

臺灣綜合大學系統 108 學年度學士班轉學生聯合招生考試試題

科目名稱	會計學	類組代碼	B10
		科目碼	B1092

※本項考試依簡章規定各考科均「不可以」使用計算機

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**PART1: MULTIPLE CHOICE QUESTIONS (40%, 4 points for each question)**

請於答案卷上作答，否則不予計分

1. Ayala Company showed the following balances at the end of its first year:

Cash	\$11,000
Prepaid insurance	500
Accounts receivable	2,500
Accounts payable	2,000
Unearned revenue	6,000
Share capital-ordinary	4,000
Dividends	500
Revenues	15,000
Expenses	12,500

What did Ayala Company show as total credits on its trial balance?

- A. \$27,500  
 B. \$27,000  
 C. \$26,500  
 D. \$28,000
2. Which statement is correct?  
 A. As long as a company consistently uses the cash basis of accounting, IFRS allow its use.  
 B. The use of the cash basis of accounting violates both the revenue recognition and expense recognition principles.  
 C. The cash basis of accounting is objective because no one can be certain of the amount of revenue until the cash is received.  
 D. As long as management is ethical, there are no problems with using the cash basis of accounting.
3. Which one of the following is **not** a justification for adjusting entries?  
 A. Adjusting entries are necessary to ensure that revenue recognition principles are followed.  
 B. Adjusting entries are necessary to ensure that the expense recognition principle is followed.  
 C. Adjusting entries are necessary to enable financial statements to be in conformity with IFRS.  
 D. Adjusting entries are necessary to bring the general ledger accounts in line with the budget.
4. In 2017, Garrison Company had net credit sales of \$2,250,000. On January 1, 2017, Allowance for Doubtful Accounts had a credit balance of \$54,000. During 2017, \$90,000 of uncollectible accounts receivable were written off. Past experience indicates that the allowance should be 10% of the balance in receivables (percentage of receivables basis). If the accounts receivable balance at December 31 was \$700,000, what is the required adjustment to the Allowance for Doubtful Accounts at December 31, 2017?  
 A. \$106,000  
 B. \$225,000  
 C. \$96,000  
 D. \$90,000
5. Reese Company purchased merchandise with an invoice price of \$3,000 and credit terms of 1/10, n/30. Assuming a 360 day year, what is the implied annual interest rate inherent in the credit terms?  
 A. 10%  
 B. 12%  
 C. 18%  
 D. 36%

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6. Mento, Inc. spent \$4,800,000 during 2017 to repair and update its plant assets. This consisted of \$1,800,000 to paint the building, \$345,000 to place worn-out gears on motors, \$960,000 to install special shelving that will increase operating efficiency in the plant, and \$1,695,000 on new machinery. What amount of these costs would appear as assets on Mento, Inc.'s December 31, 2017 statement of financial position?

- A. \$4,800,000
- B. \$2,655,000
- C. \$3,105,000
- D. \$4,455,000

7. In preparing its bank reconciliation for the month of April 2017, Franklin, Inc. has available the following information.

Balance per bank statement, 4/30/17	\$60,410
NSF check returned with 4/30/17 bank statement	625
Deposits in transit, 4/30/17	7,500
Outstanding checks, 4/30/17	7,800
Bank service charges for April	30

What should be the adjusted cash balance at April 30, 2017?

- A. \$60,755.
- B. \$60,110.
- C. \$59,435.
- D. \$59,405.

8. On July 4, 2017, Wyoming Mining Company purchased the mineral rights to a granite deposit for \$2,400,000. It is estimated that the recoverable granite will be 400,000 tons. During 2017, 100,000 tons of granite was extracted and 60,000 tons were sold. The amount of depletion recognized for 2017 would be

- A. \$300,000.
- B. \$180,000.
- C. \$360,000.
- D. \$600,000.

9. Tang Inc. was authorized to issue 1,500,000 ¥1,000 par value ordinary shares. As of December 31, 2017, the company had issued 240,000 shares for proceeds of ¥594,000,000. During 2017, the company purchased 30,000 treasury shares at a total cost of ¥66,000,000. Later in the year, the company sold half of the treasury shares for ¥42,900,000. The balance in retained earnings at December 31, 2017 was ¥972,000,000

Total equity at December 31, 2017 is

- A. ¥290,400,000.
- B. ¥1,542,900,000.
- C. ¥1,566,000,000.
- D. ¥1,599,000,000.

10. A successful grocery store would probably have

- A. a low inventory turnover.
- B. a high inventory turnover.
- C. zero profit margin.
- D. low volume.

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**PART2 (60%)**

1. Grier & Associates maintains its records on the cash basis. You have been engaged to convert its cash basis income statement to the accrual basis. The cash basis income statement, along with additional information, follows:

Grier & Associates  
Income Statement (Cash Basis)  
For the Year Ended December 31, 2019

Cash receipts from customers		HK\$450,000
Cash payments:		
Salaries and wages	HK\$150,000	
Taxes	75,000	
Insurance	40,000	
Interest	<u>25,000</u>	<u>290,000</u>
Net income		<u>HK\$160,000</u>

Additional information:

	Balances at 12/31	
	<u>2019</u>	<u>2018</u>
Accounts receivable	HK\$50,000	HK\$40,000
Salaries and wages payable	10,000	20,000
Taxes payable	14,000	19,000
Prepaid insurance	8,000	4,000
Accumulated depreciation	90,000	75,000
Interest payable	3,000	9,000

No plant assets were sold during 2019.

**Instructions: (12%)**

Please determine the net income under the accrual basis.

2. Sabonis Cosmetics Co. purchased machinery on December 31, 2018, paying \$50,000 down and agreeing to pay the balance in four equal installments of \$40,000 payable each December 31. An assumed interest of 8% is implicit in the purchase price.

**Instructions: (16%)**

(a) Prepare the journal entries that would be recorded for the purchase on December 31, 2018. (4%)

(b) Indicate how this debt obligation is reported on Sabonis's statement of financial position on December 31, 2019. (12%)

3. Kuhl NV acquires Doan SA 3%, 3-year, €1,000,000 bonds on January 1, 2019, at a cost of €945,535. Interest is payable each January 1. The market interest rate is 5%. This bond investment is classified as financial assets at FVTOCI. At the end of 2019, the fair value of Doan bonds is €987,000. Kuhl sold all Doan bonds for €987,000 on January 1, 2020, after receiving the interest due.

**Instructions: (20%)**

Prepare the necessary entries to record the investment for 2019 and 2020.

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4. Wu Watch Company, Ltd. reported the following income statement data for a 2-year period.

	<u>2016</u>	<u>2017</u>
Sales revenue	HK\$2,100,000	HK\$2,500,000
Cost of goods sold		
Beginning inventory	320,000	440,000
Cost of goods purchased	<u>1,730,000</u>	<u>2,040,000</u>
Cost of goods available for sale	2,050,000	2,480,000
Ending inventory	<u>440,000</u>	<u>520,000</u>
Cost of goods sold	<u>1,610,000</u>	<u>1,960,000</u>
Gross profit	<u>HK\$ 490,000</u>	<u>HK\$ 540,000</u>

Wu uses a periodic inventory system. The inventories at January 1, 2016, and December 31, 2017, are correct.

**Instructions: (12%)**

Wu Watch Company received goods costing £60,000 on January 2, 2017. The goods were shipped FOB destination on December 26, 2016 by Grant Co. Wu Watch Company journalized this purchase on December 26, 2016, but the goods were not included in the physical count. Compute the correct cost of goods sold for 2016 and 2017.