

淡江大學九十一學年度日間部轉學生招生考試試題

系別：會計學系三年級

科目：會計學(二)

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本試題雙面印

一. Pryor Company's net income for the past three years are presented below: (稅後)

(26%)

2002	2001	2000
\$340,000	\$325,000	\$280,000

During the 2002 year-end audit, the following items come to your attention:

1. Pryor bought a truck January 1, 1999 for \$98,000 with an \$8,000 estimated salvage value and a six-year life. The company debited an expense account and credited cash on the purchase date for the entire cost of the asset. (Straight-line method)
2. During 2002, Pryor changed from the straight-line method of depreciating its cement plant to the double-declining balance method. The following computations present depreciation on both bases:

	2002	2001	2000
Straight-line	18,000	18,000	18,000
Double-declining	23,100	30,000	36,000

The net income for 2002 was computed on the double-declining balance method.

3. Pryor, in reviewing its provision for uncollectibles during 2002, has determined that 1% is the appropriate amount of bad debt expense to be charged to operations. The company had used 1/2 of 1% as its rate in 2001 and 2000 when the expense had been \$9,000 and \$6,000, respectively. The company recorded bad debt expense under the new rate for 2002. The company would have recorded \$3,000 less of bad debt expense on December 31, 2002 under the old rate.

INSTRUCTIONS (下面問題, 皆要考慮所得稅的影響, 所得稅率為 30%)

- (a) Prepare in general journal form the entry necessary to correct the books for the transaction in part 1 of this problem, assuming that the books have not been closed for the current year.
- (b) Present comparative income statement data for the years 2001 to 2002 in accordance with generally accepted accounting principles starting with income before cumulative effect of accounting changes. Prepare pro forma amounts. (全年加權平均普通股股數為 100,000 股, 流通在外)
- (c) Assume that the beginning retained earnings balance (unadjusted) for 2000 was \$630,000. At what adjusted amount should this beginning retained earnings balance for 2000 be stated, assuming that comparative financial statements were prepared?

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二. Doyle Co. issued \$5,000,000 of 12%, 5-year convertible bonds on December 1, 2001 for \$5,026,000 plus accrued interest. The bonds were dated April 1, 2001 with interest payable April 1 and October 1. Bond premium is amortized each interest period on a straight-line basis. Doyle Co. has a fiscal year end of September 30. (16%)

On October 1, 2002, \$2,500,000 of these bonds were converted into 35,000 shares of \$15 par common stock. Accrued interest was paid in cash at the time of conversion.

- (a) Prepare the entry to record the interest expense at April 1, 2002. Assume that interest payable was credited when the bonds were issued (round to nearest dollar), 且於年初並未作迴轉分錄。
- (b) Prepare the entry to record the conversion on October 1, 2002. Use the book value method. Assume that the entry to record amortization of the bond and interest payment has been made.

三. For each of the unrelated transactions described below, present the entry(ies) required to record the bond transactions. (22%)

- On August 1, 2001, Ryan Corporation called its 10% convertible bonds for conversion. The \$4,000,000 par bonds were converted into 160,000 shares of \$20 par common stock. On August 1, there was \$350,000 of unamortized premium applicable to the bonds. The fair market value of the common stock was \$20 per share. The company records the conversion using the book value method. Ignore all interest payments.
- Garnett, Inc. decides to issue convertible bonds instead of common stock. The company issues 10% convertible bonds, par \$1,000,000, at 97. The investment banker indicates that if the bonds had not been convertible they would have sold at 94.
- The Gomez Company issues \$2,000,000 of bonds with a coupon rate of 8%. To help the sale, detachable stock warrants are issued at the rate of ten warrants for each \$1,000 bond sold. It is estimated that the value of the bonds without the warrants is \$1,974,000 and the value of the warrants is \$126,000. The bonds with the warrants sold at 101.

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The net CHANGES in the balance sheet accounts of Younger Corporation for the year 2001 are shown below.

(36/90)

Account	Debit	Credit
Cash	\$ 92,000	
Short-term investments		\$121,000
Accounts receivable	73,200	
Allowance for doubtful accounts		13,300
Inventory	74,200	
Prepaid expenses		22,800
Investment in subsidiary (equity method)		20,000
Plant and equipment	210,000	
Accumulated depreciation		130,000
Accounts payable	80,700	
Accrued liabilities		16,500
Deferred tax liability	15,500	
8% serial bonds		80,000
Common stock, \$10 par		90,000
Additional paid-in capital		150,000
Retained earnings—Appropriation for bonded indebtedness	60,000	
Retained earnings—Unappropriated	38,000	
	\$643,600	\$643,600

An analysis of the Retained Earnings—Unappropriated account follows:

Retained earnings unappropriated, December 31, 2000		\$1,300,000
Add: Net income		287,000
Transfer from appropriation for bonded indebtedness		60,000
Total		\$1,647,000
Deduct:		
Cash dividends	\$145,000	
Stock dividend	240,000	385,000
Retained earnings unappropriated, December 31, 2001		\$1,262,000

- On January 2, 2001 short-term investments (classified as available-for-sale costing \$121,000 were sold for \$150,000.
- The company paid a cash dividend on February 1, 2001.
- Accounts receivable of \$16,200 and \$19,400 were considered uncollectible and written off in 2001 and 2000, respectively.

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◀ 注意背面尚有試題 ▶

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4. Major repairs of \$25,000 to the equipment were debited to the Accumulated Depreciation account during the year. No assets were retired during 2001.
5. The wholly owned subsidiary reported a net loss for the year of \$20,000. The loss was recorded by the parent.
6. At January 1, 2001, the cash balance was \$136,000.

INSTRUCTIONS

Prepare a statement of cash flows (indirect method) for the year ended December 31, 2001. Younger Corporation has no securities which are classified as cash equivalents.