity investment all at $19,600 on Jan 1, 2022. Wayne completes these transactions under the following independent circumstances:

1. The equity investment is classified as the financial asset measured at fair value through other comprehensive income.
2. The equity investment is classified as the investments accounted for using equity method.

INSTRUCTIONS: Ignore tax. Under each independent circumstance above, for Wayne Company to

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

record these transactions, compute (a) the total effect on the net income for 2021, (b) the total effect on the net income for 2022, (c) the total effect on the other comprehensive income for 2021 and (d) the total effect on the other comprehensive income for 2022. **Please copy the table below in your answer sheet and fill your answers in it.**

circumstances	effects on the net income		effects on the other comprehensive income	
	(a)	(b)	(c)	(d)
1.				
2.				

IX. (6%) The related data for Kosko Furniture Store, a merchandiser, is presented below:

	Dec. 31, 2022	**Dec 31, 2021**
Accounts receivable (Gross)	$ 23,000	$ 55,000
Accounts receivable (net)	16,000	50,000

Kosko Furniture Store has credit sales of $200,000 in 2022. The credit manager authorizes a write-off of the accounts receivables of $1,000 in 2022.

INSTRUCTIONS: For Kosko Furniture Store in 2022

1. Prepare the entry to record the write-off of accounts receivables.
2. Prepare the entry to record the expected loss.
3. Compute the cash receipts from customers.

X. (20%) Multiple Choice: Select the most appropriate answer from those presented. **Please copy the table below in your answer sheet and fill your answers in it.**

1.		**2.**		**3.**		**4.**		**5.**	
6.		**7.**		**8.**		**9.**		**10.**	

1. The accounting principle that requires that the cost flow assumption be consistent with the physical movement of goods is
   a. called the expense recognition principle.
   b. called the consistency principle.
   c. nonexistent; that is, there is no accounting requirement.
   d. called the physical flow assumption.

2. Cesar Company understated its inventory by $20,000 at Dec. 31, 2021. It did not correct the error in 2021 nor 2022. As a result, Cesar's equity was:
   a. understated on Dec. 31, 2021, and overstated on t Dec. 31, 2022.
   b. understated on Dec. 31, 2021, and properly stated on Dec. 31, 2022.
   c. overstated on Dec. 31, 2021, and overstated on t Dec. 31, 2022.
   d. understated on Dec. 31, 2021, and understated on Dec. 31, 2022.

3. Ortiz Store utilizes the retail inventory method to estimate its inventories. It calculated its cost to retail ratio during the period at 70%. Goods available for sale at retail amounted to $600,000 and goods were sold during the period for $440,000. The estimated cost of the ending inventory is
   a. $112,000.
   b. $160,000.
   c. $308,000.
   d. $420,000.

4. Santayana Company purchased a machine on Jan. 1, 2020, for $60,000 with an estimated salvage value of $15,000 and an estimated useful life of 8 years. On Jan. 1, 2022, Santayana decides the

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

machine will last 12 years from the date of purchase. The salvage value is still estimated at $15,000. Using the straight-line method, the new annual depreciation will be
   a. $3,375.
   b. $3,750.
   c. $4,500.
   d. $5,000.

5. All of the following are always intangible assets except
   a. copyrights.
   b. goodwill.
   c. patents.
   d. research and development costs.

6. Solar Products purchased a computer for $13,000 on Jul. 1, 2021. The company intends to depreciate it over 4 years using the double-declining balance method. Residual value is $1,000. Depreciation for 2022 is
   a. $6,500
   b. $3,250
   c. $4,875
   d. $3,000

7. Seamus Corporation sold 10,500 trash compactors for $550 each during 2022. The trash compactors are under warranty for one year following the sale. Maintenance on the trash compactors during the warranty period averages $45 each. Actual warranty costs incurred during 2022 for units sold that year were $148,000. The statement of financial position at year end will report a related liability of:
   a. $148,000.
   b. $324,500.
   c. $472,500.
   d. $515,450.

8. Burnell Co. has 5,000 shares of 4%, $50 par value, cumulative preferred share and 100,000 shares of $1 par value ordinary share outstanding at Dec. 31, 2021, and Dec. 31, 2020. The company declared and paid cash dividend of $8,000 and $30,000 in 2021 and 2022. What are the cash dividends received by the ordinary shareholders in 2022?
   a. $12,000
   b. $15,000
   c. $18,000
   d. $20,000

9. Trading on the equity refers to the
   a. amount of working capital.
   b. amount of capital provided by owners.
   c. use of borrowed money to increase the return to owners.
   d. number of times interest is earned.

10. Cherokee, Inc. paid $180,000 to buy back 20,000 shares of its $1 par value ordinary share. These shares all was sold later at a selling price of $6 per share. The entry to record the sale may include a
   a. debit to Retained Earnings for $60,000.
   b. credit to Retained Earnings for $20,000.
   c. debit to Share premium-Treasury Shares for $180,000.
   d. credit to Share premium-Treasury Shares for $20,000.