

淡江大學八十七學年度日間部轉學生入學考試試題

系別：會計學系三年級

科目：會計學(二)

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Gilder Company has the following securities in its portfolio of trading equity securities on December 31, 1995:

	<u>Cost</u>	<u>Fair Value</u>
5,000 shares of Diamond Corp., Common	\$146,000	\$126,500
10,000 shares of Culver, Common	180,000	185,000
2,000 shares of Barbee, Preferred	<u>52,000</u>	<u>52,600</u>
	<u>\$378,000</u>	<u>\$364,100</u>

All of the securities had been purchased in 1995.

In 1995, Gilder completed the following securities transactions:

- March 1 Sold 5,000 shares of Diamond Corp., Common @ \$26 less fees of \$1,500.
- April 1 Bought 600 shares of Vogle Stores, Common @ \$42 plus fees of \$550.
- July 1 Transferred the Barbee, Preferred, from the trading portfolio to the available-for-sale portfolio when the stock was selling at \$24 per share.

The Gilder Company portfolio of trading equity securities appeared as follows on December 31, 1996:

	<u>Cost</u>	<u>Fair Value</u>
10,000 shares of Culver, Common	\$180,000	\$198,500
600 shares of Vogle Stores, Common	<u>25,750</u>	<u>23,800</u>
	<u>\$205,750</u>	<u>\$222,300</u>

Instructions

Prepare the general journal entries for Gilder Company for:

- (a) the 1995 adjusting entry.
- (b) the sale of the Diamond Corp. stock.
- (c) the purchase of the Vogle Stores' stock.
- (d) the transfer of the Barbee stock from the trading to the available-for-sale portfolio.
- (e) the 1996 adjusting entry.

2. The Thrifty Furniture Company concluded its *first* year of operations in which it made sales of \$1,000,000, *all* on installments. Collections during the year from down payments and installments totaled \$300,000. Purchases for the year totaled \$500,000; the cost of merchandise on hand at the end of the year was \$150,000.

Instructions

Using the installment method, make summary entries to record:

- (a) the ending inventory and the cost of installment sales;
- (b) the installment sales and cash collections;
- (c) the unrealized gross profit;
- (d) the realized gross profit.

3. Shares owned before issuance of rights: 500
 Cost of shares owned, each: \$26
 Rights received: 500 rights; 4 rights needed to buy one new share.
 Market value at date rights were issued: One share: \$28
 One right: \$ 4

Instructions

Compute:

- (a) Total cost allocated to stock: _____.
- (b) Total cost allocated to rights: _____.
- (c) Total cost allocated to new shares purchased with rights if the price of new shares purchased with the rights is \$30 each. All rights are used. Total Cost: _____.

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- 四. Dotti, Inc., which owes Coldwater Co. \$300,000 in notes payable is in financial difficulty. To eliminate the debt, Coldwater agrees to accept from Dotti land having a fair market value of \$202,000 and a recorded cost of \$150,000.

Instructions

- (a) Compute the amount of gain or loss to Dotti, Inc. on the transfer (disposition) of the land.
- (b) Compute the amount of gain or loss to Dotti, Inc. on the settlement of the debt.
- (c) Prepare the journal entry on Dotti's books to record the settlement of this debt.
- (d) Compute the gain or loss to Coldwater Co. from settlement of its receivable from Dotti.
- (e) Prepare the journal entry on Coldwater's books to record the settlement of this receivable.

- 五. In 1995, its first year of operations, Gomez Corp. has a \$250,000 net operating loss when the tax rate is 30%. In 1996, Gomez has \$100,000 taxable income and the tax rate remains 30%.

Instructions

Assume the management of Gomez Corp. thinks that it is more likely than not that the loss carryforward will not be realized in the near future because it is a new company (this is before results of 1996 operations are known).

- (a) What are the entries in 1995 to record the tax loss carryforward?
- (b) What entries would be made in 1996 to record the current and deferred income taxes and to recognize the loss carryforward? (Assume that at the end of 1996 it is more likely than not that the deferred tax asset will be realized.)