

臺灣綜合大學系統 106 學年度學士班轉學生聯合招生考試試題

科目名稱	初級會計學	類組代碼	B21
		科目碼	B2191
※本項考試依簡章規定各考科均「不可以」使用計算機		本科試題共計 6 頁	

Please answer each question in English

**I. Multiple Choice: Please choose from one of the following. (10%)**

1. Patterson Corporation had net income of \$200,000 and paid dividends to ordinary shareholders of \$50,000 in 2017. The weighted average number of shares outstanding in 2017 was 400,000 shares. Patterson Corporation's ordinary shares are selling for \$30 per share on the New York Stock Exchange. Patterson Corporation's payout ratio for 2017 is

- A. \$2 per share.
- B. 10%.
- C. 20%.
- D. 25%.

2. Sun Company reported the following on its income statement:

Income before income taxes	\$700,000
Income tax expense	<u>150,000</u>
Net income	<u>\$550,000</u>

An analysis of the income statement revealed that interest expense was \$70,000. Tate Company's times interest earned was

- A. 7.5 times.
- B. 8.5 times.
- C. 10 times
- D. 11 times.

3. The following information pertains to Davis Company. Assume that all statement of financial position amounts represent both average and ending balance figures. Assume that all sales were on credit.

<u>Assets</u>	
Property, plant and equipment	\$ 210,000
Inventory	20,000
Accounts receivable (net)	50,000
Cash and short-term investments	<u>45,000</u>
Total Assets	<u>\$325,000</u>

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Equity and Liabilities

Shareholders' equity—ordinary	\$ 160,000
Non-current liabilities	115,000
Current liabilities	<u>50,000</u>
Total Equity and Liabilities	<u>\$325,000</u>

Income Statement

Sales revenue	\$ 200,000
Cost of goods sold	<u>66,000</u>
Gross margin	134,000
Operating expenses	<u>30,000</u>
Net income	<u>\$ 104,000</u>

Number of ordinary shares	6,000
Market price of ordinary shares	\$20
Dividends per share	.50

What is the accounts receivable turnover for Davis?

- A. 1.8 times
- B. 2.2 times
- C. 2.5 times
- D. 4.0 times

4. The following information pertains to Davis Company. Assume that all statement of financial position amounts represent both average and ending balance figures. Assume that all sales were on credit.

Assets

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Inventory	20,000
Accounts receivable (net)	50,000
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Total Assets	<u>\$325,000</u>

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What is the return on assets for Davis?

- A. 7.9%
- B. 15.7%
- C. 17.8%
- D. 32.0%

5. At December 31, 2017, Gregson Inc. has these data on its security investments:

<u>Security</u>	<u>Cost</u>	<u>Fair Value 12/31/17</u>
Trading	\$ 250,000	\$310,000
Non-trading	420,000	350,000

If the non-trading securities are held as long-term investments, which of the following will be recorded to adjust the securities to fair value?

A.	Unrealized Loss—Income .....	10,000	
	Securities.....		10,000
B.	Unrealized Loss—Income .....	70,000	
	Securities.....		10,000
	Unrealized Gain—Income.....		60,000

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C.	Fair Value Adjustment—Trading .....	60,000	
	Unrealized Gain—Income .....		60,000
	Unrealized Gain or Loss—Equity .....	70,000	
	Fair Value Adjustment—Non-Trading		70,000
D.	Unrealized Gain—Income .....	60,000	
	Fair Value Adjustment—Trading .....		60,000
	Fair Value Adjustment—Non-Trading .....	70,000	
	Unrealized Gain or Loss—Equity .....		70,000

**II. Problems (90%)**

1. There was no beginning balance of supplies and purchased \$800 of office supplies during the period. At the end of the period \$300 of supplies were on hand. Please prepare the adjusting entry for the transactions. (4%)
2. Seattle, CPA, was asked by the controller of GoRun Company to review the accounting records before financial statements are prepared. Seattle reviewed the records and found the following error. The company paid dividends \$2,000. The bookkeeper debited Accounts Receivable for \$100 and credited Cash \$100. (6%)

**Instructions**

Prepare a correcting entry.

3. Bright Company sold goods on account to Almer Enterprises with terms of 2/10, n/30. The goods had a cost of \$700 and a selling price of \$1200. Both Bright and Almer use a perpetual inventory system. Record the sale on the books of Bright and the purchase on the books of Almer. (12%)
4. Prepare the entry to replenish the \$300 petty cash fund of Krisp Company, assuming the fund has receipts for: freight-out \$80, postage \$120, and miscellaneous expense \$50. The fund contains \$10 in cash. (10%)
5. Record the following transactions in general journal form for Maison Company. (14%)
 

Jan. 1 Received a \$20,000, 10%, 3-month note, dated July 1, from Skyer in payment of her open account.

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Apr. 1 Received notification from Skyer that she was unable to honor her note at this time. It is expected that Skyer will pay at a later date.

May 15 Received full payment from Skyer for her note receivable previously dishonored.

6. Gurney Company sold equipment on July 31, 2017 for \$90,000. The equipment had cost \$400,000 and had \$150,000 of accumulated depreciation as of January 1, 2017. Depreciation for the first 6 months of 2017 was \$20,000. (8%)

**Instructions**

Prepare the journal entry to record the sale of the equipment.

7. Daniel Company issued bonds with a face amount of \$1,000,000 in 2013. As of January 1, 2017, the unamortized discount on bonds payable is \$5000. At that time, Daniel redeemed the bonds at 101.

**Instructions**

Assuming that no interest is payable, make the entry to record the redemption. (6%)

8. Buckler Company reported the following balances at December 31, 2016: share capital—ordinary \$600,000; share premium—ordinary \$150,000; retained earnings \$250,000. During 2017, the following transactions affected equity.

1. Issued preference shares with a par value of \$200,000 for \$250,000.
2. Purchased treasury shares (ordinary) for \$70,000.
3. Earned net income of \$160,000.
4. Declared and paid cash dividends of \$60,000.

**Instructions**

Prepare the equity section of Buckler Company's December 31, 2017, statement of financial position. (10%)

9. Orchard Company sells many products. Lacey is one of its popular items. Below is an analysis of the inventory purchases and sales of Lacey for the month of March. Orchard Company uses the periodic inventory system.

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		Purchases		Sales	
		<u>Units</u>	<u>Unit Cost</u>	<u>Units</u>	<u>Selling Price/Unit</u>
3/1	Beginning inventory	100	\$40		
3/3	Purchase	60	\$50		
3/4	Sales			80	\$75
3/10	Purchase	200	\$60		
3/16	Sales			70	\$80
3/19	Sales			65	\$85
3/25	Sales			65	\$90
3/30	Purchase	40	\$70		

**Instructions**

Using the FIFO assumption, calculate 1) ending inventory (5%) and 2) the amount charged to cost of goods sold for March (5%). (Show computations)

10. Assume the indirect method is used to compute cash flows from operations. For each item listed below, indicate the effect on net income in arriving at cash flows from operations by choosing one of the following code letters. (10%)

	<u>Code</u>
Cash Flows From Operating Activities	
Add to Net Income	A
Deduct from Net Income	D
1. Decrease in accounts receivable	
2. Increase in prepaid expenses	
3. Decrease in accrued liabilities	
4. Depreciation expense	
5. Gain on disposal of equipment	
6. Decrease in inventory	
7. Increase in accounts payable	
8. Decrease in income taxes payable	
9. Loss on disposal of investment	
10. Amortization expense	