

# 淡江大學九十四學年度轉學生招生考試試題

系別：會計學系三年級

科目：會計學(一)

准帶項目請打「V」	
✓	簡單型計算機

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本試題雙面印製

一、(20%) True-False Statements (是非題；對的寫 O，錯的寫 X)

- ( ) 1. Depreciation is a valuation concept.
- ( ) 2. Cash flow from investing activities is considered the most important category on the statement of cash flows because it is considered the best measure of expected income.
- ( ) 3. Applying accrual accounting results in a more accurate measurement of net income for the period than does cash basis accounting.
- ( ) 4. The LIFO reserve is the difference between ending inventory using LIFO and ending inventory if FIFO were used instead.
- ( ) 5. A change in the estimated salvage value of a plant asset requires a restatement of prior years' depreciation.
- ( ) 6. The difference between unearned revenue and accrued revenue is that accrued revenue has been recorded and needs adjusting and unearned revenue has never been recorded.
- ( ) 7. The LIFO inventory method tends to smooth out the peaks and valleys of a business cycle.
- ( ) 8. If a corporation issued bonds at an amount less than face value, it indicates that the corporation has a weak credit rating.
- ( ) 9. The amount of a cash dividend liability is recorded on the date of record because it is on that date that the persons or entities who will receive the dividend are identified.
- ( ) 10. If prices never changed there would be no need for alternative inventory methods.

二、(20%) Presented below are a series of **unrelated situations**.

1. Don Company's unadjusted trial balance at December 31, 2004, included the following accounts.

	Debit	Credit
Allowance for doubtful accounts	\$4,000	
Net sales		\$1,500,000

Don Company estimates its bad debt expense to 1% of net sales. What is the balance in the Allowance for Doubtful Accounts of Don Company at December 31, 2004?

2. An analysis and aging of Ben Corp. accounts receivable at December 31, 2004, disclosed the following.

Amounts estimated to be uncollectible	\$150,000
Accounts receivable	1,650,000
Allowance for doubtful accounts (debit balance)	125,000

What is the net realizable value of Ben's receivables at December 31, 2004?

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3. Hoa Co. provides for doubtful accounts based on 3% of credit sales. The following data are available for 2004.

Credit sales during 2004	\$2,100,000
Allowance for doubtful accounts 1/1/04	14,000
Collection of accounts written off in prior years	8,000
Customer accounts written off as uncollectible during 2004	30,000

What is the balance in the Allowance for Doubtful Accounts of Hoa Co. at December 31, 2004?

4. At the end of its first year of operations, December 31, 2004, CoCo Inc. reported the following information.

Accounts receivable, net of allowance of doubtful accounts	\$950,000
Customer accounts written off as uncollectible during 2004	24,000
Bad debt expense for 2004	74,000

What should be the balance in accounts receivable at December 31, 2004, Before subtracting the allowance for doubtful accounts?

三、(20%) The Darson Company prepared the following income statement using the cash basis of accounting:

THE DARSON COMPANY  
Income Statement, Cash Basis  
For the Year Ended December 31, 2004

Service revenue.....	\$380,000
Expenses.....	<u>220,000</u>
Net income.....	<u>\$160,000</u>

Additional data:

1. Service revenue does not include \$40,000 of services rendered on account because the collection will not be until 2005. It includes \$20,000 of service revenue earned in 2003 and collected in 2004.
2. Expenses do not include \$15,000 of expenses on account because payment will not be made until 2005. On December 31, 2004, borrow \$100,000, one year, and interest rate 6%, from bank.
3. Depreciation on a company whole fixed assets for the year amounted to \$8,000.
4. On July 1, 2004, paid for a two-year insurance policy on the automobile amounting to \$2,000. On January 1, 2004, paid for office equipment amounted to \$5,000.

**Required:**

- (a) Recast the above income statement on the accrual basis in conformity with generally accepted accounting principles. Show computations.

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四、The following information is available for Fullson Company for 2004. Fullson uses the LIFO inventory method.

Beginning inventory	\$ 500,000
Ending inventory	700,000
Beginning LIFO reserve	100,000
Ending LIFO reserve	300,000
Cost of goods sold	6,000,000
Sales	8,000,000

**Required:**

- (a) Calculate the inventory turnover ratio and days in inventory for Fullson Company based on LIFO. (Assume: 1 year = 365 days) (6%)
- (b) Calculate the inventory turnover ratio and days in inventory after adjusting for the LIFO reserve. (14%)

五、Presented below are a series of unrelated situations.

1. (10%) A machine cost \$60,000, has annual depreciation expense of \$12,000, and has accumulated depreciation of \$30,000 on December 31, 2003. On April 1, 2004, when the machine has a fair value of \$24,000, it is exchanged for a similar machine with a fair value of \$72,000 and the proper amount of cash is paid.

**Required:**

Prepare all entries that are necessary at April 1, 2004.

2. (10%) **Prepare journal entries** to record the following transactions related to long-term bonds of Renn Co.

- (a) On April 1, 2004, Renn issued \$900,000, 9% bonds for \$968,163 including accrued interest. Interest is payable annually on January 1, and the bonds mature on January 1, 2014.
- (b) On July 1, 2006 Renn retired \$270,000 of the bonds at 102 plus accrued interest. Renn uses straight-line amortization.