淡江大學96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(二)

可否使用計算機			
可	√	否	

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一、Multiple Choice　　　　P.1

se the following information for questions 1 and 2

On January 1, 2005, Wintz Corporation acquired machinery at a cost of $600,000. Wintz adopted the straight-line method of depreciation for this machine and had been recording depreciation over an estimated life of ten years, with no residual value. At the beginning of 2008, a decision was made to change to the double-declining balance method of depreciation for this machine.

1、Assuming a 30% tax rate, the cumulative effect of this accounting change on beginning retained earnings, is
a. $67,200.
b. $0.
c. $78,960.
d. $112,800.

2、The amount that Wintz should record as depreciation expense for 2008 is
a. $60,000.
b. $84,000.
c. $120,000.
d. none of the above.

3、During 2008, a construction company changed from the completed-contract method to the percentage-of-completion method for accounting purposes but not for tax purposes. Gross profit figures under both methods for the past three years appear below:

	Completed-Contract	Percentage-of-Completion
2006	$ 475,000	$ 800,000
2007	625,000	950,000
2008	700,000	1,050,000
	$1,800,000	$2,800,000

Assuming an income tax rate of 40% for all years, the affect of this accounting change on prior periods should be reported by a credit of
a. $600,000 on the 2008 income statement.
b. $390,000 on the 2008 income statement.
c. $600,000 on the 2008 retained earnings statement.
d. $390,000 on the 2008 retained earnings statement.

4、Ealon Company began operations on January 1, 2007, and uses the FIFO method in costing its raw material inventory. Management is contemplating a change to the LIFO method and is interested in determining what effect such a change will have on net income. Accordingly, the following information has been developed:

	2007	2008
Final Inventory		
FIFO	$640,000	$ 712,000
LIFO	560,000	636,000
Net Income (computed under the FIFO method)	980,000	1,080,000

Based on the above information, a change to the LIFO method in 2008 would result in net income for 2008 of
a. $1,120,000.
b. $1,080,000.
c. $1,004,000.
d. $1,000,000.

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◀注意背面尚有試題▶

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可	✓	否	

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P.2

5. Early, Inc. is a calendar-year corporation whose financial statements for 2007 and 2008 included errors as follows:

Year	Ending Inventory	Depreciation Expense
2007	$162,000 overstated	$135,000 overstated
2008	54,000 understated	45,000 understated

Assume that purchases were recorded correctly and that no correcting entries were made at December 31, 2007, or at December 31, 2008. Ignoring income taxes, by how much should Early's retained earnings be retroactively adjusted at January 1, 2009?

a. $144,000 increase
b. $36,000 increase
c. $18,000 decrease
d. $9,000 increase

二、The net *changes* in the balance sheet accounts of Windsor Corporation for the year 2008 are shown below.

Account	Debit	Credit
Cash	$ 82,000	
Short-term investments		$121,000
Accounts receivable	83,200	
Allowance for doubtful accounts		13,300
Inventory	74,200	
Prepaid expenses		17,800
Investment in subsidiary (equity method)		20,000
Plant and equipment	210,000	
Accumulated depreciation		130,000
Accounts payable	80,700	
Accrued liabilities		21,500
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, 2007		$1,300,000
Add: Net income		327,000
Transfer from appropriation for bonded indebtedness		60,000
Total		$1,687,000
Deduct: Cash dividends	$185,000	
Stock dividend	240,000	425,000
Retained earnings unappropriated, December 31, 2008		$1,262,000

1. On January 2, 2008 short-term investments (classified as available-for-sale) costing $121,000 were sold for $155,000.
2. The company paid a cash dividend on February 1, 2008.
3. Accounts receivable of $16,200 and $19,400 were considered uncollectible and written off in 2008 and 2007, respectively.
4. Major repairs of $33,000 to the equipment were debited to the Accumulated Depreciation account during the year. No assets were retired during 2008.
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, 2008, the cash balance was $166,000.

Instructions

Prepare a schedule computing the net cash flow from operating activities using the indirect method

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P.3

三、

On January 1, 2007, Barbra Streisand Co. purchased 25,000 shares (a 10% interest) in Elton John Corp. for $1,400,000. At the time, the book value and the fair value of John's net assets were $13,000,000.

On July 1, 2008, Streisand paid $3,040,000 for 50,000 additional shares of John common stock, which represented a 20% investment in John. The fair value of John's identifiable assets net of liabilities was equal to their carrying amount of $14,200,000. As a result of this transaction, Streisand owns 30% of John and can exercise significant influence over John's operating and financial policies. Any excess fair value is attributed to goodwill.

John reported the following net income and declared and paid the following dividends.

	Net Income	Dividend per Share
Year ended 12/31/07	$700,000	$1.00
Six months ended 6/30/08	500,000	None
Six months ended 12/31/08	815,000	$1.55

Instructions (未實現不須攤銷)

Determine the ending balance that Streisand Co. should report as its investment in John Corp. at the end of 2008. (列示計算)

四、

Derrick Adkins Construction Company began operations in 2007. Construction activity for the first year is shown below. All contracts are with different customers, and any work remaining at December 31, 2007, is expected to be completed in 2008.

Project	Total Contract Price	Billings through 12/31/07	Cash Collections through 12/31/07	Contract Costs Incurred through 12/31/07	Estimated Additional Costs to Complete
1	$ 560,000	$ 360,000	$340,000	$450,000	$140,000
2	670,000	220,000	210,000	126,000	504,000
3	500,000	500,000	440,000	330,000	–0–
	$1,730,000	$1,080,000	$990,000	$906,000	$644,000

Instructions

Prepare a partial income statement and balance sheet to indicate how the above information would be reported for financial statement purposes. Derrick Adkins Construction Company uses the completed-contract method.

五、

On May 1, Carter, Inc. factored $800,000 of accounts receivable with Rapid Finance on a without recourse basis. Under the arrangement, Carter was to handle disputes concerning service, and Rapid Finance was to make the collections, handle the sales discounts, and absorb the credit losses. Rapid Finance assessed a finance charge of 6% of the total accounts receivable factored and retained an amount equal to 2% of the total receivables to cover sales discounts.

Instructions

(a) Prepare the journal entry required on Carter 's books on May 1.

(b) Prepare the journal entry required on Rapid Finance's books on May 1.

(c) Assume Carter factors the $800,000 of accounts receivable with Rapid Finance on a *with* recourse basis instead. The recourse provision has a fair value of $14,000. Prepare the journal entry required on Carter's books on May 1.