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# 淡江大學 102 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)

考試日期：7月24日(星期三) 第4節

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## 一. MULTIPLE CHOICE QUESTIONS (20%)

On January 1, 2009, Nobel Corporation acquired machinery at a cost of \$600,000. Nobel 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 2012, a decision was made to change to the double-declining balance method of depreciation for this machine. (Please using the above information to answer question 1 and question 2)

本試題雙面印刷

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 Nobel should record as depreciation expense for 2012 is

- a. \$60,000.
- b. \$84,000.
- c. \$120,000.
- d. none of the above.

3. What effect does the issuance of a 2-for-1 share split have on each of the following?

	<u>Par Value per Share</u>	<u>Retained Earnings</u>
a.	No effect	No effect
b.	Increase	No effect
c.	Decrease	No effect
d.	Decrease	Decrease

4. On December 31, 2010, Gledhill, Inc. sells production equipment to Crosse Manufacturing for €480,000. Gledhill includes a 1-year warranty service with the sale of all its equipment. The customer receives and pays for the equipment on December 31, 2010. Gledhill estimates the prices to be €488,000 for the equipment and €12,000 for the warranty. How much revenue related to the warranty should Gledhill recognize for the year 2010?

- a. €-0-
- b. €12,000.
- c. €11,803.
- d. €11,520.

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5. The net income for Akira Industries for 2012 was ¥302,000. During 2012, depreciation on plant assets was ¥114,000, amortization of patent was ¥50,000, and the company incurred a loss on sale of plant assets of ¥27,000. What is the net cash flow from operating activities?
- ¥111,000
  - ¥439,000
  - ¥339,000
  - ¥493,000

二. On April 30, 2002, Company issued 8% bonds with a par value of \$900,000 due in 20 years. They were issued at 82.8 to yield 10% and were callable at 102 at any date after April 30, 2010. Because of lower interest rates and a significant change in the company's credit rating, it was decided to call the entries issue on April 30, 2011, and to issue new bonds. New 6% bonds were sold in the amount of \$1,200,000 at 112.5 to yield 5%; they mature in 20 years. Interest payment dates are October 31 and April 30 for both and new bonds.

**Instructions (24%)**

- Prepare journal entries to record the retirement of the old issue and the sale of the new issue on April 30, 2011. Unamortized discount is \$118,470.
- Prepare the entry required on October 31, 2011, to record the payment of the first 6 months' interest and the amortization of premium on the bonds.

三. Presented below is information related to Starr Company.

- |   |             |
|---|-------------|
| 1. Net Income [including a discontinued operations gain (net of tax) of \$70,000]   | \$230,000   |
| 2. Capital Structure  |             |
| a. Cumulative 8% preference shares, \$100 par,<br>6,000 shares issued and outstanding   | \$600,000   |
| b. \$10 par,,74,000 ordinary shares outstanding on January 1.<br>On April 1, 40,000 shares were issued for cash. On October 1,<br>16,000 shares were purchased and retired.   | \$1,000,000 |
| c. On January 2 of the current year, Starr purchased Oslo Corporation.<br>One of the terms of the purchase was that if Starr's net income for the<br>following year is \$2,400,000 or more, 50,000 additional shares would<br>be issued to Oslo stockholders next year. |             |

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## 3. Other Information

- |   |      |
|---|------|
| a. Average market price per ordinary share during entire year | \$30 |
| b. Income tax rate  | 30%  |

**Instructions (24%)**

Compute earnings per share for the current year. (Disclose the basic EPS and Dilutive EPS by Income from continuing operations, Discontinued operations (net of tax), Net Income )

四. Dyke Company's net incomes for the past three years are presented below:

<u>2012</u>	<u>2011</u>	<u>2010</u>
\$480,000	\$450,000	\$360,000

During the 2012 year-end audit, the following items come to your attention:

- Dyke bought a truck on January 1, 2009 for \$196,000 with a \$16,000 estimated residual 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)
- During 2012, Dyke 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:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Straight-line	36,000	36,000	36,000
Double-declining	46,080	57,600	72,000

The net income for 2012 was computed using the double-declining balance method, on the January 1, 2012 book value, over the useful life remaining at that time. The depreciation recorded in 2012 was \$72,000.

- Dyke, in reviewing its provision for uncollectibles during 2012, 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 2011 and 2012 when the expense had been \$18,000 and \$12,000, respectively. The company recorded bad debt expense under the new rate for 2012. The company would have recorded \$6,000 less of bad debt expense on December 31, 2012 under the old rate.

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**Instructions (24%)**

- (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) Compute the net income to be reported each year 2010 through 2012.
- (c) Assume that the beginning retained earnings balance (unadjusted) for 2010 was \$1,260,000. At what adjusted amount should this beginning retained earnings balance for 2010 be stated, assuming that comparative financial statements were prepared?
- (d) Assume that the beginning retained earnings balance (unadjusted) for 2012 is \$1,800,000 and that non-comparative financial statements are prepared. At what adjusted amount should this beginning retained earnings balance be stated?

五. The following information was taken from the 2011 financial statements of Jenny Gardner

Corporation:

Inventory, January 1, 2011	\$ 90,000
Inventory, December 31, 2011	120,000
Accounts payable, January 1, 2011	75,000
Accounts payable, December 31, 2011	120,000
Sales	600,000
Cost of goods sold	450,000

**Instructions (8%)**

If the direct method is used in the 2011 statement of cash flows, what amount should Jenny Gardner report as cash payments to suppliers?