臺灣綜合大學系統 109 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　　本科試題共計 4 頁

PART1: MULTIPLE CHOICE QUESTIONS (40%, 4 points for each question))
[本大題請於答案卡作答]

1. The historical cost principle would be of limited usefulness if **not** for the going concern assumption.
   A. True
   B. False

2. The periodicity assumption of accounting (used by the International Accounting Standards Board) makes depreciation and amortization policies justifiable and appropriate.
   A. True
   B. False

3. Which of the following adjustments would require decreasing the liabilities reported on the statement of financial position?
   A. A company uses $400 worth of supplies during the year.
   B. A company records $400 worth of depreciation on equipment.
   C. A company has earned $400 of revenue collected at the beginning of the year.
   D. A company records $400 of wages earned by employees that will be paid next year.

4. The following information is available for Ace Company for 2019:

   Disbursements for purchases €1,150,000
   Increase in trade accounts payable 75,000
   Decrease in merchandise inventory 30,000

   Costs of goods sold for 2019 was
   A. €1,255,000.
   B. €1,195,000.
   C. €1,105,000.
   D. €1,045,000.

5. Leonard Corporation reports the following information:

Correction of overstatement of depreciation expense in prior years, net of tax	£ 215,000
Dividends declared, 2019	160,000
Net income for 2019	500,000
Retained earnings, 1/1/19, as reported	1,200,000

   Leonard should report retained earnings, December 31, 2019, at
   A. £985,000.
   B. £1,325,000.
   C. £1,540,000.
   D. £1,755,000.

6. Vasguez Corporation had a 1/1/19 balance in the Allowance for Doubtful Accounts of €20,000. During 2019, it wrote off €14,400 of accounts and collected €4,200 on accounts previously written off. The balance in Accounts Receivable was €400,000 at 1/1 and €480,000 at 12/31. At 12/31/19, Vasguez estimates that 5% of accounts receivable will prove to be uncollectible. What is Bad Debt Expense for 2019?
   A. €4,000
   B. €14,200
   C. €18,400
   D. €24,000

7. Hudson, Inc. is a calendar-year corporation. Its financial statements for the years 2019 and 2018 contained errors as follows. Assume that no correcting entries were made at December 31, 2018. Ignoring income taxes, by how much will retained earnings at December 31, 2019 be overstated or understated?

	2019	2018
Ending inventory	€3,000 overstated	€8,000 overstated
Depreciation expense	€2,000 understated	€6,000 overstated

   A. €1,000 understated
   B. €5,000 overstated
   C. €5,000 understated
   D. €9,000 understated

8. Plank Co. uses the retail inventory method. The following information is available for the current year. The approximate cost of the ending inventory by the conventional retail method is

	Cost	Retail
Beginning inventory	€ 78,000	€122,000
Purchases	295,000	415,000
Freight-in	5,000	—
Employee discounts	—	2,000
Net markups	—	15,000
Net markdowns	—	20,000
Sales	—	390,000

   A. €95,900.
   B. €94,920.
   C. €98,000.
   D. €102,480.

9. The 12% bonds payable of Nyman Co. had a carrying amount of €832,000 on December 31, 2018. The bonds, which had a face value of €800,000, were issued at a premium to yield 10%. Nyman uses the effective-interest method of amortization. Interest is paid on June 30 and December 31. On June 30, 2019, several years before their maturity, Nyman retired the bonds at 104 plus accrued interest. The loss on retirement, ignoring taxes, is
   A. €0.
   B. €6,400.
   C. €9,920.
   D. €32,000.

10. On February 10, 2019, after issuance of its financial statements for 2018, House Company entered into a financing agreement with Lebo Bank, allowing House Company to borrow up to €4,000,000 at any time through 2021. Amounts borrowed under the agreement bear interest at 2% above the bank's prime interest rate and mature two years from the date of loan. House Company presently has €1,500,000 of notes payable with First National Bank maturing March 15, 2019. The company intends to borrow €2,500,000 under the agreement with Lebo and liquidate the notes payable to First National. The agreement with Lebo also requires House to maintain a working capital level of €6,000,000 and prohibits the payment of dividends on ordinary shares without prior approval by Lebo Bank. From the above information only, the total short-term debt of House Company as of the December 31, 2018 statement of financial position date is
    A. €0.
    B. €1,500,000.
    C. €2,000,000.
    D. €4,000,000.

PART2: (60%) [本大題請於答案卷作答]

1. Assume that the following data relative to Kane Company for 2019 is available:
   (1) Net Income €2,100,000
   (2)

Transactions in Ordinary Shares	Change	Cumulative
Jan. 1, 2019, Beginning number		700,000
Mar. 1, 2019, Purchase of treasury shares	(60,000)	640,000
June 1, 2019, Share split 2-1	640,000	1,280,000
Nov. 1, 2019, Issuance of shares	120,000	1,400,000

   (3) 8% Cumulative Convertible Preference Shares sold at par ($1,000,000), convertible into 200,000 ordinary shares (adjusted for split).

   Instructions: (10%)
   Compute the basic earnings per share for 2019.

2. Some of Chengdu Ltd.'s investment securities are classified as FVTPL securities and some are classified as FVTPOCI securities. The cost and fair value of each category at December 31, 2017, are shown as follows.

	Cost	Fair Value	Unrealized Gain (Loss)
FVTPL securities	¥936,000	¥949,000	¥13,000
FVTOCI securities	¥488,000	¥514,000	¥26,000

   At December 31, 2016, the Fair Value Adjustment for FVTPL Financial Assets account had a debit balance of ¥92,000, and the Valuation Adjustment for FVTOCI Financial Assets account had a credit balance of ¥57,500.

   Instructions: (16%)
   Prepare the required journal entries for each group of securities for December 31, 2017.

3. Parnevik Group uses revaluation accounting for a class of equipment it uses in its golf club refurbishing business. The machine was purchased on January 1, 2019, for €500,000; it has a 10-year useful life with no residual value. Depreciation is to be computed on the straight-line basis. Parnevik has the following information related to the equipment. (Assume that estimated useful life and residual value does not change during the periods presented below.)

Date	Fair Value
January 1, 2019	€500,000
December 31, 2019	468,000
December 31, 2020	380,000
December 31, 2021	355,000

Instructions: (20%)

A. Prepare the entry for any revaluation adjustments at December 31, 2020.

B. On January 1, 2021, the company buys a new machine of greater capacity for €405,000, delivered, trading in this old machine which has a fair value and trade-in allowance of 380,000. To prepare the old machine for removal from the plant cost €750, and expenditures to install the new one were €1,500. It is estimated that the new machine has a useful life of 10 years, with a residual value of €5,000 at the end of that time. The exchange has commercial substance. Prepare the entry to record the exchange on January 1, 2021.

4. On June 1, 2019, Laserwords contracted with Black Construction to have a new building constructed for $4,000,000 on land owned by Laserwords. The payments made by Laserwords to Black Construction are shown in the schedule below.

Date	Amount
July 31, 2019	$900,000
January 31, 2020	1,500,000
May 31, 2020	1,600,000
Total payments	$4,000,000

Construction began on July 31, 2019. Construction was completed, and the building was ready for occupancy on May 31, 2020. Laserwords had no new borrowings directly associated with the new building but had the following debt outstanding at May 31, 2020, the end of its fiscal year.
10%, 5-year note payable of $2,000,000, dated December 31, 2016, with interest payable annually on December 31.
12%, 10-year bond issue of $3,000,000 sold at par on December 31, 2012, with interest payable annually on December 31.

The new building qualifies for interest capitalization. The effect of capitalizing the interest on the new building, compared with the effect of expensing the interest, is material.

Instructions: (14%)

Determine the amount of interest to be capitalized in 2019 and 2020 in relation to the construction of the building.